

How to Grow Your Money Fast

When your to-do list stretches for miles, your bank account isn't always top of mind. Here's how to nurture your savings in the most hands-off ways possible. BY LISA FREEDMAN

1 OPEN A HIGH-YIELD SAVINGS ACCOUNT

Most traditional savings accounts offer an interest rate of around 0.03%. But if you're willing to say goodbye to a brick-and-mortar location, you could earn more than 2% interest with online banks like WebBank (webbank.com) and Vio Bank (viobank.com). "Online banks have less overhead, so they're able to offer you better interest rates," explains Andrea Woroch, a consumer-savings expert. Check bankrate.com to see where you'll get the most interest, and pick a bank that is FDIC insured.

2 CONTRIBUTE UP TO YOUR COMPANY'S 401(K) MATCH

It's timeworn advice, but many employees still don't take full advantage of their employers' 401(k) matches, says Danielle Seurkamp, an Ohio-based member of the National Association of Personal Financial Advisors. "If your employer matches 100% up to 3%, and you put away 3%, you're

instantly doubling your money," she explains. David Bach, author of *The Latte Factor* and *Smart Women Finish Rich*, recommends that you put 12% of your total salary into your 401(k). That may sound like a lot, but it's equivalent to setting aside one hour's pay every workday for a year.

3 SET UP AUTOMATIC TRANSFERS

Instead of trying to remember to move money into a savings account on a regular basis, set up an automatic transfer. On your bank's website, change the transfer settings to automatically move a certain amount of money from your checking account into a savings account (with the same bank or another one) every month, every other week, or whenever you want. Woroch recommends starting small—with, say, \$25 a month—especially if money is tight. "You won't miss it, and it

will start to accumulate," she says. After a couple of months, bump the amount to \$30 or even \$50.

4 LOOK INTO TARGET-DATE INDEX FUNDS

Hoping to retire in, say, 2040? A target-date investment fund, a mix of stocks and bonds designed to gradually increase in stability until your chosen date, can help you hit your goal on time. Look for ones built on index funds rather than "active" funds, which can come with high fees. Manisha Thakor, VP of Financial Wellbeing at wealth management firm Brighton Jones, recommends Fidelity Freedom Index Funds and Vanguard Target Retirement Funds.



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REAL WORLD SAVINGS SECRETS

Investment Success

"Five years ago, I opened an E-Trade investment account online with \$500 my mother gave me. I chose some stock (mainly Apple and Netflix), and I set an automatic withdrawal from my checking account for \$30 every pay period. As my account grew, I was able to buy more stock. With an overall investment of \$4,400, my account is now at \$23,550."

NICOLE DUNN, 47, Los Angeles



Slow and Steady

"I transfer 10% of each paycheck into a high-yield savings account. I don't touch that money. I have another 10% of each paycheck that gets automatically moved into an investment account. I do not want to wake up one day regretting that I did not save enough."

PRATIBHA VUPPULURI, 37, New York City



Secret Password

"Once I set an intention for my saving, I change the passwords on my bank and shopping accounts to include a phrase that reminds me of my goal, like 'dream road trip.' I'm a big Amazon shopper, so a password like this makes me give a second thought to buying another swimsuit or pair of sunglasses I don't need."

BRIN CHARTIER, 30, Austin



THE DO'S AND DON'TS OF CHECKING AND SAVINGS ACCOUNTS

DO: PAD YOUR CHECKING ACCOUNT

"I like to keep a \$1,000 buffer in my checking account," says Kumiko Love, a financial counselor and the blogger behind *The Budget Mom*. "This protects me from overdraft fees if I need to make an emergency purchase." Your buffer might be anywhere from a few hundred to a thousand dollars, depending on your income and monthly expenses.

DON'T: INCUR FEES

Some banks will charge you if you don't meet their

minimum balance requirement or don't have direct deposit set up, points out Keri Danielski, a spokesperson for Mint. Monthly charges of \$4.99 add up, so make sure you know the parameters for your account.

DO: CONSIDER GETTING A SECOND CHECKING ACCOUNT

"If you make larger purchases every so often, consider having two checking accounts," says Danielski. "Use one for regular spending, like rent and food, and have another you can put a little more cushion into, from which you'll

pay for larger one-off purchases." If you're saving for more than one big expense (a down payment on a house and a vacation, for example), consider opening a high-yield savings account for each goal.

DON'T: FORGET TO CHECK YOUR BALANCE

"Keep tabs on your checking balance regularly—at least once a week and before you make any hefty purchases," says Danielski. And set up an alert with your bank to let you know when your balance dips below a certain amount.

How to Spend \$1,000

If you are out of debt and have a nice nest egg, these ideas can take your earnings to the next level.

» **Build Your Skills** Use the money to grow your earning potential—hire a coach to help you fine-tune a skill, attend a few networking events or a conference, take a class, etc.

» **Start a Side Hustle** If you're great at, say, taking photos or making pottery, use the money to buy new equipment or launch a website. "Test the market for your service or goods with a site like Etsy or Fiverr," suggests Kimberly Palmer, author of *Smart Mom, Rich Mom*. "If there's a demand, then you can invest more money."

» **Invest in Your Kid** If you have a child in high school, consider using the money for an SAT or ACT prep course. "If that \$1,000 gets them a better score on a test, it could really end up being a meaningful reduction in how much they or you have to take out in loans," says Seurkamp.

