

\$5,000 Invested in These 3 Stocks Could Make You Rich Over the Next 20 Years

Description

Few stocks have what it takes to grow consistently over multiple decades. These are usually blue-chip companies or the ones that grow *into* large-cap, blue-chip companies. And even though that's not the only way to get rich with stocks, it's one of the most predictable.

You can also invest in certain <u>tech stocks</u> like crypto companies that may spike following the rise of the underlying crypto token or catch a riding trend like the energy sector rise between 2020 and 2022.

But if you are looking for more predictable stocks that may have the potential to grow your capital by a significant margin in the next two decades, here are three you may consider starting with.

A railway stock

Canadian Pacific Railway (TSX:CP)(NYSE:CP) has been the faster of the two Canadian railway giants, and it's expected to become significantly more potent if its acquisition of a US-based railway company goes through. The deal is currently paused due to regulatory hurdles, but if it passes this challenge, Canadian Pacific Railway will become the first company to connect Canada, the US, and Mexico via a rail network.

Canadian Pacific stock has risen over 525% in the last decade, and if we add in the dividends, the overall returns become even more attractive. The 10-year CAGR is at 21.2%. But even if we use an average growth of about 50% a year to project its performance for the next two decades, you may be able to turn a \$5,000 investment into \$50,000.

An energy stock

TerraVest Industries (TSX:TVK) is only classified as an energy stock because the equipment itmakes and the services it provides are targeted primarily towards energy businesses and consumers.It's both a business-to-business and business-to-consumer company that makes products for bothcorporate and individual clients.

Its energy sector clients benefit from its ammonia and NGL vessels and transport vehicles. And it makes home heating products for individual consumers.

The stock has risen well over 800% between Aug 2012 and Aug 2022. Even if we take that as a baseline for the growth in the next two decades, the stock may be capable of growing your capital by 1,600%, that's *if* it keeps growing at the current pace. That momentum may grow a \$5,000 investment into a sizeable \$80,000 nest egg in the next two decades.

A specialty real estate company

StorageVault Canada (TSX:SVI) is a real estate company with a particular niche – storage spaces. The company owns multiple brands under its banner that own, manage, or provide services to selfstorage space businesses.

As a result, it has become one of Canada's largest players in this market space. This paves the way for acquisitions and new consolidation opportunities, enhancing the company's growth potential.

StorageVault Canada has seen exceptional growth in the last 10 years – over 3,000%. That's over 300% a year and too generous a baseline. But even if we consider one-third of the growth, the stock can still get you to about \$100,000 in two decades with just \$5,000 invested. The stock is relatively overvalued, but it has maintained a healthy growth pace in the past, despite its overvaluation.

Foolish takeaway

These three stocks (individually) could help you grow the \$5000 in capital to somewhere between \$50,000 and \$100,000 if they repeat the last decade's performance for the next two decades (or even if they underperform a bit). Even if we split the capital and invest it in three companies, the overall gains could be over 10x in two decades.

CATEGORY

- 1. Investing
- 2. Stocks for Beginners

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- 2. TSX:CP (Canadian Pacific Railway)
- 3. TSX:SVI (StorageVault Canada Inc.)
- 4. TSX:TVK (TerraVest Industries Inc.)

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