

What is a HYIP?

HYIP is a term which you will come across often if you are trying to make money over the Internet. It stands for High Yield Investment Program; these are not just Internet based investment programs and are also available offline. The term HYIP is an umbrella-term which incorporates any investment opportunity that gives a return on the initial investment of between 4-5% per year. The way in which they work is fairly simple. The money from everyone who invests is collected together and the site organizers then use it to invest in more traditional areas. In effect, they are investing in the programs which require a large sum of money to begin and can afford to do so by combining everyone's small individual investments.

HYIPs which are not Internet based work on the same principles as online ones, only their starting investments can range from a minimum of \$500,00 up to millions of dollars. For the private investor, or an individual just wishing to supplement their income, this is not a realistic sum to have available for investment and so offline HYIPs are not feasible options.

For the normal private investor, Internet based HYIPs are the only possible solution to the investment quandary. However, these programs are often cloaked in secrecy and so can seem like a dangerous investment to make. In contrast to the offline programs, you will often find that you are unable to gain any information regarding the investment types that are made on your behalf. Corporate information of the website, such as the registered address or background information pertaining to the site organizers, is often not available for viewing. This is not usually done for the sole purpose of hiding information from the investors, but more to prevent people from using the knowledge of the site organizers to create their own online HYIP.

Online HYIPs may pay interest daily, weekly or monthly. The typical return rates on these are generally between 1-7% for daily paid, 7-50% for weekly paid and 20-200% for monthly paid.

The way in which you can start to invest with these sites is very easy. You simply go to the site you have chosen and register with them. This then creates your online account, into which you deposit money which you then invest. The profits are then paid into that account depending on how often your particular investment pays.

These schemes work by investing the money from a number of private investors and then sharing a portion of the profits back with the investors. It gives the investor the high returns that would not normally be possible given the low amount of money that is available for investment. There is still an element of risk involved - no investment can ever guarantee to make a profit as the market changes continually. There are also fraudulent people who set up HYIP sites, wait for people to invest and then run off with your money. This makes it vitally important to choose your program wisely.

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About the Author

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