



Turn a TFSA Investment Into \$274K by 2033

Description

The [Tax-Free Savings Account](#) (TFSA) is a stellar way to build wealth over the years. Since 2009, contribution room has grown year after year. As of writing, investors can add a total of \$81,500 to their TFSA if they were 18 in 2009 and have yet to make any contributions.

But I certainly hope you have. The longer you can invest in your TFSA, the more income you can make! And again, that's all *tax free*. In fact, even if you haven't added a dime, you could still stand a chance at making incredible wealth within the next decade.

Today, I'm going to look at the best stock that could do that for your TFSA.

Brookfield Renewable Partners

I've been towing the line for **Brookfield Renewable Partners** ([TSX:BEP.UN](#)) for a while now. And no, it's not just because I've invested in it. Though that's true, the reason why I've invested in it is because the company has a strong future of growth ahead of it, along with a stellar history of returns.

Brookfield Renewable invests specifically in [renewable energy assets](#). But that's as specific as it gets. These assets are diverse in their type, from solar to wind, and location, with setups around the world. Because of this, Brookfield has income coming from multiple locations at any given point.

Even with interest rates rising, Brookfield stock continues to do well. This has been helped in part from countries wanting to move towards clean energy and therefore create their *own* energy at home. This leaves little to no dependence on outside sources.

Altogether, Brookfield creates a prime opportunity for those seeking long-term income for their TFSA.

Creating long-term wealth

Let's say you're an investor who wants to get in on Brookfield stock. Now is a great time to consider it. After the company hit all-time highs with the Biden administration coming into power in the United

States, shares fell off after that. Add in the recent downturn, and shares are down 33% since all-time highs. Year to date, they're even down by about 10% as of writing.

But let's look at the bigger picture here. Right now, I'd consider these numbers a good thing, because it offers a discount on long-term growth. In the last 20 years, shares of Brookfield have climbed by 1,551% as of writing. That's a compound annual growth rate (CAGR) of 15.04%!

Furthermore, you can lock up a dividend yield of 4.56% at these rates. And that dividend alone has also climbed by a CAGR of 18.33% in the last decade alone!

How much could you make?

There's \$81,500 of contribution room right now in your TFSA. That's likely to turn into around \$88,000 come Jan. 1, 2023, based on the last few years of contributions from the government. But I am most certainly not recommending you put every cent into Brookfield.

Instead, choose a number you're comfortable with. For the purposes of this article, let's say you put half of your contribution room into Brookfield. That would be a contribution of \$40,750. That would buy you about 1,036 shares at \$39.33 per share as of writing, bringing in passive income of about \$1,803 each year.

If you were to then reinvest that passive income over the next decade, you could buy even more shares! Now, let's say you saw the same amount of growth discussed here for the next decade. By 2033, your investment in Brookfield could be worth \$274,266! And remember, that's *not* considering the enormous jump we could see back to all-time highs.

Bottom line

Of course, this is just an example to show just how valuable your TFSA is. Always speak with your financial advisor about your investments. However, Brookfield is certainly one I would bring up based on historical growth and a stable future for the next decade and beyond.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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Date

2025/07/21

Date Created

2022/12/06

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