15 Best Long-Term Investments (Grow Your Money Over Time) by Fiona

Warren Buffett once said:

“Successful investing takes **time**, discipline and **patience**.”

It’s true: You get the highest return when you invest for the **long term**.

And in this guide, I’m going to show you the 15 best long-term investments.

Let’s get started.

Best Long-Term Investments

Remember: The earlier you start investing, the better your chances are for higher returns.

With that said, let’s kick things off with investment idea #1:

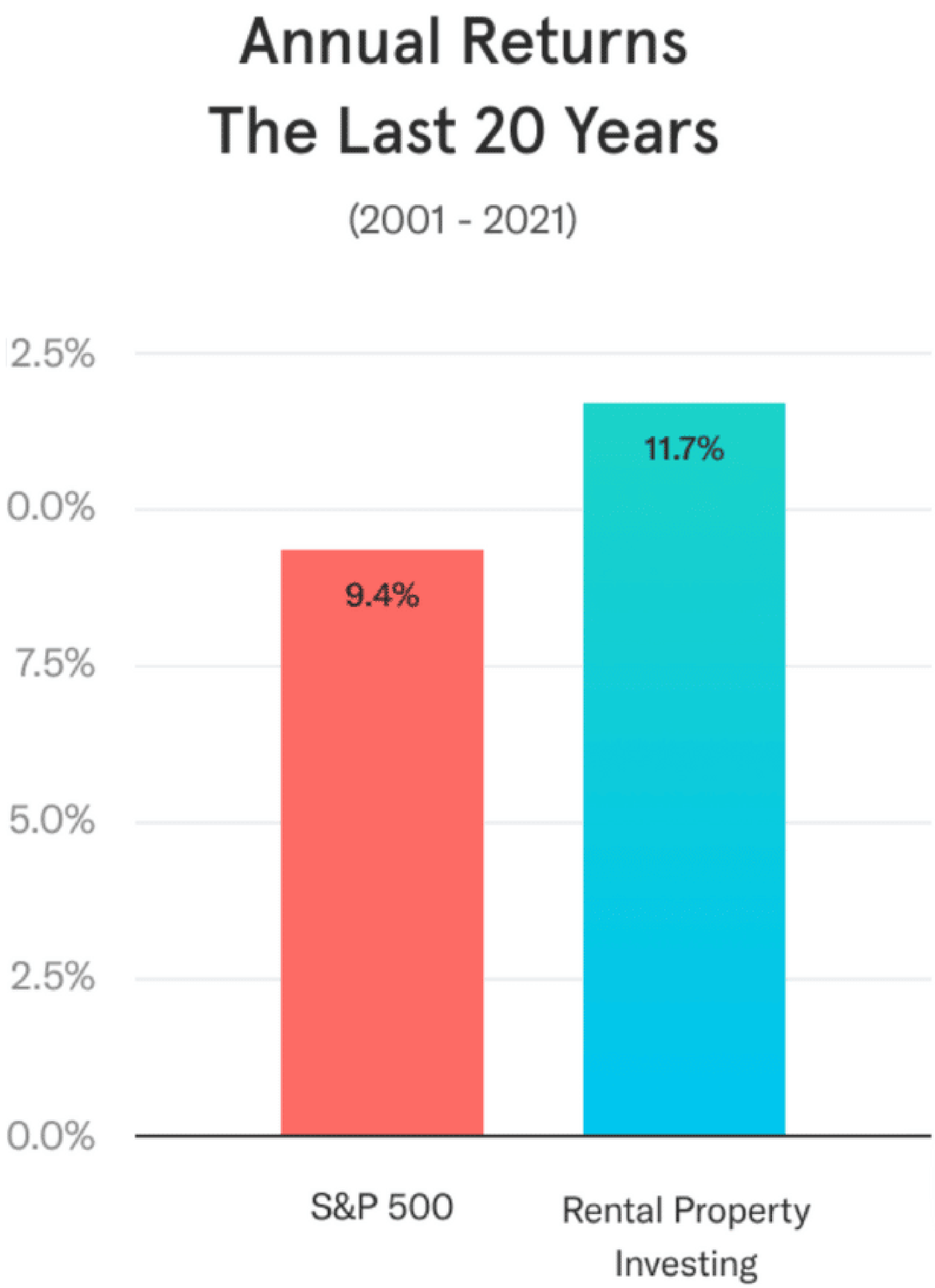
1. Rental Homes

Rental real estate investing is a great way to build multiple streams of income and not solely count on your salary to make ends meet.

That’s because with rental estate you can make money in 1 of 2 ways:

- Rental income – monthly rental cash flow
- Property appreciation – property value increases over time

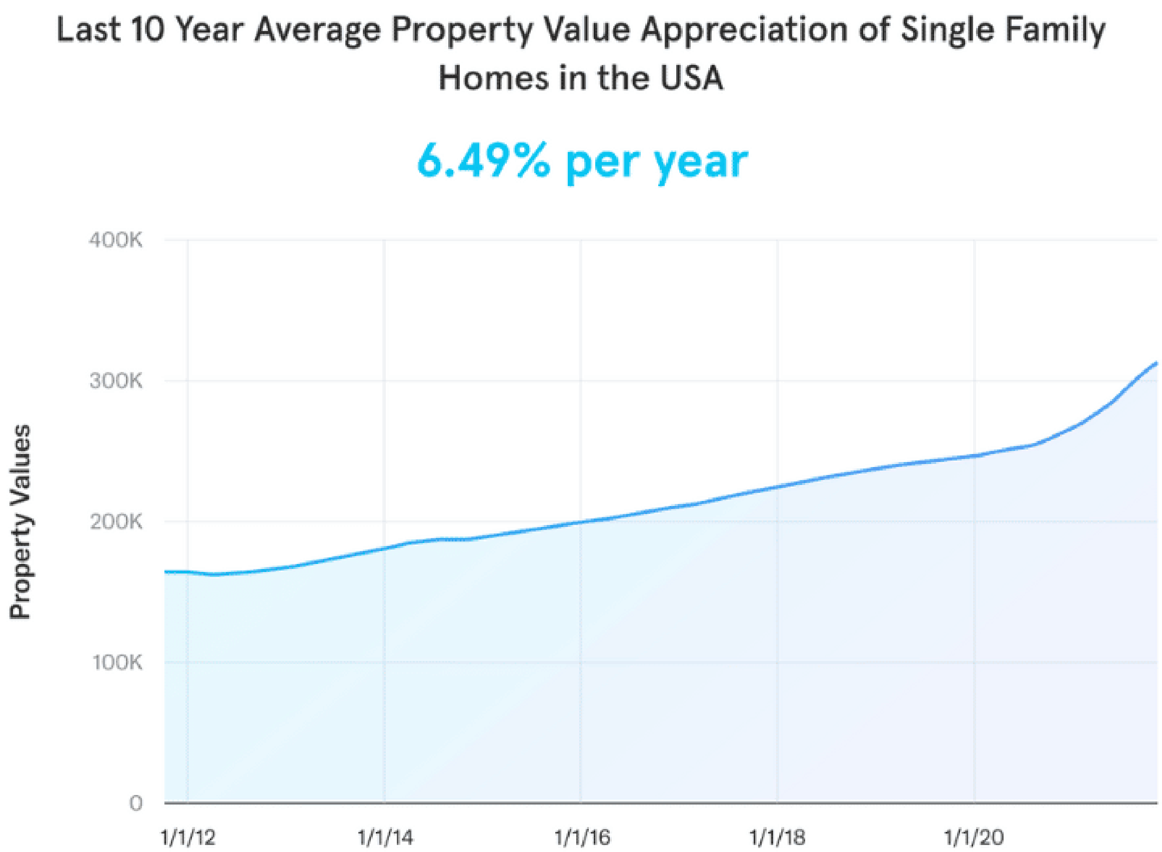
Especially over the past 10 years or so, rental real estate investing has become a very profitable investment:



The best part about rental real estate is that rental income is a very stable source of income – even during a recession.

