

Wisdom Wednesday

When you stash your long-term savings in a savings account, you could be putting your retirement at risk. Even high-yield savings accounts have interest rates of only around 1% per year, while inflation typically hovers around 2% to 3% per year.

If you're only keeping a few thousand dollars in a savings account for short-term use, inflation won't make a significant difference. But if you're keeping tens or even hundreds of thousands of dollars in this type of account for decades, your money won't keep up with inflation, and could lose value over time. In other words, your future savings could be worth less than what they are now.

(Source: Fool)

<https://www.fool.com/retirement/2020/12/04/saving-for-retirement-you-could-be-losing-money-wi/>