



## Millionaire by 40: Top 4 Ways to Hit Your 1st Million

### Description

Millionaire status may not mean as much as it used to, but it is still used as a key milestone for investors, businessowners, and other top professionals in their respective fields. A study by Statistics Canada revealed that the median net worth of Canadian families was \$329,900 in 2019. The median net worth in the 35 to 44 age group was \$234,400. That means your first million is still nothing to sneeze at in comparison to your peers. Today, I want to look at four ways you can look to hit your first million at the age of 40.

### Make your bones in the real estate market

The Canadian [real estate market](#) proved to be a huge source of wealth creation over the past decade. Indeed, young investors who got into the market in the beginning of the 2010s likely came into this decade in an enviable financial position. The average price of a Canadian home was \$339,030 in 2010. That average shot up to \$816,720 as of March 2022.

### Gobble up capital gains in a TFSA

The [Tax-Free Savings Account \(TFSA\)](#) is a registered account that was launched in Canada in January 2009. When you invest in this account all investment income and capital growth are completely tax free. This makes it an extremely valuable investment vehicle. That is especially true today, as its cumulative contribution room has grown to a whopping \$88,000 as of January 2023. An aggressive and savvy investor can achieve a lot with that base in five to 10 years.

**goeasy** ([TSX:GSY](#)) has been one of my favourite TSX stocks over the past decade, and the kind of equity investors should consider in their TFSA. This Mississauga-based company provides non-prime leasing and lending services to consumers in Canada. Its shares have climbed 24% in 2023 as of early afternoon trading on February 3.

This stock cratered to the \$30 price mark during the March 2020 market pullback. However, it would rebound and hit over \$215/share by late September 2021. That means investors who bought the dip

had the chance to enjoy an increase over 600% in a short period of time. These kind of plays in a TFSA can put you on the path to becoming a young millionaire.

## Invest in high-risk high-reward sectors

Investors who opt for an aggressive and ambitious route open themselves up to greater risk. But they can win big at the right time. Canadians who jumped into the cannabis market immediately before and after the election of Justin Trudeau and his Liberals in 2015 were rewarded with huge gains in the mid-2010s.

**Canopy Growth** ([TSX:WEED](#)) was one of the first big [cannabis stocks](#) to attract attention during this initial boom. Its shares would grow from the low single digits in price in late 2015 to a \$60 price point and above in the weeks immediately before official recreational cannabis legalization. The cannabis market made more than a handful of millennials millionaires in the previous decade.

Cryptocurrencies also provided a huge growth opportunity for investors in the late 2010s. However, it has also punished more than a handful of investors who entered without fully comprehending the risks.

## The good, old-fashioned way: Save early and invest wisely

There is rarely a substitute for discipline, patience, and good research over the long term in the investing world. This is the route that offers the most reliable path to generating considerable wealth and hitting that millionaire milestone over the course of your investment timeline. In this instance, you might want to stick with balanced blue-chip stocks that offer a blend of capital growth and solid income.

**Royal Bank** ([TSX:RY](#)) is the largest Canadian bank and the biggest stock on the TSX by market cap. Its shares have climbed 7.6% so far in the New Year. The stock possesses a favourable price-to-earnings ratio of 12 at the time of this writing. Moreover, it offers a quarterly dividend of \$1.32 per share. That represents a 3.8% yield.

### CATEGORY

1. Investing

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2. TSX:RY (Royal Bank of Canada)
3. TSX:WEED (Canopy Growth)

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