

How Long Should You Stick With A High Yield Investing Program?

By Brian Kay

Most people ask us when we feel is the right time for them to stop compounding/reinvesting and take their money out of a program. This is a tough answer to give. It all depends on the program that is invested in and the rate of return. Usually we recommend the following for the below 3 categories:

Type #1 HYIP - Low stable payers (Pays between 2-7% per week, 8-28% per month). This type of program is probably one of the safer types around. More likely than types 2 and 3, these are actually investing funds in Stocks, Forex, or other stable programs. This means that they will most likely be around for quite some time. Even if they do end up as a ponzi, their lifespan will be much longer than types 2 and 3. We recommend that you invest a sum of money and then compound half of your returns until you get back your principle. Once you have recovered your principle continue to compound/reinvest but this time at a rate of 60-70% of your returns. If the program sticks around, you should be able to profit quite a bit. Once you receive 250% return we recommend that you stop compounding and look for another program.

Type #2 HYIP - Mid range paying moderately secure program (Pays 8-16% per week, 32-64% per month). This type of program is probably the most popular among investors. They feel secure since the payouts are not too high, but also feel like they are going to quickly make a return on their investments. Many of these programs actually invest in other programs, forex, stocks, etc, however many are just ponzi's. We have found that most of Type 2 HYIP's are a mixture of both ponzi and investment program. They more than likely invest members funds in a variety of ways, but most of the time find it impossible to pay out such high returns with the revenue they are making. This forces them to become part ponzi and use some of the new members funds to pay off old members. In the case of the Type 2 HYIPs, we recommend you compound/reinvest only 20% of your returns until you get your principle back, then once you get your principle back you simply stop reinvesting and just let the program run it's course.

Type #3 HYIP - High paying, relatively insecure programs (Pays Over 17% per week and over 65% per month). These are usually the programs which are more than likely daily payers. For example 3%, 5%, 10% per day or even more are offered. 99.9% of the time these are at least part ponzi, and will most likely end within 3 months. These programs begin with the admin knowing that he will have to run a part ponzi program to succeed. It is nearly impossible to earn such high returns in a short period of time like most of these programs claim. The higher the daily return the less likely the program will last. If you dare to gamble your money in such programs, we recommend that you only invest one time and do not reinvest or compound your earnings. The lifespans of Type 3 programs are usually extremely short and those who invest right when the program opens are the ones who will walk away happy.

All in all these are just some of our opinions. Performance may vary. Stick to these guidelines and investigate HYIP's before investing in them.

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High Yield Investing
By Bobby Ryatt

What does High Yield Really Mean?

High yield investing has taken on a totally new dimension since the introduction of the internet and the basic personal computer. In the United States, a high yield account is considered to be anything over 5% monthly. Of course as the old adage goes, the higher the yield the larger the risk. This is true. You can not expect to earn more than an average percentage rate with less risk. It just doesn't make sense.

When discussing high yield interest accounts, are we talking about a savings account that produces a 5.4% annual percentage return? Well, yes. And no. It depends on who you are and what you consider to be possibilities and realistic.

By now most of us have heard about investment programs that claim to be able to produce ridiculously high returns. Traditional investors cringes when they hear terms like 25% per month for one year plus the return of principle, and they nearly quiver when they hear claims of 300% in eight weeks. Certainly these high yield investment programs must be scams. How can it be possible to produce such returns in such a short amount of time? And why isn't everyone out there doing this if it can really happen? If these high yield investments hold any water then in just five short years we could wipe out poverty and homelessness and no child would ever go to bed hungry or sick again!

Are High Yield Investments Scams?

Believe it or not this question is not a simple yes or no response. It can't be. The short and safe answer would be yes, they are scams. However, it is important to understand what they are and why they have not all been shut down by the government if they are nothing more than a way to steal your money.

High yield investment programs are not a place to try to earn an income. They are extremely volatile and unpredictable. People can and do make money from them, and sometimes it's a significant amount of money. But don't get excited and start rushing out to re-mortgage your house just yet.

Read every single disclaimer on a high yield investment program website and they will all say the exact same thing. High yield investing comes with the risk of losing money. Never invest more than you can stand to lose. Why? Because every high yield investment program will eventually crumble and those with money invested are going to lose.

