

Forum:[Hack Forums](#)

Thread: [Investing apps or long-term investing](#)

Ninetales. - September 12, 2018, 10:44 pm

Has anyone used apps such as Acorns, Wealthfront, or Betterment? Or have an ETF with a major firm such as Vanguard or Schwab?

I am interested in long term investing through my time as a student but I feel that something like an ETF is too long-term, with apps like Acorns you can withdraw your funds pretty easily at a later date with smaller fees, but you do incur fees throughout your use of the service...

Acorns currently offers a student discount, so I'm going to register an account with them to see what a few months of an aggressive portfolio looks like, but it would be nice to know if anyone has any experience with other apps or methods of long-term investing.

Sigma - September 13, 2018, 11:22 am

Acorns is a good app to start with. Otherwise, for the long term, you should invest in mutual funds. That will have you opening an account with fidelity or other web apps.

Ninetales. - September 13, 2018, 12:29 pm

(Sep 13, 2018 11:22 AM)Sigma????? Wrote: [\[CITE\]](#) Acorns is a good app to start with. Otherwise, for the long term, you should invest in mutual funds. That will have you opening an account with fidelity or other web apps.

I made a robinhood and stash and threw a bit into some ETFs and stocks just to test the waters. Thanks for your input, tried applying for Fidelity but i didnt want to mail in my app

Sigma - September 13, 2018, 1:48 pm

Nice! Let me know if you need any advice. I'm always open to someone investing in the ace of spades award for me ;p

soar-x - September 13, 2018, 6:46 pm

are you willing to bet on the market? ok then buy an index like s&p and hold. simple as that.

redroyalty - September 13, 2018, 7:17 pm

(Sep 13, 2018 06:46 PM)soar-x Wrote: [\[CITE\]](#) are you willing to bet on the market? ok then buy an index like s&p and hold. simple as that.

If you bet on the S&P you will basically bet on 5 companies.

Market cap weighted indexes aren't good. It's basically overweight Apple and Amazon.

Ninetales. - September 13, 2018, 8:20 pm

(Sep 13, 2018 07:17 PM)redroyalty Wrote: [\[CITE\]](#) If you bet on the S&P you will basically bet on 5 companies.

Market cap weighted indexes aren't good. It's basically overweight Apple and Amazon.
where do you pick out information that you find is reliable?

THE NORTH FACE - September 13, 2018, 8:21 pm

I mostly am trying to learn Forex. However recently I've taken a look at TDAmeritrade. They have an

incredibly nice trading platform called ThinkorSwin (TOS).

There are much higher fees per trade than those robinhood or Acorns apps, but for longer term trades or more advanced trading the platform is very easy to navigate.

I don't know what robinhood or Acorns has for an actual trading program since I haven't used or looked at them before but (TOS) is very nice.

Ninetales - September 13, 2018, 8:31 pm

(Sep 13, 2018 08:21 PM)THE NORTH FACE Wrote: [\[CITE\]](#) I mostly am trying to learn Forex. However recently I've taken a look at TDAmeritrade. They have an incredibly nice trading platform called ThinkorSwin (TOS).

There are much higher fees per trade than those robinhood or Acorns apps, but for longer term trades or more advanced trading the platform is very easy to navigate.

I don't know what robinhood or Acorns has for an actual trading program since I haven't used or looked at them before but (TOS) is very nice.

robinhood is really nice with 0 commission at all, you just cant day trade or anything like that on it. acorns i wasnt approved so im trying out stash. robinhood gives you no help and marking the end of my first day i am down 1.5%

stash mainly spreads your funds into specifically etfs that you wish to invest in, but the returns are slow and steady just as any other etf investing app

i wish acorns approved me, the 1\$/month fees on stash doesnt sound too bad but at an annual growth of 6% id have to have at least like 400-600\$ invested into the app just to break even on fees

soar-x - September 13, 2018, 9:08 pm

(Sep 13, 2018 07:17 PM)redroyalty Wrote: [\[CITE\]](#) If you bet on the S&P you will basically bet on 5 companies.

Market cap weighted indexes aren't good. It's basically overweight Apple and Amazon.this doesn't make any sense.

90210 - September 14, 2018, 4:47 pm

How much capital do you have?

First I would focus on getting at least \$5K to \$10K in a savings account. That will help you in case you get into an emergency and need cash. Once you have that for a rainy day, then you can start putting your extra savings into long term instruments. When you're investing for the long term, you don't want to cash it out unless it's a dire circumstance.

I would look into starting an IRA and buying low cost market index funds. That will grow nicely for you over the next few decades.

Good luck!

redroyalty - September 15, 2018, 1:39 pm

(Sep 13, 2018 09:08 PM)soar-x Wrote: [\[CITE\]](#) this doesn't make any sense.

Not sure how that does not make sense. Pretty basic knowledge how the S&P is priced.

The S&P is a market cap index... meaning, companies with the highest market cap have the highest weight. Meaning, the gain and losses of 5 companies control the entire index.

Apple 4.45%

Microsoft 3.52%

Amazon 3.21%
Berkshire 1.6%
JP Morgan 1.57%
...
...
...
#15 AT&T 0.98%

At number 15, every single company has less than 1% exposure in the index. By time you get to 100 out of 500, the exposure is already below 0.01%...

This means, all gains and losses primarily come from those 5 companies mentioned above. Pretty much, if the techs take a hit, the S&P will take a massive loss.

You should familiarize yourself how indexes are created and how they are priced.

reBELLYus - September 15, 2018, 1:54 pm

Acorns and robo investing applications are not worth your time.

