

Starting to invest doesn't require spending large sums of money upfront. Even with limited assets at hand and some careful thought put into your selection process, investing can provide huge returns and can even build an emergency fund or help reach other financial milestones more easily than you might imagine.

Here is an overview of the top ten most profitable investments designed to benefit those with limited funds:

1. **Micro-Investing Apps**

Micro-investing apps such as Acorns, Stash and Robinhood provide accessible ways to expand one's wealth. By rounding up each transaction and investing the difference into a diversified portfolio (even just rounding off \$0.75 from a coffee purchase will contribute toward building wealth), these platforms make investing accessible. Users may see annual returns similar to what the stock market historically averaged (usually 7-10%).

Benefit

With consistent contributions and dividend reinvestment, even small investments can grow quickly over time; even modest contributions could grow into significant wealth over five years.

• **High-Yield Savings Accounts**

They are commonly referred to as HYSAs and typically yield higher returns than traditional savings products such as money market accounts or CDs, with some online banks even offering them at interest rates between 2-4%, ideal for building emergency funds that also compound. By setting aside \$50 monthly into a HYSAs, you can see your emergency fund grow exponentially over time.

Benefit

High Yield Savings Accounts provide an ideal option for risk-averse individuals looking to accumulate funds while mitigating market fluctuations.

• **Certificate of Deposit**

CDs provide a fixed interest rate over a set period of six months, one year or beyond. Many banks offer CDs with minimum deposits as low as \$500 to offer guaranteed returns that

provide safe investment options that help your money grow without risk.

Benefit

With an annual percentage yield (APY) typically between 3-5%, investing several hundred dollars in CDs can produce predictable and long-term returns over time, especially useful for those seeking security and predictability in their returns.

- **Exchange-Traded Funds**

ETFs pool money from various investors to invest in an array of stocks, bonds and commodities similar to stocks or mutual funds. However, unlike mutual funds, they can be bought and sold like stocks, making them ideal for small investors looking for exposure across diverse sectors and asset classes. Options like the S&P 500 ETF typically provide steady returns by following market movements over time.

Benefit

With even \$100, you can purchase ETF shares to leverage their growth across entire sectors while mitigating individual stock risks. On average, ETFs have yields between 7-9% annually.

- **Peer-to-Peer Lending**

P2P lending platforms connect investors and borrowers directly, allowing you to fund loans for small amounts with interest income earned as repayment nears completion. Platforms like LendingClub and Prosper allow as little as \$25 invested per loan, while returns can range between 10-12% depending on the creditworthiness of the borrower(s).

Benefit

Lending offers higher returns than traditional savings or CDs. However, as there is the possibility of borrower default risk, it's wise to spread loans across multiple loans in order to mitigate it.

- **Robo-advisors**

Robo-advisors such as Betterment and Wealthfront provide automated investment solutions tailored to your goals and risk tolerance, with low minimum deposit requirements that offer diverse portfolios consisting of bonds, stocks and other investments.

Benefit

Robo-advisors' automated rebalancing and tax-efficient strategies often produce competitive returns comparable to traditional financial advisors at much-reduced costs, typically 5-8 % annually for returns of this nature.

- **Dividend Stocks**

Dividend-paying stocks offer you the potential of passively earning regular payments through regular dividend payouts, like Coca-Cola and Procter & Gamble do. Even modest initial investments can begin yielding quarterly payments that you can invest back into more shares over time.

Benefit

Such stocks not only offer steady income and growth potential, but their compounded dividends may soon add significant value to your portfolio over time.

- **Real Estate Crowdfunding**

Some platforms, such as Fundrise or RealtyMogul, enable individual investors to participate for around \$500 through related platforms without incurring direct ownership costs for commercial properties, apartment complexes, or single-family homes. Rather, individuals benefit from real estate without its associated costs of ownership directly.

Benefit

Investment in property businesses typically offers returns between 8-12% annually, making them an excellent way to diversify outside of stocks and bonds.

- **Bonds and Treasury Securities**

They offer fixed returns over an agreed-upon time, such as U.S. Treasury bonds, corporate bonds or municipal bonds available for investment. They are considered lower-risk investments that offer steady returns; US savings bonds may even provide returns over 20 years.

Benefits

Bond returns are typically lower than stocks at 2-5% per annum. However, their stability makes them an effective way to diversify a portfolio and provide it with balance and security.

1. **Cryptocurrency**

Though more volatile than other investments, cryptocurrency can offer huge returns with just \$10 invested through platforms such as Coinbase or Binance. However, due diligence must still be exercised due to the market's volatility.

Benefit

The cryptocurrency market can deliver substantial gains quickly. However, investors with small amounts should proceed with caution due to possible market fluctuations that might cause losses.

Conclusion

These 10 investments demonstrate how even small investments can yield substantial rewards with the appropriate approach. By choosing an investment type that aligns with your risk tolerance and financial goals, it's possible to grow wealth while working toward financial security. Though each avenue entails its own set of risks and returns, taking a diversified approach may help balance out potential returns while mitigating losses. Whether through micro-investing, high-yield savings accounts or dividend stocks, starting small today could set you on the path toward future financial security.