Of course, not only do you earn rental income, but you also have a shot to earn extra cash through the appreciation of property value.

In fact, over the past 10 years, property value has appreciated by about 6.49% per year:



While most rental real estate investments will require you to pay $1,000s upfront, you can actually get away with just $100 if you sign up to the rental real estate investing platform, Arrived Homes.

Arrived Homes is an online rental real estate investing platform where you can invest in multiple properties across the United States.

With Arrived Homes, you can invest in a variety of single-family homes across the US and build out your passive income portfolio.

2. Fine Art

Have you ever wondered what it would be like to invest in fine art?

Typically, investing in luxury art is a pastime activity for the exclusive world of the ultra-high net worth people of this world.

Not anymore.

Enter, Masterworks.

Masterworks is a new art investing platform that gives the average Joe the chance to invest in fine art, worth up to $30+ million.

How can you invest in million-dollar artwork?

By buying fractional shares of art.

So while you might not physically own the full artwork itself, you are invested in an appreciating and long-term investment.

In fact, with Masterworks, you could invest in popular artists such as:

- Monet
- Banksy
- Jean-Michel Basquiat

Artwork	Total	Quantity	Ask	Implied Painting Value	
Kaws Companion (Det...	**$303.75**	**15**	$20.25	$1,570,000	BUY
Joan Mitchell Rhubarb (Masterw...	**$537.50**	**25**	$21.50	$5,546,000	BUY
Banksy Monkey Poison (...	**$112**	**2**	$56	$7,302,000	BUY
Sam Gilliam Reaching (Master...	**$230**	**10**	$23	$1,955,000	BUY
George Condo Gargantua (Maste...	**$1,800**	**45**	$40	$3,765,000	BUY
George Condo Gargantua (Maste...	**$1,240**	**40**	$31	$2,823,000	BUY
George Condo Gargantua (Maste...	**$1,160**	**40**	$29	$2,614,000	BUY
Andy Warhol Little Electric Ch...	**$525**	**25**	$21	$4,140,000	BUY
Claude Monet Coup de vent (Ma...	**$120**	**5**	$24	$8,711,000	BUY
Banksy Monkey Poison (...	**$220**	**5**	$44	$5,617,000	BUY

In the screenshot above, you can see just some of the incredible artists that are featured through Masterworks – and the value of their paintings.

Pro Tip: To get the biggest bang for your buck, with fine art investing, you'll probably want to hold your painting for at least 3 to 10+ years.

While you can make some serious money if you invest in fine art with Masterworks, there are some drawbacks that you might want to consider as well, including:

- High costs and fees
- Long lock-up periods
- Fine art is an unregulated industry

And I can't stress enough that you should always do your research first before financially committing.

3. Fine Wine

Are you a wine enthusiast?

If yes, then I might have the perfect long-term investment for you:

Investing in fine wine through Vinovest.

Vinovest (pronounced veeno-vest) is the world's first AI-generated fine wine robo advisor.

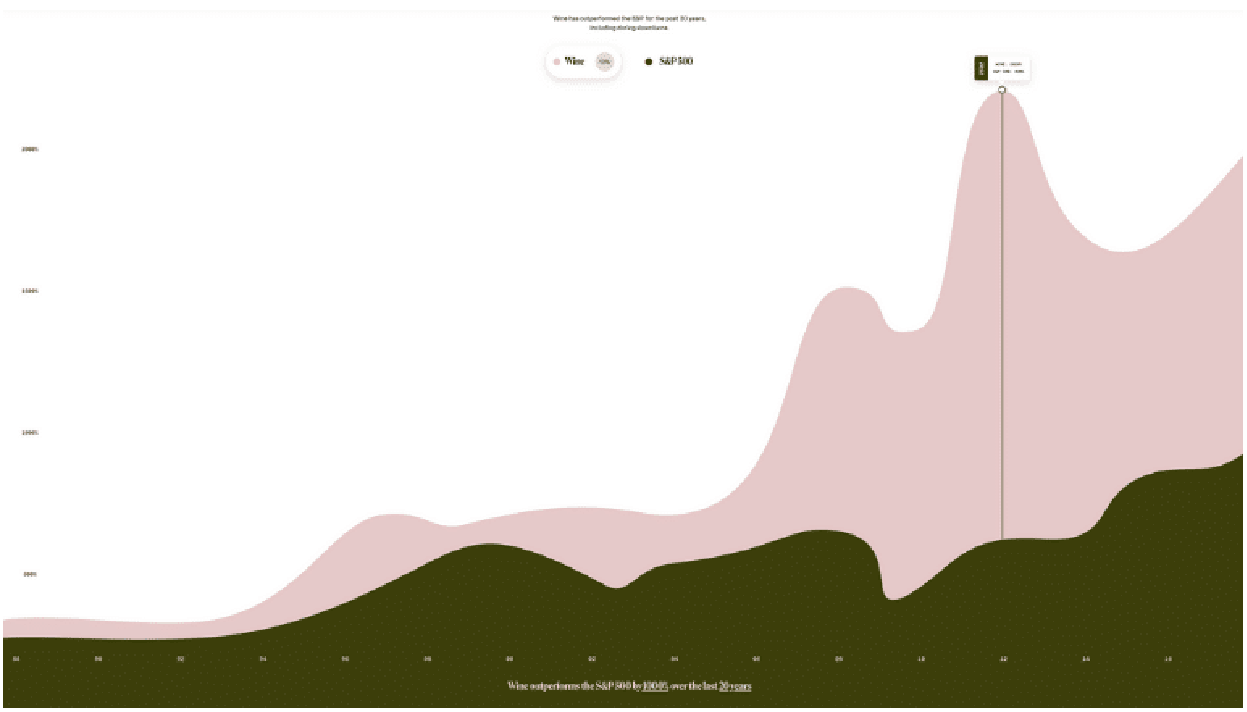
With Vinovest, you will have the option to:

- Invest in fine wine
- Diversify your portfolio
- Earn up to 13%+ in returns
- Protect yourself against inflation

- Protect yourself against stock market volatility

Vinovest was founded in 2019, and since its inception has attracted over 1.15 million users to its website.

And that's for good reason since fine wine has proven to be a lucrative investment, consistently outperforming the S&P 500 index over the past roughly 20 years.

