



Long-Term Stocks: How to Grow Your TFSA From \$50,000 to \$1,000,000

Description

If you're consistently saving money to build up a nest egg and wondering how to grow your Tax-Free Savings Account (TFSA) with high-quality stocks, [long-term investing](#) is a proven strategy that helps to minimize risk and allow for more discipline.

Power of compounding

Investing is all about [compound interest](#). You can grow your money by trading and investing in the short term. However, it's much harder to execute in addition to just staying disciplined.

Long-term investing helps to mitigate against volatility. It also helps investors to have more patience and the discipline and confidence to buy stocks when markets are selling off.

So, we know that long-term investing is crucial, but if you're wondering how you can grow your TFSA as quickly and efficiently as possible, there are three main factors that can influence how much money you make.

First is obviously the stocks you buy and how fast they grow. The second is also obvious and has to do with how much money you start with as well as how much you save over time. Last and perhaps most importantly, though, is the length of time you give your capital to compound.

How to grow your TFSA rapidly

Because we want to maximize the value we can grow our TFSA to, it's crucial to find high-quality stocks that we can buy and hold for years. We also want to save and invest as much money as possible. But most importantly, it's crucial to begin as soon as possible.

If you were to start with a \$50,000 TFSA today and continued contributing \$5,000 in savings each year for life and earn a compounded annual growth rate (CAGR) of 8% on your investments, it would take you 30 years to reach a \$1 million portfolio. In total, you would actually have more than \$1,065,000 on

just \$200,000 in total savings.

Furthermore, if you were to continue saving and investing for just five more years while growing your money at the same 8% rate, you could earn an extra \$530,000 in five years on just \$25,000 more in savings. That would bring your total investments to over \$1.6 million, thanks to the power of compound interest.

So, if you're looking at how to best grow your TFSA consistently and rapidly, finding high-quality Canadian stocks that you can buy and hold for years is one of the best strategies and an excellent way to take advantage of the power of compound interest.

One of the best Canadian stocks you can buy now

When you find stocks that can grow their businesses at an attractive pace and do so consistently for years to come, it doesn't necessarily matter what price you pay initially to buy the stock. However, you can certainly increase your potential gains by investing in stocks when they're significantly [undervalued](#), which is why now is such an excellent opportunity for investors.

There are several high-quality stocks that can help you to grow your TFSA and contribute to the significant compounding. One of which is **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)), the largest residential real estate investment trust (REIT) in Canada.

CAPREIT, as it's known, is an excellent long-term investment, because it's a reliable business that owns highly defensive assets. In addition, the REIT is a cash cow and is constantly providing investors with an attractive yield while also increasing its distribution yearly.

One of the most important reasons why CAPREIT is a perfect stock to help you grow your TFSA is that it consistently grows at an impressive pace.

Over the last 20 years, CAPREIT has earned investors a CAGR of 11.25% for a total return of just shy of 750%. Furthermore, over the last 15 years, the CAGR investors earned was roughly 10.2%, and over the last decade, investors have earned a CAGR of roughly 9.2%.

Therefore, considering how reliable CAPREIT is, how consistently it's grown in the past, and the fact that it's trading undervalued in today's market environment, it's one of the best stocks to buy and hold for years.

So, if you're wondering how to quickly grow your TFSA, I'd invest for the long haul, start as soon as possible, and look for reliable stocks to buy, such as CAPREIT.

CATEGORY

1. Investing

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1. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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