The Investing Starter Guide

US Edition

401(k), IRAs, HSAs and index funds



Updated for 2026 IRS contribution limits

About this guide

Most people put off investing because the first steps are unclear: which account to open, what to buy and how much to put in. This guide answers those questions for investors in the United States, using the 2026 IRS limits, and ends with a 30-day plan that takes you from a first deposit to an automated portfolio.

Who it's for

- You haven't invested before, or you have a little invested and aren't sure it's set up well.
- You want a long-term approach built on low-cost funds, not stock picking or trading.
- You want to know which accounts to open (401(k), IRA or HSA) and in what order.

How to use it

1. Read Chapters 1 to 8 in order. Together they take about an hour.
2. Fill in the worksheets at the back. You can type straight into them in Preview, Adobe Acrobat Reader or most other PDF apps.
3. Work through the 30-day plan. By the end, your accounts are open, your first purchase is made and your contributions run automatically.
4. Come back to Chapter 9 whenever markets fall sharply.

> **If you only have 20 minutes**
> Read Chapter 3 (the accounts), Chapter 7 (buying your first fund) and the 30-day plan.

All dollar amounts in this edition are in U.S. dollars.

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CHAPTER 1

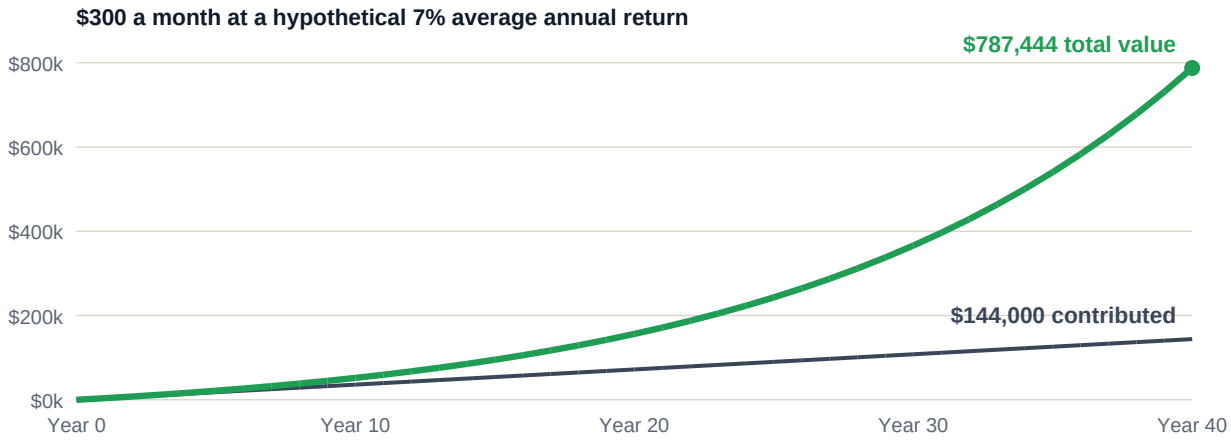
Why invest

Savings keep your money safe. Investing is how it grows faster than prices rise.

Cash in a savings account rarely keeps up with inflation for long. At 3% inflation, prices double in about 24 years, so $100 today buys roughly half as much by then. A diversified mix of stocks and bonds has historically grown faster than inflation over long periods, which is why it sits at the center of almost every long-term plan.

How compounding works

When an investment earns a return, that return is added to the balance and starts earning returns of its own. In the first few years the effect is hard to see. Over several decades it accounts for most of the final balance.



Hypothetical illustration. Actual returns vary from year to year, and some years are negative. Assumes monthly contributions and monthly compounding, before fees and taxes.

What regular investing can grow to

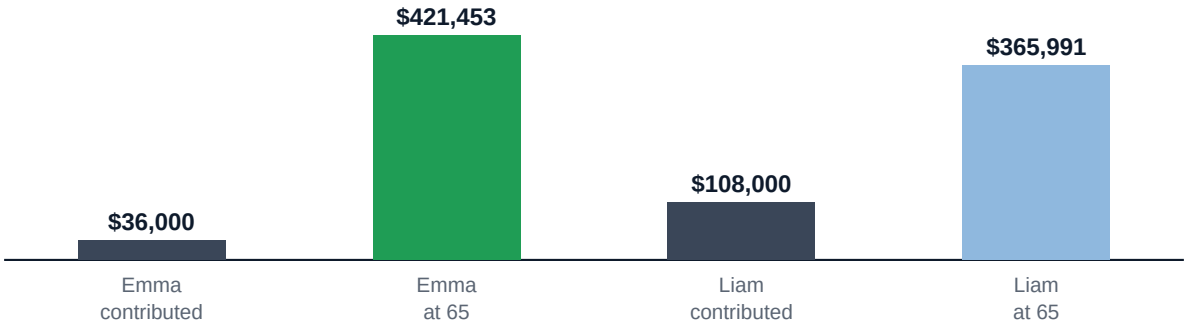
Each month	10 years	20 years	30 years	40 years
$100	$17,308	$52,093	$121,997	$262,481
$300	$51,925	$156,278	$365,991	$787,444
$500	$86,542	$260,463	$609,985	$1,312,407

At a hypothetical 7% average annual return, before fees and taxes.

Starting early matters more than starting big

Emma invests $300 a month from age 25 to 35 and then stops, having put in $36,000. **Liam** starts at 35 and invests $300 a month until 65, putting in $108,000. Both earn the same 7% average return.

Value at age 65, at a hypothetical 7% average annual return



At 65, Emma has about $55,461 more than Liam despite contributing a third as much. Every dollar she invested had at least 30 years to grow, while most of Liam's had far less.

Two ideas worth remembering

- **The rule of 72.** Divide 72 by an annual return to estimate how many years it takes money to double. At 7%, that's about 10 years. At 2%, it's 36.
- **Investing is not trading.** This guide is about buying a broad mix of investments and holding them for years. Frequent buying and selling to catch short-term moves loses money for most people once costs and taxes are counted.

FREE SAMPLE

That's the end of the sample

You've read the first chapter. The full 26-page guide continues with:

- 2. Build the foundation first
- 3. The accounts
- 4. Where your next dollar goes
- 5. Choosing your mix
- 6. What to buy
- 7. Buying your first fund
- 8. Taxes
- 9. When markets fall
- 10. Habits, mistakes and scams
- 11. Common questions
- 12. Your 30-day plan
- Worksheets
- Glossary
- Sources

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For education only, not financial advice.