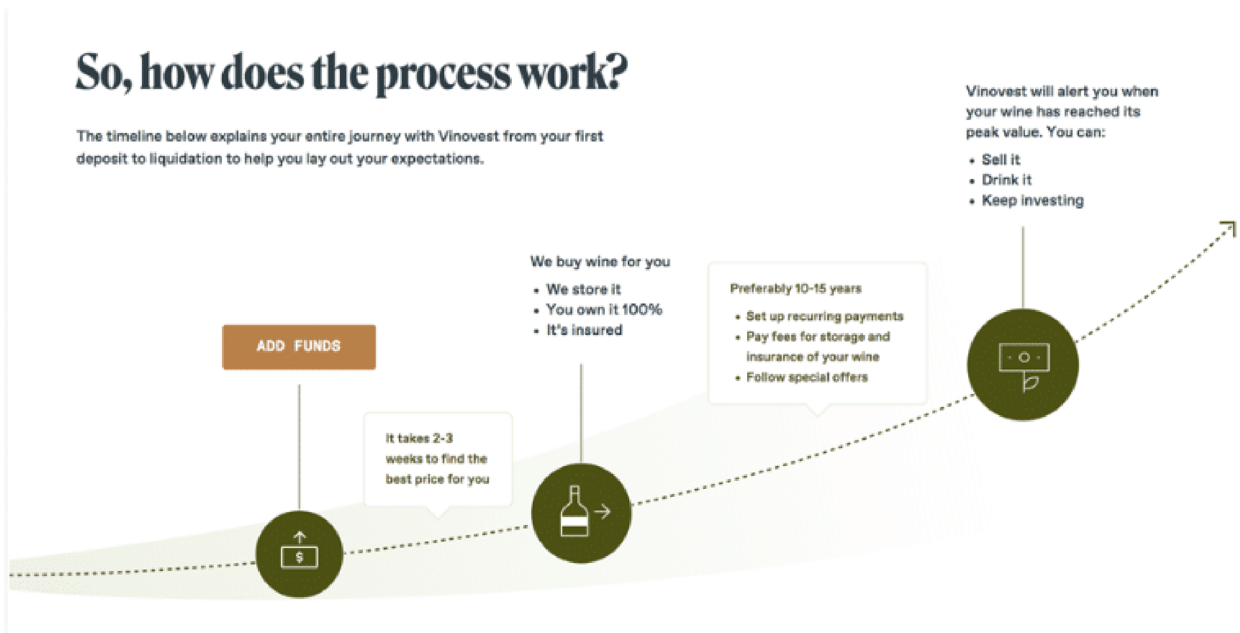


The chart above is vastly zoomed out to show you the difference between fine wine returns (in pink) versus the S&P 500 returns (in brown).

Take a look at the difference in performance in the year 2012:

- Fine wine returns: 2,020%
- S&P 500 returns: 490%

So, if you're already invested in the stock market and are looking to diversify your portfolio, then fine wine might be the right next move for you.



With Vinovest, first, [open a Vinovest account](#) (it's free) and answer a short risk tolerance questionnaire, which asks you some questions to gauge which fine wine investment could be best for you.

Next, add your funds, which can be done by:
- Using a credit card
- Linking your bank account
- Transferring cryptocurrency

Then, you’ll wait for Vinovest to buy fine wine for you.

Pro Tip: Vinovest will take care of your fine wine storage fees, insurance fees, transportation fees, etc.

It’s typically recommended to hold on to your fine wine for about 10 to 15 years before you sell it (or drink it yourself, which you can do!).

With Vinovest, you can invest in wines ranging from across
the globe, such as:

- Spain
- Tuscany
- Bordeaux
- California
- Champagne

Depending on the fine wine that you invest in, you could see over 100% + returns.

In fact, did you know that the most expensive wine bottle ever sold was for $500,000?

While you can certainly make a lot of money in fine wines, just remember that fees can be high and that lock-up periods tend to be very long (10+ years).

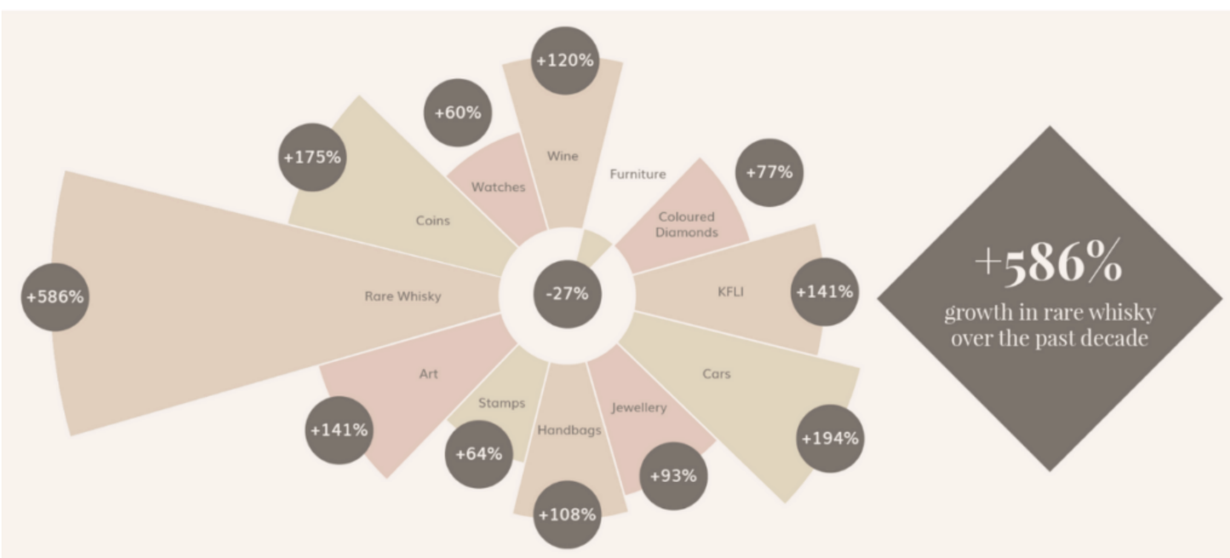
Always do your research first before financially committing.

4. Rare Whiskey

Just like fine wine investments, you might also want to consider investing in rare whisky for the long term.

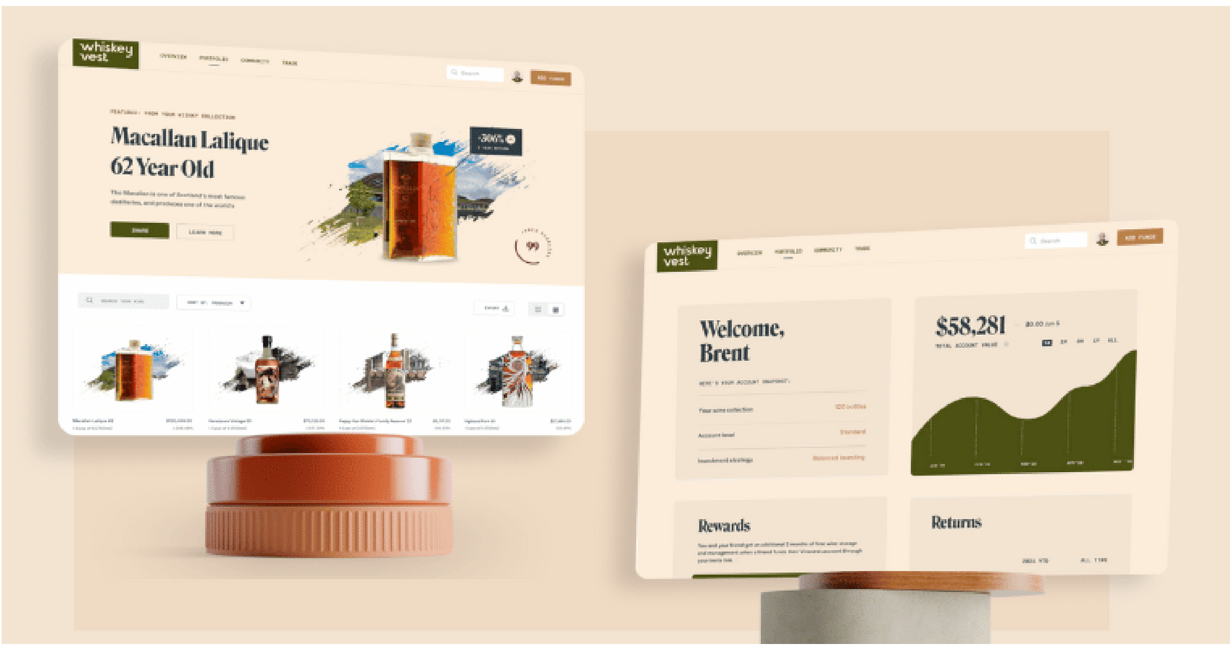
In fact, over the past 10 years, the value of rare whiskey has appreciated by 586%!

And compared to other well-established asset classes like gold and oil, rare whiskey has out-performed these as well over the past decade.



