

How to Invest Money in Canada as a Beginner: Step-by-Step Guide

For beginners, investing can be an intimidating and overwhelming concept. With so many different assets and strategies, it is difficult to choose where to start.

When it comes to investing, the most important thing is that you get started. In this article, we'll provide a simple, step-by-step guide to investing in Canada as a beginner.

Why Invest in Canada?

Why should you consider investing? It is one of the best ways to put your money to work to build potential wealth for the future. There is always a dilemma between the risk-reward tradeoff when it comes to investing.

Generally speaking, the longer you invest your money, the greater the chance of creating wealth and seeing returns that outpace the inflation rate.

The secret to the growth of your investments is time and the power of compounding. Together, these two forces can grow your money at a substantial rate.

Of course, the alternative to investing your money is just to [hold it in a savings account](#). The return on your savings is minimal and is almost always lower than the rate of inflation. This means that when your money is just sitting in your account, it is losing value as time goes on.

How to Invest in Canada

Self-Directed Investing

This method of investing is when you would build and manage your own investment portfolio. For beginners, this can be challenging, especially if you are new to the stock market and want to [invest in stocks or ETFs](#).

The benefits of self-directed investing are clear. You will not incur any management fees aside from transaction fees on your brokerage or expense ratios for ETFs or mutual funds. There are no additional fees to pay to a portfolio manager.

The downsides of self-directed investing are that it can take up more of your time to research your investments. There can also be some losses in the beginning as you learn how to navigate the markets.

Robo-Advisor Services

[Robo-advisor services](#) have certainly gained popularity in recent years, and almost every brokerage in Canada offers its own robo-advisor accounts.

A robo-advisor account is a portfolio managed by human fund managers and AI algorithms. They build your investment portfolio around your investment goals.

The benefit of a robo-advisor service is that it is a set-it-and-forget-it investment strategy. It requires very little effort on your part, and you are trusting the fund managers to build you a

