



TFSA: Invest \$215,625 in These 2 Stocks for a Legit Shot at \$1 Million

Description

This year's Tax-Free Savings Account (TFSA) contribution limit is \$6,500. If you have unused contribution room from previous years, you will have more contribution room. Canadian investors should take full advantage of their [TFSA](#) room to earn tax-free returns. For those who have never contributed to their TFSAs, you could have as much as \$88,000 of contribution room!

Your TFSA can be a huge helper for your wealth creation. An \$88,000 TFSA with additional contributions of \$6,500 per year earning 12% per year will surpass \$1 million in fewer than 18 years!

For the proven stocks below, it's not a matter of if but when they could make you \$1 million. Of course, the more you invest at cheap valuations (such as now), the sooner you'd reach \$1 million.

A high-growth stock that pays a nice dividend

goeasy ([TSX:GSY](#)) stock offers high growth potential while paying a nice dividend. The leading non-prime lender has risen super fast from helping Canadians who could not borrow from traditional means. For example, its 10-year annualized returns are 34.9%! Assuming a tax-free environment, investors would need to have invested just under \$50,000 10 years ago to be a millionaire today.

Over the years, the company has improved its underwriting model, which is two times more predictive than the traditional credit score. The result is earnings that are more stable through economic cycles.

The dividend stock yields 3.4%, which is a decent yield for its growth potential. For reference, its 10-year dividend-growth rate is 22.7%.

The company is much bigger than it was 10 years ago. However, it still has plenty of growth potential. First, in normal years, we experience inflation, which should drive greater demand for borrowing. Second, over the years, the company has diversified its financing offerings across consumer leasing, direct-to-consumer lending, and point-of-sale financing.

The stock can still potentially deliver 20% per year over the next decade, accounting for its dividend

and projections on its valuation expansion and earnings growth. Assuming this return were to materialize, investors would need to invest roughly \$161,506 today to grow to \$1 million in a decade.

A quality utility that has solid growth potential

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) is a reliable [dividend stock](#) to buy on dips for investors focused on growing their position to \$1 million. For illustration, its 10-year annualized returns are 15.8%, which greatly outperformed the market return of 8.2%. Assuming tax-free returns, investors would need to have invested about \$231,427 a decade ago in BIP to be a millionaire today.

BIP owns and operates a diversified portfolio of long-life, high-quality infrastructure assets. This portfolio benefits from regulated and contracted cash flows that are largely indexed to inflation. Reported so far for the first nine months of 2022, the utility increased its funds from operations (FFO) per unit by 12.4%.

The stock can still potentially deliver 14% per year over the next decade, accounting for its dividend and projections on its valuation expansion and FFO growth. Assuming this return were to materialize, investors would need to invest roughly \$269,744 today to grow to \$1 million in a decade.

The Foolish investor takeaway

For a legitimate shot at \$1 million in 10 years, investors can invest \$215,625 equally across the two stocks. The reality, though, is that most people don't have a big lump sum to invest. In practice, it's more likely that you'll have savings every month, quarter, or year to contribute towards your goal of \$1 million. Keep in mind that the further projections are made into the future, the more inaccurate they would be. So, it'd be wise to make annual reassessment of your portfolio and estimates.

Moreover, if you have a longer investment horizon than 10 years, you can certainly invest less periodically but still eventually achieve a \$1 million portfolio. More importantly, invest regularly, such as fully contributing to your TFSA every year to keep fueling your portfolio. Also consider that two stocks aren't sufficient for [portfolio diversification](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn

5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kayng
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