Similar to investing in fine wine, you could also start investing in rare whiskey through the [Whiskeyvest platform].

Whiskeyvest is actually a new off-shoot of Vinovest. Through the online platform, you can invest in some of the world's rarest whiskeys.



Whiskeyvest will use its expert knowledge to help you compose a portfolio of rare whiskey that suits your investment needs.

You'll purchase the physical cask of rare whiskey, and Whiskeyvest will store, insure, and transport that cask for you.

Remember to invest only in rare whiskey if you have spare cash.

This is a long-term investment (likely up to 20+ years) and it's illiquid.

5. P2P Lending

Another long-term investment that could earn you potentially high returns and a passive income stream is peer-to-peer lending.

Peer-to-peer lending (aka P2P) is when you, along with hundreds of other private investors, lend money in exchange for repayment of your loan plus interest.

With P2P, you're basically the bank:

- You make a loan
- You earn interest from your loan
- You should receive the full payment of your loan after the term is expired

With popular P2P platforms like Groundfloor, you can actually start lending with as little as $10.

Your loan would be borrowed by home flippers across the country.

As of the date of this article, you could make loans across 31 states in America:

The home flippers would use your money to:

- Buy a fixer-upper home
- Fix up the home
- Rent it out
- Sell it

Assuming all goes well, you should be repaid your initial loan plus interest. Typically, you could earn returns between 7% to 26%.

The loans you make are given “grades” ranging from A to G. Here’s an example of a loan that’s graded a “C.”

The closer the loans are graded to a "G" level, the higher the risk (and thus, the higher the potential return).

The closer the loans are graded to an "A" level, the lower the risk.

Pro Tip: Groundfloor has a rating algorithm that assigns a corresponding interest rate for each graded loan.

Just keep in mind that the biggest risk with P2P investments is that the people who borrow your money are much more likely to default on paying back your loan.

So make sure you only invest as much as you are willing to lose.

6. Stocks

Undoubtedly, stocks are one of the best long-term investments because stocks can yield a high return on your investment.

As they say, “no pain, no gain.”

However, the real reason why people (like me) invest in stocks, is because we believe that the stock value will increase over time.

And, this is not a wrong theory.

In fact, even over just the past 40 years, the stock market has made positive returns.

That’s right... stocks can be an incredible investment.

Warning: The stock market is very volatile on a short-term basis.

Sometimes, your returns can be negative – but that typically only lasts for a few years. If you're a long-term investor, chances are that you'll see positive returns (historically speaking).

That volatile behavior simply comes with the territory.

If you zoom out and look at the bigger picture (we're talking 30 to 50 years from now), a tiny drop in the stock market today will not make a significant difference in your portfolio.

And that's why professionals have recommended the "buy and hold" long-term investment strategy.

Buy-and-hold refers to buying a stock (or index fund) for the sake of long-term investing.

Based on historical data, investors who stay invested – regardless of stock market ups or downs – are much more likely to earn positive returns over long periods of time.

Keep in mind that not all stocks are created equal.

There are different types of stocks, which I'll talk about below:

Type of Stock	**What it Does**
Growth Stock	Focused on long-term growth, with minimal to no dividend payouts Example = Apple
Dividend Stock	Focused on returning company profits to shareholders in the form of dividends Example = AT&T
Large Cap Stock	Companies with a market value between $10 billion to $200 billion Example = Amazon
Mid Cap Stock	Companies with a market value between $2 billion to $10 billion Example = Stitch Fix
Small Cap Stock	Companies with a market value between $300 million to $2 billion

	Example = Carparts.com
Value Stock	Company with a low price relative to the company's financial performance Example = ExxonMobile

The type of stock you invest in really depends on your comfort level with risk.

If you're OK taking some risk, then you may want to consider:

- Growth stocks
- Mid-cap stocks
- Small-cap stocks

On the other hand, if you're more comfortable with stable and steady returns over time, then you may want to consider the following:

- Value stocks
- Dividend stocks
- Large-cap stocks

The key message here is this: Invest early. Invest consistently.

7. Bonds

Bonds are loans you give in exchange for earning a fixed income stream (interest) and full repayment of your initial investment.

Bonds are typically issued to investors to raise funds for:

- Projects
- Companies
- Governments

The issuer (the entity that creates the bond) promises to repay your full investment and interest over a certain amount of time.

That’s where bond maturities come into play.

A bond maturity defines the period during which you receive interest payments on your bond investment. Once the bond reaches maturity, you are repaid and the contract is complete.

There are different types of bonds such as:

- Treasury bonds – Safest, lowest interest rate
- Municipal bonds – Safe, low dividend yields
- Corporate bonds – Risky, higher interest rate

The interest rate you earn on your bond comes down to the risk of the bond.

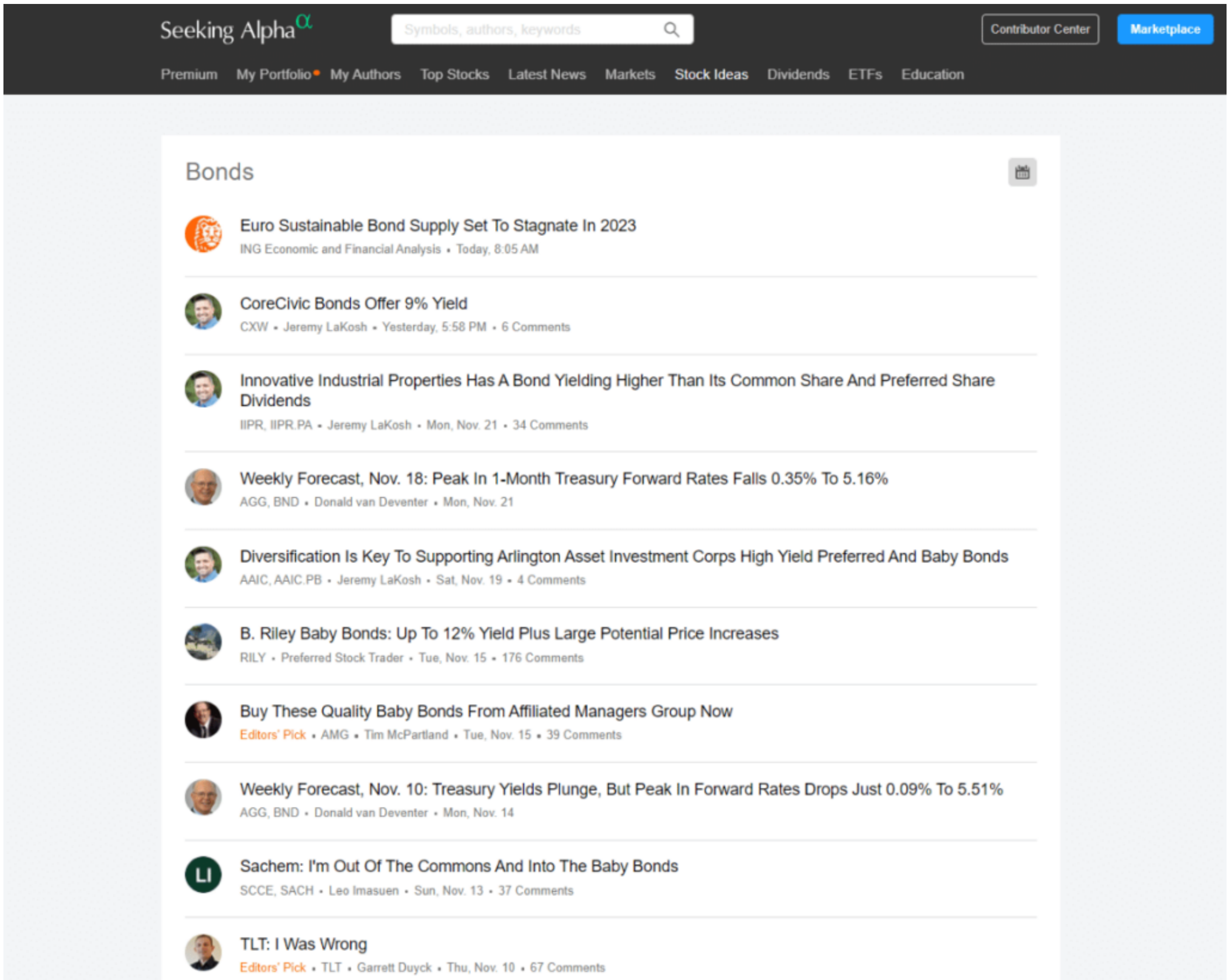
The riskier the bond type (like corporate bonds), the higher your interest rate.

