

4 low-risk investments with the highest returns

From bank closures and inflation to [rate hikes from the Federal Reserve](#), there seem to have been countless pocketbook-changing economic events over the past few years.

In the face of these, many Americans are now looking for ways not just to protect their cash — but grow it, too. And while traditional investments like the stock market can be smart ways to build wealth, they also come with risks — risks that many aren't willing to take in today's volatile economic environment.

Fortunately, there are other options, things like [certificates of deposit](#) and [high-yield savings](#) accounts, and more. Are you looking for a low-risk way to grow your money? If so, it helps to know what experts recommend.

[Start by reviewing your high-yield savings options here to see how much more you could be earning.](#)

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Here are four ways investors can grow their money with minimal (or no) risk.

Certificates of deposit

[Certificates of deposit](#) — or CDs — are one smart way to earn a solid rate of return while taking little risk.

With these, you make an initial investment into a [CD account](#) — one with a set term, usually between three months and five years. As long as you keep the money in the account until that term is up, you'll get a fixed interest rate on your money.

"CDs through FDIC-insured banks are offering competitive yields," says Lucas Bucl, a certified financial planner at Aspyre. "A typical one-year CD can offer rates in the 5.25% range."

[Laddering CDs](#) is another option. This involves purchasing CDs with [varying terms](#) in order to take advantage of higher rates and keep your money fairly liquid over time.

"Laddering certificates of deposits is an effective low-risk investment strategy," says Ray Prospero, partner advisor at AdvicePeriod. "By purchasing CDs with staggering maturities, it allows you to lock in current higher rates on longer-term CDs, safeguarding your returns against potential future rate declines. As each CD in the ladder matures, you have the opportunity to reinvest or access the funds regularly, providing a steady income stream."

[Explore your CD options here now to learn more!](#)

High-yield savings accounts

[High-yield savings accounts](#) are also good ways to grow your money with very little risk. Though traditional savings accounts only offer a mere 0.42% APY, on average, according to the [FDIC](#), many online banks are offering high-yield accounts with rates much higher than this.

"If you aren't ready to take on more risk and commit to a longer, more illiquid investment for a higher return, then sitting on cash in a high-yielding account while you search for assets to grow that money long-term makes a lot of sense with today's rates," says Kelly Ann Winget, CEO and founder of Alternative Wealth Partners.

She's right: Many institutions are currently offering rates of 4.50% or more, according to our [best high-yield savings accounts](#) round-up.

Government securities

Government securities — which include bonds, notes and T-bills — have long been considered some of the safest, lowest-risk investments around, but today, they also have fairly high returns.

"For the best low-risk investment that offers high returns, I'd suggest U.S. Treasury securities, which are offering much higher yields than in the recent past," Bucl says. "Yields, as of August 1, for securities with a one-year maturity are running about 5.3%. Longer maturities are offering somewhat lower yields, but still above 4%."

Jeff Busch, partner and investment advisor at Lift Financial, recommends laddering securities, as you would in a CD ladder — purchasing a variety of bonds with staggered maturity dates.

"This creates a steady income stream and flexibility for reinvestment," he says.

Real estate

Though it takes a larger upfront investment, real estate can be a low-risk, high-return option, too — as long as you have a longer time horizon. In fact, according to data firm [CoreLogic](#), the average homeowner gained a whopping \$14,300 in [equity](#) on their property in 2022 alone.

"When bought at the right price and at a manageable interest rate, real estate can be a great investment for someone looking to grow their money in a safe asset class," Winget says.

The key, as Winget notes, is getting a good price on the property and choosing the right location — one where home values will likely increase in the years to come.

The worst low-risk investment

Whatever you do, don't just leave extra cash sitting stagnant in a regular checking account or traditional savings account.

"If your money is in a regular savings account — not a high-yield one — at one of the big banks, chances are you are earning as little as 0.01%," says Christopher Johns, owner of Spark Wealth Advisors. "With high inflation, your money is losing value by sitting in these accounts. There are dozens of options that can earn 500 times more interest than those."