

# How Much Is Needed to Start Investing?



What is the minimum dollar amount needed to start investing? It is a question some members ask us and likely one that many others have, especially those who are new to investing.

Technically, you are only limited by the minimum amount required by a brokerage firm or mutual fund company to open an account. ShareBuilder, an online broker, has no required minimum account balance. More than 50 mutual funds included in our annual mutual fund guide have minimum purchase requirements of \$100 or less, including funds offered by Fidelity, AssetMark, USAA and Oakmark.

Pragmatically, you should weigh the dollar amount you have available to invest against the actual costs of creating a diversified portfolio. Brokerage commissions for buying and selling stocks and exchange-traded funds (ETFs) increase significantly on a percentage basis as the dollar amount invested decreases. Mutual funds, conversely, charge a flat percentage fee. Commission-free ETFs, which are offered by some brokerage firms (including Charles Schwab, Fidelity and TD Ameritrade) are even more advantageous from a cost standpoint.

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