Bonds are typically the most conservative investment you can make – aside from cash.

Check out the performance of bonds versus the S&P 500:

The only times when bonds typically outperform the stock market is during times of massive volatility.

That's why bonds are a great portfolio diversified.
If you really want to dig into the various types of bonds out there, then consider signing up to [Seeking Alpha](#).



Seeking Alpha offers research articles from investment professionals, historical data, charts, etc.

If you like digging into the data before investing, then Seeking Alpha is probably the best investment research platform for you!

8. Index Funds

One of the best long-term investments is by far is investing in index funds.

Not all index funds are created equal, however. Specifically, there are different index funds for different purposes, as I'll illustrate below:

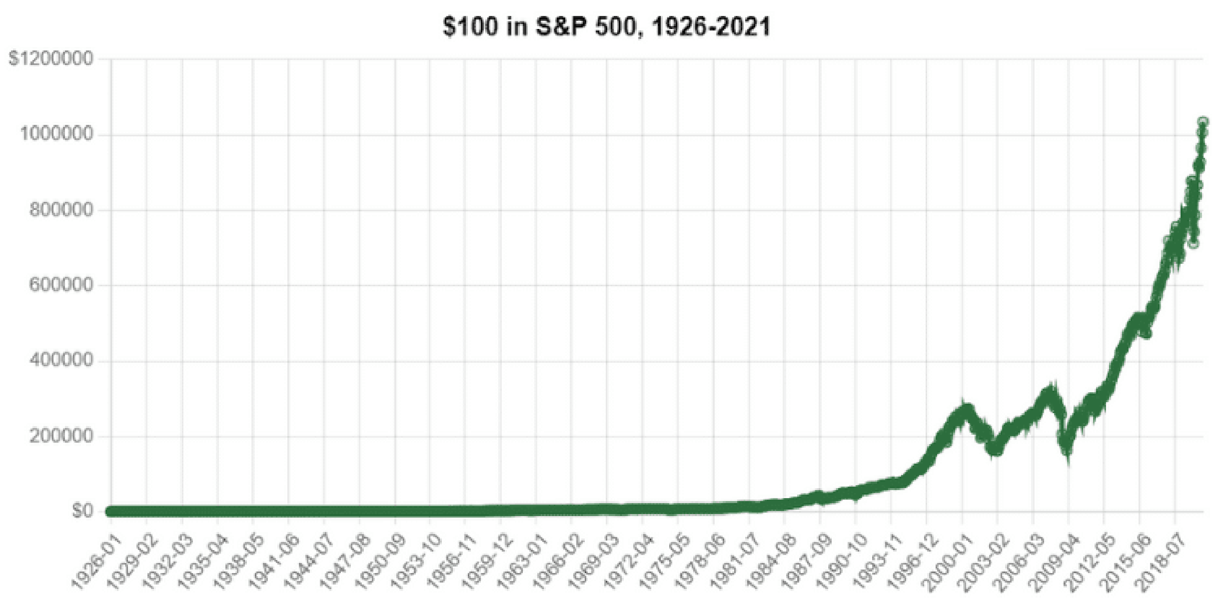
Index Fund	Purpose
S&P 500	500 best American companies (stable, long-term growth)
Russell 3000	Top 3000 publicly traded companies in the U.S. Accounts for about 98% of all U.S. stocks
Russell 2000	2000 smaller companies (which are all included in the Russell 3000)
MSCI Emerging Markets	Large and middle-sized companies from 27 emerging nations

In total, there are about 5,000 different types of indices in just the U.S. alone.

Here’s why it’s typically a good long-term investment to put your money into an index fund – like the S&P 500 for example:

- Low risk
- Low fees
- Steady growth

Let’s take a closer look at the performance of the S&P 500 index fund (my favorite, if you haven’t noticed already) over the past roughly 100 years:



This chart illustrates the return of a $100 investment from 1926 (the inception of the S&P 500) to 2021.

Over this timeframe, $100 would have grown at a 10.22% per year – which would mean your $100 in

1926 would now be worth a staggering $1,034,433.90 in 2021!!

Talk about one of the best long-term investments.

The S&P 500, which is one of the oldest indices, started in 1926 and has experienced many ups and downs over the past several decades.

However, there is a strong positive trend – if you are a long-term investor.

Year Invested	**Your Return**
1926-2021	1,034,333.90%
1987-2021	7,667.47%

Of course, that doesn't mean you should expect a 1,000% or more return every year.

And that's why one of the best long-term investments is investing in low-cost index funds.

How?

One of the easiest ways is to start investing with apps like M1 Finance.

M1 Finance is super easy to set up, the interface is intuitive and although M1 Finance creates an investment portfolio for your needs (they call this "the pie"), you still have space to customize your investments.

You'll need about $100 to start investing if you're opening an individual account and you'll need $500 to start, if you're opening an IRA.

9. Your Education

There is no way that you can go wrong by investing in yourself.

In fact, I would almost argue that investing in yourself is the best long-term investment out of all these options.

I'm not necessarily saying to pack up your bags, take out a $300,000 student loan and go to college in an effort to invest in yourself.

But what I am saying is that next time you have the following options:

Option 1	**Option 2**
$15 lunch	$15 book
$50 pizza night	$50 training course
$500 watch	$500 conference

You have the power to decide what you consume.

The same also is true if you consume poor quality.

I've listed some ways below that detail how you can invest in yourself for minimum cost but maximum outcome:

- Books
- Seminars
- Workshops
- Your family
- Your health
- A life coach
- Your network
- An online course

...And the list goes on.

The good news is that you can start investing in yourself today.

If you are a beginner and are looking to transform your mindset, your life, your future, your potential, you may want to start by reading my latest book, How to Get Rich From Nothing.

Getting rich doesn't just refer to money.

Getting rich also refers to the following:

- Growing mentally
- Growing your network
- Growing your confidence
- Growing your financial literacy
- Growing your financial competence

Dare to invest in yourself.

Remember that the quality of your thoughts is determined by the quality of your life.

10. Bitcoin (HIGH Risk)

If you're already invested in the stock market (and are fed up about hearing how you should invest in stocks), then you may want to consider using your money for another, more volatile long-term investment.

This time, I’m talking about Bitcoin.

Believe it or not, Bitcoin has become arguably one of the best long-term investments – specifically if you’re not afraid of volatility.

Take a look at the historical astronomical returns of Bitcoin:

Although the returns for Bitcoin have been staggering, it should be noted that Bitcoin – and cryptocurrency in general – is extremely volatile (as demonstrated by the chart above).

Yet, the returns continue to amaze me:

Year	Bitcoin Annual Return
2017	1,318 .00%
2018	-72.60%
2019	87.20%
2020	302.80%

Here’s a way to put these numbers in perspective:

Mean Annual Bitcoin Return	408.80%
Mean Annual S&P 500 Return	16.1%

The demand for cryptocurrencies spiked drastically in 2020 and 2021, especially as the COVID-19 pandemic hit.