Depending on your tax bracket and general income level, you want to fund a Roth IRA through Vanguard. You can contribute up to \$5500/year (more if you are at least 59 1/2 years of age). Set your dividends to reinvest as opposed to going to your market funds.

If your income level is over the threshold to contribute to a Roth IRA, you can mega backdoor.

Based on the last 100 years, if you contribute \$5.5k per year to your Roth IRA for 35 years, compounding interest will turn your on-going investment into \$1M roughly upon retirement.

401K is another option for long-term growth but that's another story.

Artemis Fowl - September 15, 2018, 2:23 pm

Yeah, Robinhood is honestly the best brokerage for beginners to intermediates. Open up a Robinhood account and invest in some ETF's, maybe a few index's, and a few monthly dividend paying stocks and you'll be absolutely golden. Wish I had no fee trading available to me when I started.

Ninetales. - September 17, 2018, 5:30 pm

looking for more opinions

Juice. - September 18, 2018, 6:53 am

Posting to remind me to come back here later when I have time to give good answer.

Edit:

I would recommend Robinhood for your situation honestly. I had to mail in my app for Fidelity and I have everything settled out now, but I prefer RH interface actually. I'm using fidelity to hold long long term and RH for trading more.

Anyways, I see you are thinking ETFs are a little too slow but you want steady growth. I definitely understand that. Something you could look into are leveraged ETF's. A popular one is TQQQ. This tracks the NASDAQ but is leveraged 3x. This is an aggressive approach and can be risky but it is an option.

Are you interested in day trading, getting in and out every couple weeks/months, or something you mean like put money in and leave it until you need it?

Who Soup - September 19, 2018, 11:17 pm

Long term with a good ETF is the way to go. Unless you have the time to do the technical analysis I wouldn't bother day/swing trading.

SeriousShell - September 20, 2018, 9:01 pm

For apps, I hate to be cliché and a lot of my colleagues give me shit because it's a techy startup, but Robinhood is the way to go because fees do add up eventually.

As for what to invest in, go with an S&P 500 index fund. SPX or SPDR, as the S&P 500 is a value weighted portfolio of the top performing 500 US companies. So really, you're investing in America when you do that, which is a great idea right now.

Ninetales. - September 20, 2018, 10:03 pm

(Sep 20, 2018 09:01 PM)SeriousShell Wrote: [\[CITE\]](#) For apps, I hate to be cliché and a lot of my colleagues give me shit because it's a techy startup, but Robinhood is the way to go because fees do add up eventually.

As for what to invest in, go with an S&P 500 index fund. SPX or SPDR, as the S&P 500 is a value weighted portfolio of the top performing 500 US companies. So really, you're investing in America when you do that, which is a great idea right now.

I've been hearing that the stock market has been doing so well this year we're due for another major dump.

What are your thoughts on this?

SeriousShell - September 21, 2018, 4:18 am

I mean... it's funny because in another thread I said if I have a million dollars I'd wait for the market to crash and then buy at the bottom.

To be more technical, a "dump" isn't what we're looking at when the economy goes down. Economic cycles usually last 8-10 years, after which there will be a correction or recession. Nobody can say if it will be major or if it will be small. Anyone that claims to know is full of shit. But I do agree, per general economic trends, that a correction or recession is likely in the next year or two, even though that would extend the umbrella for a traditional economic cycle period of 10 years.

Did that help?

Ninetales. - September 21, 2018, 9:56 am

(Sep 21, 2018 04:18 AM)SeriousShell Wrote: [\[CITE\]](#) I mean... it's funny because in another thread I said if I have a million dollars I'd wait for the market to crash and then buy at the bottom.

To be more technical, a "dump" isn't what we're looking at when the economy goes down. Economic cycles usually last 8-10 years, after which there will be a correction or recession. Nobody can say if it will be major or if it will be small. Anyone that claims to know is full of shit. But I do agree, per general economic trends, that a correction or recession is likely in the next year or two, even though that would extend the umbrella for a traditional economic cycle period of 10 years.

Did that help?

Yea, thanks for your input! If buzz continues to stir, at what point in time would be a safe exit? Is there any indicator that traders would see before hand to know when they should be weary?

SeriousShell - September 21, 2018, 4:07 pm

(Sep 21, 2018 09:56 AM)Ninetales. Wrote: [CITE](#) yea, thanks for your input! if buzz continues to stir, at what point in time would be a safe exit? is there any indicator that traders would see before hand to know when they should be weary?

I personally don't think it'll happen before the end of this year. JP Morgan guesses 2020. I mean, if anyone knew exactly the day, then the recession would be quick and nobody would really lose.

There are a few indicators though.

An inverted yield curve, where the yield on short term debt is greater than yield on long term debt is an indicator of a recession (usually, but not always).

Debt given out with little due diligence. Kind of like the housing bubble. Banks believed that they could just collateralize the house and they would be good. Not true, as housing prices tanked, where the amount they financed for was significantly higher, so the underlying asset decreased in price big time (let's say to 200k), but the bank still paid the house owner before the price when the asset was worth what it was (300k). Make sense?

The catalyst for the recession, if you knew it, would make you a millionaire (see The Big Short).

Juice. - September 26, 2018, 11:04 pm

Yeah to be fair "experts" have been predicting the next crash every year and saying the recession is coming!

However, the market continue to climb and hasn't stopped yet. Sure it's going to happen eventually, but why miss out on the profits that are here now?

"Time in the market beats timing the market"