

10 Ways To Invest \$1,000 RightNow in 2024aa

If you had an extra \$1,000, how would you invest it?

This article will discuss ten different ways to invest\$1,000 in 2024 to start growing yourmoney now.

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1. Pay Off Your Debt

Before investing, you will want to consider paying offany high-interest debt. This type of debt refers tothings like [credit card debt](#) or personal loans and notmortgages.

Why should you pay off your debt? No matter howmuch you make from investing, your debt willdiminish your gains, especially if it continues tocompound. This is an easy way to makethe most ofa \$1,000 windfall.

2. Build Up Your Emergency Fund

Do you or your family have an emergency fund? Ageneral rule is to have between 3 to 6 months ofeither your salary or your expenses set aside in caseof an emergency. You willwant this fund to be asliquid as possible, so hold your emergency fund incash, not assets.

What's the best way to hold cash as an emergencyfund? Putting your money into a [High-Interest Savings Account](#) can earn you a solid interest ratewhile your cash sits there and accumulates.

Note that putting your money into a HISA is safe asthere is no chance of losing money. The interest ratein the HISA is determined by the Bank of Canada'sovernight interest rate, so it could be lower in thefuture.

The apparent downside to holding this much cash inyour HISA is the opportunity cost of investing thatmoney. While the capital gains from stocks might bemore alluring, you will thank yourself when a suddenemergency cost arises.

3. Invest in Your RRSP or TFSA

Registered investment accounts in Canada have plenty of benefits for Canadian investors. They are tax-friendly and can be a great place to park \$1,000 until your retirement.

With an [RRSP](#), any contribution you make is tax-deductible. Investment income earned is not taxed until you withdraw your investments, hopefully in your retirement.

The TFSA, or Tax-Free Savings Account, has been popular since it launched in 2009. This account is entirely tax-free for withdrawals, capital gains, dividends, and interest. The caveat is that you can only contribute a set amount each year, with the current lifetime contribution at \$95,000 as of 2024.

Both accounts offer the benefit of long-term compounding on your investments. You can choose from stocks, ETFs, mutual funds, GICs, bonds, and other assets to invest your\$1,000 in.