If you’re looking to invest in cryptocurrency as well, you may want to consider opening a free account with Coinbase.

Coinbase is one of the largest crypto exchanges in the US, and offers 170+ coins for investing – plus it takes about 5 minutes to set up your account.

Cryptocurrency is likely one of the most volatile yet best long-term investments with the highest return potential.

However, I would only suggest you consider investing in cryptocurrency if you're:

- Comfortable with volatility
- Comfortable with cryptocurrency
- Debt-free (specifically high-interest debt)

Even if you are keen on investing in crypto, I would suggest only investing as much as you are willing to lose because crypto is highly volatile.

11. Tax-Sheltered Retirement Plan

Who likes paying taxes? Probably no one.

Thanks to the IRS (yes, the IRS), there is a way to not pay taxes – legally!

And that's called a tax-sheltered retirement plan.

A tax-sheltered retirement plan is an investment account that gives you tax benefits – as long as you follow the rules of the IRS and the retirement plan itself.

You're probably familiar with several common tax-sheltered retirement plans, such as:

- 401(k)'s
- 403(b)'s
- Roth IRA's
- Traditional IRA's
- Health Savings Accounts

Honestly, the list keeps going.

The point is this:

If you correctly implement a tax-sheltered retirement plan into your long-term investing strategy, you can save money.
Lots of it.

Below are some general benefits – and tax savings – you'll see with tax-advantaged retirement plans:

- Tax-free withdrawals
- Tax deferral on earnings
- Tax deductibility of a contribution

The earlier you start, the better off you'll be.

If you haven't opened a tax-advantaged investment account just yet, then you may want to start by using M1 Finance (which requires a minimum of $500 for all retirement accounts).

12. Rental Properties

If you're someone who is serious about real estate investing, you may want to consider buying a physical property and renting it out.

Now, there are many pros and cons to buying an actual home and renting it out.

Arguably, this real estate investment option is one of the riskiest but likely also one of the most rewarding, especially if you can occupy your home with reliable, rent-paying tenants.

That's where the platform Roofstock comes into play – and can make your life a whole lot easier.

With Roofstock you can buy a home (yes, an actual house) that already has tenants living inside the home.

Why is this pretty revolutionary?

That’s because the second you finish signing the paperwork for the home, you’ll start receiving a monthly income stream (in the form of rent) from the tenants living in the house – so you don’t have to find tenants!

The tenants are previously vetted by Roofstock’s property management companies.

If you do decide to buy a home through Roofstock, the overarching recommendation is to still hire a property management company (and Roofstock typically offers recommendations) to help you with the rental process.

Actively renting out real estate can be another beast.

But, as far as long-term investments go, active real estate investing could be a great option to not only earn passive income but also diversify your portfolio into real estate.

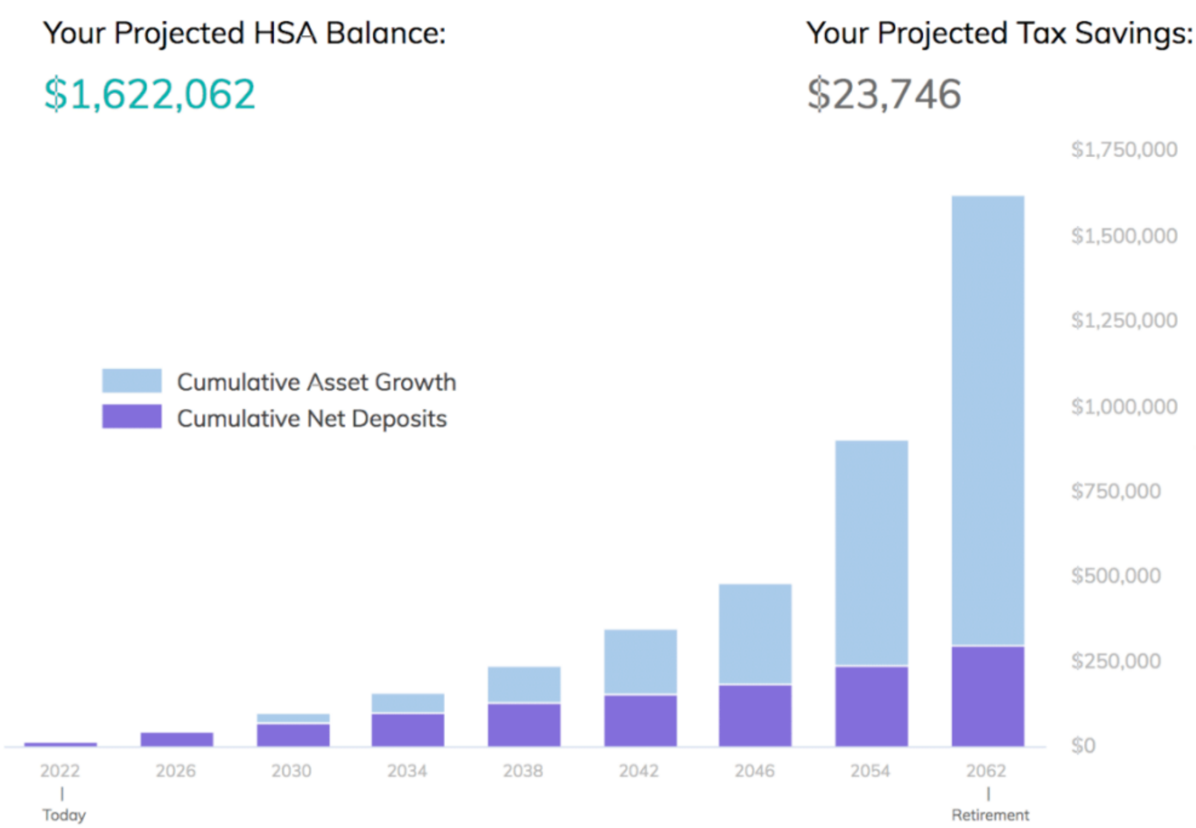
13. Health Savings Account (HSA)

A health savings account (aka HSA) is an investment account where you can set money aside, invest it, and use it for qualified medical expenses.

Pro Tip: The key to leveraging your HSA is to invest your annual contributions – and don't actually use your HSA for qualified medical expenses.

You want to use your HSA like another investment account and grow it for your retirement.

Check out how much money you could save in your HSA if you started contributing at 25 to age 65, earning an average 7% annual return:



That's right – you could have over $1.6 MILLION saved in your HSA – and 100% of that could also be tax-free.

Ready to set up your own HSA?

(And no, you don't need your employer to set up an HSA for you!).

Check out Lively's award-winning HSA platform.

With Lively, you pay $0 to open your account – and you can choose how you want to invest:

- Either by yourself (if you're an experienced investor)
- Or by using a robo-advisor (they'll charge you a small fee)

HSAs are one of the best long-term investments.