High yield investment programs are based on principles similar to gambling. While most of do not, there are people in the world who make their living traveling around to casinos and gambling. Is it a scam? No. In fact most of us at least respect the fact that the individual is competent enough at playing casino games that they can earn a living at it regardless of how we feel about gambling ourselves. The same applies to earning a living from high yield investment programs. Most investors do not even consider them real investments and scoff at those who attempt to earn a living through high yield investing.

Most people who are able to fund their lifestyle and earn a living through high yield investment

programs started in using one of two methods. They either jumped in with both feet at the first program that sounded good to them and lost everything they invested or they researched high yield investment programs until their fingers went numb before ever investing a dime. Either way, both parties came to the conclusion that to come out ahead in high yield investments programs they would have to do ample research and completely understand the system and principles before they were going to succeed.

Earning a living through high yield investment programs takes a system that is easy to implement and follow to prevent early closing and hefty losses. This system takes a lot of due diligence and of course, some very specialized knowledge about forex trading and even gambling.

Reading the website's method of investment can tell the average high yield investor a lot about the security, or lack thereof, for any particular program. Most will admit to trading in forex, which any average investor can do with a little knowledge and research. Some will tell you that they are trading in commodities as well and some admit that they are also gambling with the investors' money, literally. Any website that says they are gambling using fool proof methods of winning should absolutely be avoided at all costs. There is no fool proof method of gambling.

High yield investing is probably something to be avoided altogether, although that is an individual choice only an individual investor can make. However, if you choose to get involved with a high yield investment program and you loose your money, that was your choice as well. Just like it is possible to loose money in the stock market, you are likely to loose money in high yield investments. An investor that looses money in the stock market doesn't typically file a lawsuit against the broker, so why are people so quick to file lawsuits and complaints when they loose money in high yield investment programs?

The answer is unpleasant but for the most part it is true. Greed. We can accept that there are poor investments out there and should we loose three or four thousand dollars in a bad investment we accept it as part of the potential outcome of investing. Yet because we got excited and our minds started spending the money we were hoping to see through a high yield investment now suddenly the people who run these programs are thieves. High yield investments are investments even if they do border on scams and you run the risk of losing your money. Remember the basic principle of any investment? The higher the return the more likely you are to lose your money.

High yield investments are incredibly risky and some of them are actually scams. Scam artists are everywhere and if there are people in the world who are willing to fork over thousands of dollars in the unrealistic hope that they can turn it into ten of thousands of dollars in a relatively short period of time then there will be people who are willing to steal that money from potential investors.

People are willing to donate their money to any valuable cause, so there are people who are willing to set up phony charities to steal donations from giving people. That certainly doesn't make every charity a scam and people aren't going to stop donating to charities of their choice. Just as there are individuals who will take advantage of people's kindness and desire to give to charities, there are individuals who are interested in scamming money from people who are trying to improve their financial portfolio through high yield investment programs. That doesn't mean every single high yield investment program is a scam.

The one thing all high yield investment programs do have in common is that sooner or later they will all fold, even those that start out being profitable. Just because a high yield investment program starts off producing the returns that it proposed in the beginning doesn't mean that it will continue to do so over a

long period of time. This is how the high yield investor gets dramatically burned. One or two programs that delivers for a period of time doesn't mean it's time to quit the job and devote all the available resources to high yield investing. It means that one or two programs are doing well. They will not do well forever and sooner or later they will crumble. That is the nature of high yield investing.

High Yield versus Conservative Investing

Which investment strategy is right for you? Only an individual investor can answer that question for their own interests. Some people can tolerate the significant risk factors while others prefer the stability of the more conservative and conventional methods of investing. Some people are more willing to take a gamble than others, and by all means high yield investing is a form of gambling.

There are dramatically fewer scams in conventional investing. Some people will always believe that high yield investing is a scam and there is nothing that will convince them otherwise. Just because some people are able to be successful doesn't mean that a program is not a scam. And just because something is a scam doesn't mean that some money can't be made anyway. Does it make it right or real or worthwhile? Again this is something that each individual investor needs to determine for themselves.

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Bobby Ryatt, If you enjoyed reading this articles, then go to my website where I have lots more on the subject. You will have free to use material and tips, No more guessing or taking risks after this.

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