TFSA Investors: 1 TSX Stock for Beginners to Buy Now With $3,000

Description

The Tax-Free Savings Account (TFSA) is an ideal place for beginner investors to store their cash. Each year, the government adds additional contribution room, with those eligible in 2009 now having a $81,500 limit. But that doesn't mean you *must* reach that limit. In fact, you certainly shouldn't be waiting around hoarding cash if it means you're missing out on a strong **TSX** stock to invest in.

Yet that's what many seem to be doing these days. The TSX is still *far* down from where it was in the beginning of 2022. And yet in the last month, the TSX is back up over 10%! So, it looks like TFSA investors may want to find a TSX stock or two that could help your TFSA grow substantially. Then use a far less volatile method of investing rather than putting it all down at once.

Dollar-cost averaging: Play a long-term game

TFSA investors must remember that when you find a great TSX stock, it should be one that you want to hold for years, if not decades. That's what makes you the most amount of money, and it's been proven time and again that you are far more likely to make more through long-term investing rather than with short-term growth stocks.

But how do you get into that investment in the first place? If you have $3,000 you want to aim for in 2022, then you need to simply calculate how much that would take off your paycheque each month. After you find the TSX stock that's right for your goals, you simply invest in that stock on a consistent basis.

This method of investing is called dollar-cost averaging. It reduces volatility by allowing you to invest over time and see growth, knowing that even if there's a dip your strong TSX stock will rebound in the future. This is a great way to reduce volatility for new investors who are still wary about the March 2020 and 2022 drop in share prices.

You can't time the market, so invest in it

I've spoken to so many economists and financial advisors who all say the same trope: it's not about timing the market but time *in* the market. The longer you're in the market, the better, no matter when you buy. It all simply comes down to choosing the right TSX stocks.

So, if you're a beginner investor looking for a great purchase, I would consider **CI Financial** (TSX:CIX)(NYSE:CIXX). The asset manager owns assets around the world and yet remains a strong value play for those seeking growth from their TSX stocks.

In fact, the TSX stock recently reported total assets of $348.5 billion for the last quarter, falling short of estimates by $0.01 per share but in a time when the markets were down in general. Now, CI Financial looks to be in recovery mode, making it a great time to invest.

But remember, this is a long-term purchase, and this TSX stock is strong. Over the last 20 years, CI Financial has grown by 270%, giving it a compound annual growth rate (CAGR) of 6.77%. It offers a 4.56% dividend yield, and you can purchase it at the cheap rate of 7.46 times earnings.

Bottom line

If you're looking for a valuable TSX stock you can hold long term, I would certainly consider CI Financial for TFSA investors. In fact, if shares were to recover to pre-drop prices at today's share price, you could have a portfolio worth $5,884! From there, if you held it for two decades and reinvested dividends, by then, you could have a portfolio worth $30,387 based on today's historical data.

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