14. Private REITs

If you love:

- Real estate
- Collecting passive income

And if you hate:

- Dealing with tenants
- Physically repairing properties

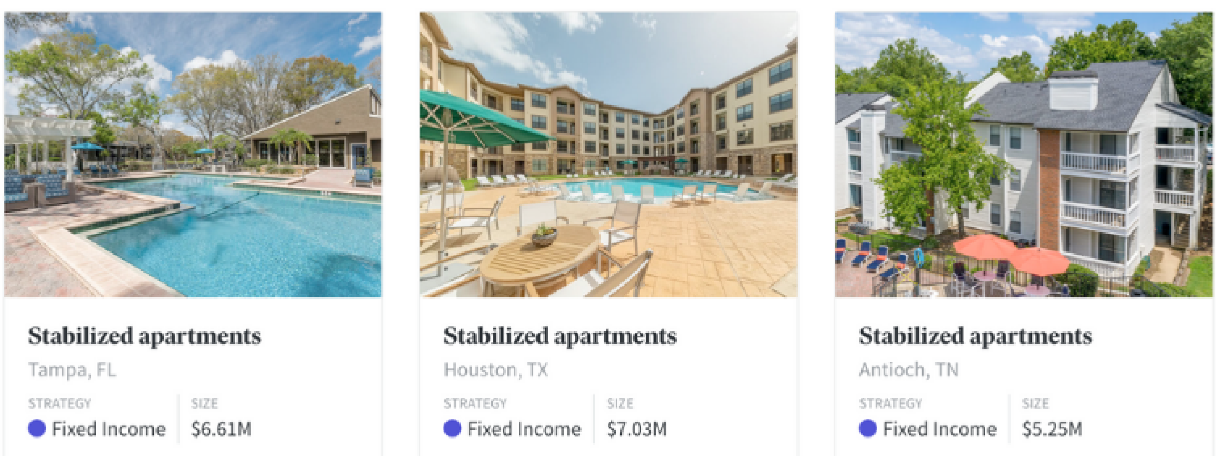
...Then you should consider becoming a private market online REIT investor.

What’s a REIT you might ask?

A REIT (aka real estate investment trust) is a company that owns and manages several properties to produce passive income for its investors.

REITs can specialize in things like:

- Hotels
- Hospitals
- Apartment complexes
- Commercial construction



There are 2 types of REITs:

- Publicly traded – Are available to the public (in the stock market)
- Privately traded – Are more complex, and not available to everyone

If you have the extra cash and want to make a little extra passive income on the side, then check out Fundrise.

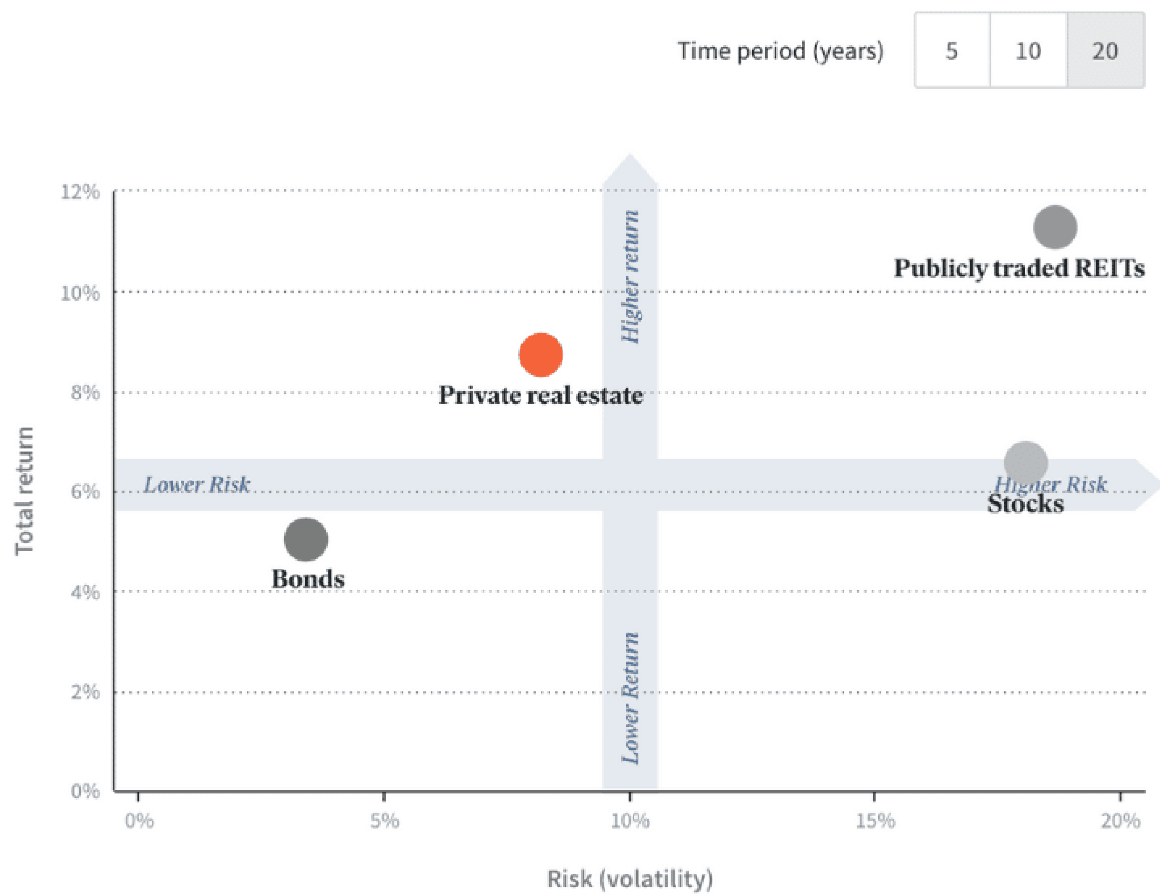
Fundrise is one of the best real estate crowdfunding platforms, with over $1 billion of assets under management since it was founded in 2012.

With Fundrise:

- Anyone can invest
- You can earn passive income
- You can start investing with $10

The best part?

Private market REITs offer lower risk profiles than stocks and some publicly traded REITs:



And especially in years where the stock market (like the S&P 500) takes a nosedive due to poor performance, REIT investments could really hold up your portfolio.

In 2022, Fundrise returns across all 429,627 accounts averaged 5.52% – versus the roughly -19% returns from both public REITs and the stock market.

If you want to make cash passively, then investing in income generating assets like the real estate projects offered by Fundrise could be a great fit for you.

15. Farmland

Have you ever wondered what it would be like to invest in farmland?

Maybe you didn't pursue your thoughts because:

- It can be demanding
- It can take a lot of work
- Investing in farmland can be expensive

Thanks to modern Fintech, you can now invest in farmland, earn passive income, and not have to work long hours to care for the land.

How?

With the platform, AcreTrader.

AcreTrader is a real estate crowdfunding platform for accredited investors where more people are given the chance to invest in real estate – specifically farmland.

The best part?

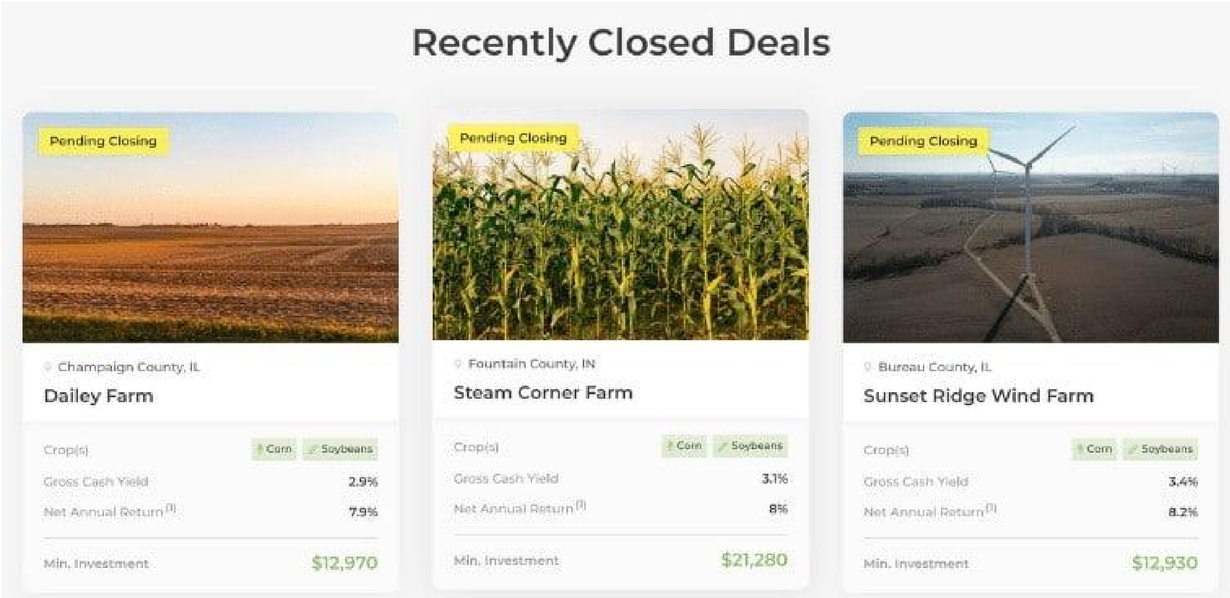
You don't have to do the hard work that comes with farming.

