Do You Want a Safe Investment That Yields a High Return?

Profitable investing may not always require that you analyze stocks. The most practical and profitable investments often have to do with paying off debts! We wrote about this in our article about **How to Invest Your Inheritance**.

> *The first step before you start investing your inheritance is to get rid of any high interest debts such as credit card debt. It is not easy to make a return of eighteen percent per year per year on your investments. But that is what you are probably paying on credit card debt. Pay off your credit card debt first and foremost.*

Also consider buying your home instead of renting.

> *The best long term investment is in your home. Every cent of interest you pay on your home mortgage is deductible from your federal taxes. Own the home you live in and do not pay rent that goes into someone else's pocket. How to invest your inheritance is to start by putting money down on your own home.*

A slightly more complicated safe investment with a high return applies to home owners. You probably are paying mortgage insurance along with the principal and interest on your mortgage. You may not need to do this and fixing this can save your money resulting in a nice return on investment. *The Huffington Post* says to **pay off your mortgage insurance** for a safe investment with a high yield.

> *Home purchasers who were obliged to take out private mortgage insurance (PMI) because their down payment was less than 20% of the price have the right to cancel it, ridding themselves of the monthly premium. Borrowers should take advantage of the opportunity if they can but they must meet the cancellation rules.*

Read the article to see how you can do this. The writer says your return on money invested to pay down your mortgage to the level where you can cancel your mortgage insurance could be as good as 8.96%. As we noted in our article about **how much money you need to make a living investing,** this is a reasonable rate of return to expect.

How about Stocks?

Over the long term the stock market out performs other investments. Of course you could have a crystal ball that allows you to see the next Microsoft and invest immediately once it goes public. But assuming no magic how do you find a safe investment with a high yield? The best advice probably comes from a famous investor and the second richest man in the world, Warren Buffett. Buffett avoids tech stocks because he cannot predict who the winners will be in the next 5 to 10 years. But he says that he can predict how much people will pay for Snickers bar, Coca Cola or even their life insurance. Thus he invests in companies where he understands how it is that they make their money and will continue to make their money over the years. Index funds that track the S&P 500 are a common choice as they are essentially tracking the economy. Other choices include dividend-paying utility stocks that grow over time and send you a quarterly check as well.

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