

Money In Minutes

Stop Saving, Start Investing — The Complete Guide

Your savings account is losing money every single day. Here's how to fix it in 15 minutes.

Why Your Savings Account Is Losing Money

The Math That Banks Don't Want You to See:

- Average savings account interest rate: **0.01% APY**
- Average inflation rate (2020-2025): **3-4% per year**
- Your "safe" money is losing **3-4% of its purchasing power every year**
- \$10,000 in a savings account today will buy only ~\$7,400 worth of goods in 10 years

Saving is not the same as building wealth. You need your money to grow faster than inflation erodes it.

Step 1: Move to a High-Yield Savings Account (5 Minutes)

Before you invest, you need an emergency fund (3-6 months of expenses) in a **High-Yield Savings Account (HYSA)** earning 4-5% APY — that's 400-500x more than your regular bank.

| HYSA Provider | APY (as of 2025) | Min. Balance | Best For |
|------------------------|------------------|--------------|--------------------------|
| Wealthfront | 4.50% APY | \$0 | Best overall rate |
| Marcus (Goldman Sachs) | 4.40% APY | \$0 | Big bank reliability |
| Ally Bank | 4.20% APY | \$0 | Best banking features |
| SoFi | 4.30% APY | \$0 | Checking + savings combo |

Action: Open a HYSA today. Transfer your emergency fund there. Keep 1-2 months of expenses in your regular checking for bills, move the rest. This alone earns you \$200-\$500+/year on a \$10K balance instead of \$1.

Step 2: Start Investing in Index Funds (10 Minutes)

Index funds let you own a tiny piece of hundreds or thousands of companies at once. No stock picking, no timing the market, no expertise needed. Warren Buffett himself recommends index funds for 99% of people.

VOO

Vanguard S&P 500 ETF

What: Top 500 US companies
(Apple, Google, Amazon, etc.)

Avg Return: ~10.5%/year

Fee: 0.03%/year

VTI

Vanguard Total Market ETF

What: Entire US stock market
(~4,000 companies)

Avg Return: ~10.3%/year

Fee: 0.03%/year

VXUS

Vanguard International ETF

What: ~8,000 international
companies

Avg Return: ~7.5%/year

Fee: 0.07%/year

Simplest portfolio: Put 80% in VTI (US total market) and 20% in VXUS (international). Set it and forget it. This gives you global diversification across ~12,000 companies for a fee of pennies per year.

Step 3: Max Your 401(k) Match (Free Money)

If your employer offers a 401(k) match, **this is the single best investment you will ever make**. A typical match is 50-100% of your contribution up to 3-6% of your salary.

Example: You earn \$60K/year. Employer matches 100% up to 4%.

- You contribute 4% = \$2,400/year
- Employer adds \$2,400 = **100% instant return**
- That's \$4,800/year invested, but only \$2,400 came from your paycheck
- Not contributing? You're leaving \$2,400/year of free money on the table

2025/2026 Contribution Limits:

- 401(k): \$23,500/year (under 50) | \$31,000/year (50+)
- IRA (Roth/Traditional): \$7,000/year (under 50) | \$8,000/year (50+)

Priority order: (1) 401(k) up to employer match, (2) Max Roth IRA, (3) Max remaining 401(k), (4) Taxable brokerage account

The Comparison That Changes Everything

\$500/month invested consistently. Three different approaches. Look at the difference.

| Strategy | Rate | 10 Years | 20 Years | 30 Years |
|-------------------------------|--------------|------------------|------------------|--------------------|
| Regular Savings (0.01%) | 0.01% | \$60,030 | \$120,120 | \$180,270 |
| HISA (4.5%) | 4.50% | \$75,200 | \$186,900 | \$354,800 |
| S&P 500 Index Fund | 10.5% | \$105,600 | \$395,000 | \$1,180,000 |

**Same \$500/month. Same person. The only difference is *where* the money sits.
Regular savings: \$180K. Index funds: \$1.18 MILLION. That's the cost of "playing it safe."**

Get Started Checklist (15 Minutes Total)

- Open a HISA (Wealthfront, Marcus, or Ally) — transfer emergency fund there
- Check your employer's 401(k) match — contribute at least enough to get the full match
- Open a Roth IRA (Fidelity, Schwab, or Vanguard — all free, no minimums)
- Buy your first index fund: start with VTI or VOO (even \$50 is enough)
- Set up auto-invest: recurring weekly or monthly purchase of your index fund
- Set a calendar reminder: increase contributions by 1% every 6 months
- Delete your trading apps — don't check daily, don't panic sell, let compounding work

You don't need to be a financial expert. You don't need to pick stocks. You just need to start — and let time do the heavy lifting. Every day you wait costs you money.

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