In fact, did you know that the average value of farmland in America has increased by about 6% per year?

So clearly there is some money to be made with farmland – especially in the long run.

With AcreTrader, as long as you are an accredited investor (which means you must have a higher income, typically $200,000+ per year or a $1 million net worth), you can invest in farms across the country.

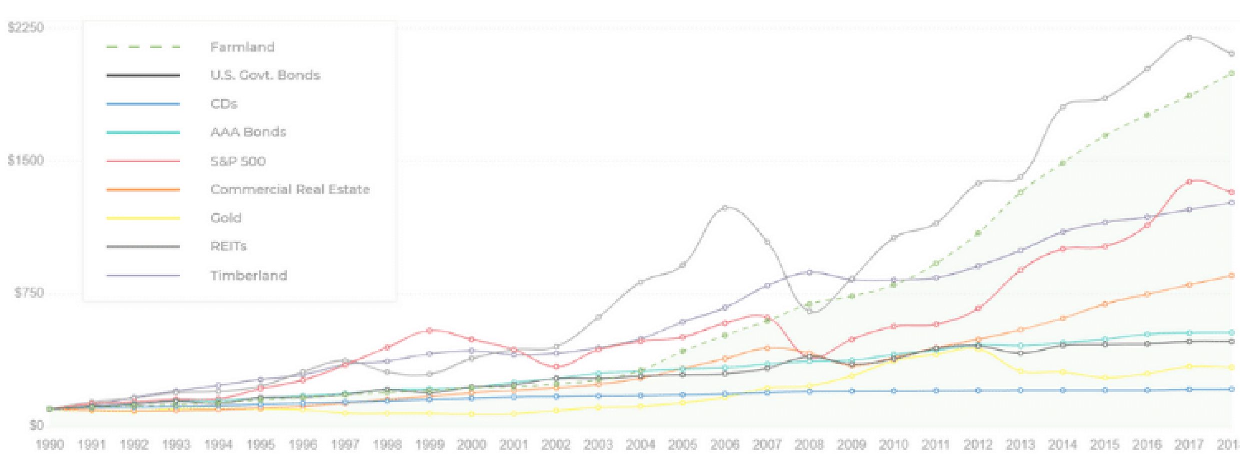
Take a look at some of the farms below:



Here are some of the benefits of investing in farmland:

- Low volatility
- Protection against inflation
- You diversify your portfolio
- You can earn passive income
- The value of farmland keeps increasing

Take a look at the returns of farmland over the past 30 years:



Farmland is the second-highest returning asset class, behind REITs (real estate investment trusts).

Now take a closer look.

Farmland is also the most stable returning asset class: The value of farmland just keeps increasing without experiencing the ups and downs that REITs tend to experience.

Pro Tip: Typically, you'll want to keep your money invested for 5 to 10+ years with farmland.

And depending on the individual deal you're investing in, some additional cons that you might face include:

- High fees
- High minimums
- Fee structure could be complex
- Money may be locked up for a long time before seeing returns

However, there clearly is an increasing demand for farmland, so this could be the right long-term investment for you.

Best Long-Term Investment Strategies

It might be counterintuitive that one of the best long-term investment strategies is doing nothing.

That's where you have to put your faith into the markets and the economy – and simply ride out the ups and downs.

If you want to make a profit, then market volatility is simply part of the game.

There are some additional items that you'll want to consider with long-term investments:

- The amount of risk that you're willing to take
- The length of time you plan to stay invested for
- The ability for you to handle short-term volatility

In the end, it doesn't matter if the markets drop by 10% or even by 40% tomorrow.

Why?

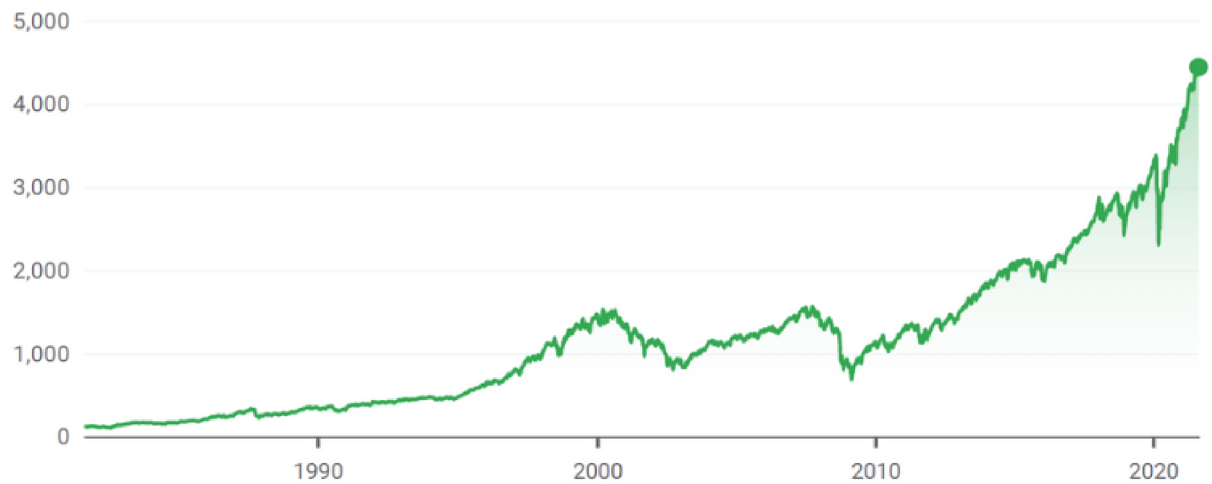
Because with long-term investing, a market drop is simply a blip on the timeline – it very likely will not impact your long-term returns.

Take a look at the picture below:

Initially, you'd probably think the market is super volatile.

If you notice the time metric (on the horizontal line), that's because you're only given a snapshot of five day's performance in the market.

Now, if you take some time to zoom out (aka long-term investing) and look at the market's performance over the last several years, you'd see a different picture:



If you look at the bigger picture, you wouldn't even notice the mini ups and downs that the market experienced in just 1 day (from picture 1).

Instead, you'd notice that the market is at all-time highs.

Closing Thoughts

To become a successful long-term investor, you have to adopt a long-term thinking mentality.

In other words, you'll have to understand that long-term investing means:

- You can't day trade
- You can't follow the market performance on a daily basis

- You can’t check long-term investment returns every second

Long-term investing means just that: You’re investing for the next several decades.

So, don’t let a single day’s negative performance (or even a single year’s negative performance) impact your will and desire to stay in the market.

Ultimately, there are many long-term investment options.
Which is the best for you just depends on:

- Your personal situation
- How much you’re able to invest
- The amount of risk you’re willing to take
- The amount of time you’re willing to stay invested

Investing in stocks is likely a solid long-term investment option.

However, because no one has a crystal ball, one of the best long-term investments is to stay invested, regardless of what is happening today in the markets.

Consider your options today.

Your bank account will thank me later!

Signing off now.

Your friend,

- Fiona

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