

The secret to grow your investment faster – that many investors do not know



Can you actually make your investment grow faster? This is probably one of the top questions investors ask and many, like you, would like to know if there is a way they can influence how fast their monies grow. If you invest in a mutual fund, for example, you are made to understand that you do not directly control the returns on the investment and can only hope for the best when you invest. Well, that's true. Our method here is not to make you influence the returns, but to make you influence how much you can make on the investment within a particular time frame.

Let's say you had 25 years to retirement and wanted to retire with GHC 1,000,000 in your investment account. How can you make this happen? Is it even possible? What many investors do is to wait for a huge amount of money they can invest for it to grow. Although that could work (if you usually get a lot of huge amounts coming in), a faster and more convenient plan would be to invest smaller amounts regularly.

Little drops of investments...

Let's use an illustration to explain the power of regular investing. We used the Databank Investment Calculator to arrive at the figures we got here.



Ama

Invests GHC 10,000 (one-time)
for 25 years = **GHC 415,441**



Kwame

Invests GHC 250 every month
for 25 years = **GHC 691,546**

Calculation assumed an average annual return of 15%

Clearly, the little drops of GHC 250 do much more than a large drop of GHC 10,000 investment held for 25 years. We also calculated how much you needed to invest each month (again with our Investment Calculator) if you wanted to have GHC 1,000,000 in the next 25 years. It was a moderate GHC 367.02 every month. Many people will not be able to invest a lump sum of GHC 20,000 or GHC 50,000 but many of us can do GHC 300 a month, if we want to.

This is the great secret of making more with your investment – investing regularly. Investing thrives on compounding, and the more money you have to invest, the better for you. If you have an investment goal and you do not have a strategy to achieve it, it is as good as no plan at all.

Another big hurdle

There's yet another hurdle when it comes to implementing this investing secret. Many investors are not able to make consistent investing a habit. Sometimes, we genuinely forget. You planned to invest last month but you only remembered in the middle of the month when you had spent almost all the money. At other times, it could be that there were more needs that month, which meant that you are not able to save any money at all. These and many more are genuine reasons why consistent investing can be a huge hurdle.

But we have the solution to this challenge: sign up for automatic deductions from your account into your investment account. At Databank, it is called Direct Debit. Direct Debit is an arrangement between you, your bank and your investment account. Every month (or quarter), you set an amount that can be deducted from your account to fund your investment. We have even made it possible to do this from your Mobile Money account.

How to sign up for Direct Debit

- 1 Online:** Go to bit.ly/mydirectdebit to complete a simple online registration.
- 2 In-branch:** You may also pick up a Direct Debit form at any of our branches across Ghana and sign up.

Now, you have in your hands the power to significantly increase your investment returns. Remember, no amount is too small; what you need is to keep it regular. Start investing now. **Call 0302 610610** for assistance.

Invest wisely. Invest in Databank.

