



## Millennials: Pay Down Debt and Get Rich in Just 1 Decade

### Description

Millennials have had a really hard go this year, but it's not as if we aren't used to it. I was born in 1989, so I know the trials we've all faced. Millennials were born during a downturn and entered university or the job market during the Great Recession to try to make a career, own a home, and do, you know, *normal* adult things, and the pandemic hit.

Cool. Thanks, life.

And through all this, millennials like me have been taking on more and more (and more) debt: student debt, mortgages, credit card debt, car payments, lines of credit — it makes one quite dizzy, don't you think?

That's why today, my fellow millennials, I will focus on paying down that debt. What's more, I'll offer advice that could make you rich — all within a decade.

Don't believe me? Read on.

### First, get that TFSA together

There are a lot of portfolio options out there, but since millennials likely need cash on hand, I'd recommend the Tax-Free Savings Account (TFSA) first and foremost. It allows you to invest your cash, but you can take it out should you suddenly need to make a large payment.

But I also like the TFSA because there is so much room for investment. Now, don't get me wrong, I know that millennials may not have a lot of cash to invest. Or do you? Have you made a budget? Is there cash simply just sitting in your savings? Can I ask: *why*?

I'd like to emphasize that the phrase "savings account" is in TFSA. I would consider putting in as much as you can, knowing full well that you can take it out whenever you need it. In that sense, after paying your bills, loans, and other mandatory payments, you should be stashing the rest in your TFSA. This method *also* helps you come up with a number to keep for spending and doesn't tempt you to spend a

single cent from the cash stored in your TFSA.

## How much we talking here?

Let's say you're a millennial who has an average of \$27,000 in student loans and makes about \$50,000 per year. Of that, the average cost of living in Canada is around \$4,500 a month right now. That includes travel costs, groceries, and rent for a three-person home. So, if you have a partner, that number is cut in half to \$2,250 a month, or \$27,000 per year.

That right there is your student debt, but, of course, you're going to want to purchase other items besides paying down loans. This is why millennials should look to investing. You can put aside what cash you can afford to not have directly on hand every month. This will help you turn your cash into even more cash, pay down debt, and increase riches.

So, what should you invest in?

## Keep it simple, stupid

Sorry; you're not stupid. But I'm assuming most millennials are familiar with *The Office* and therefore remember this phrase being *quite* helpful. It's the same for investing. Invest in simple, [long-term companies](#) that will continue to bring in strong returns for over the next decade.

For me, I would choose at least a dividend stock or two, along with some companies in the business of commodities. Three I like are **Canadian Imperial Bank of Commerce**, **NorthWest Healthcare Properties REIT**, and **Canadian Pacific Railway**.

You'll get access to high yields from three companies that will remain in business for at *least* the next decade. What's more, you'll get major growth as well. CIBC stock offers a yield of 4.86% as of writing and is a safe [Big Six bank](#). NorthWest offers healthcare properties around the world, with a 6.1% dividend yield. Finally, CP stock doesn't have a super-high yield but major growth that's set to continue thanks to the acquisition of Kansas City Southern.

## Bottom line

If you were to take \$20,000 each year and invest in these three stocks for a decade, reinvesting dividends along the way, here is what you could get: based on historical performance, your portfolio could be worth \$542,526! That's *more* than enough to put towards all your debt and make you rich beyond your wildest dreams in just a decade.

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