

How To Use Binance Earn To Earn Compound Interest and Maximize Your Crypto Gains



Main Takeaways:

- To earn compound interest, users must continually reinvest the returns from interest-bearing products like crypto savings, loans, and staking.
- Without compounding, users can lose out on an exponential amount of returns over time.
- The Auto-Subscription feature on Binance Earn will automatically compound your Savings and Staking yields every day to Flexible Savings.
- To compound returns from Binance Staking and Fixed Savings back into those products, resubscribe as soon as the subscription time is over.

If you're already putting your money to work earning passive income, it's also a great idea to start compounding your returns. Use the Auto-Subscription feature on Binance Earn to automatically subscribe your accrued interest, in order to earn compound interest. You can let Binance Savings take care of the process for you, or choose products that are simple to compound, like Binance Staking and Fixed Savings.

The idea of compounding is nothing new. You might even remember covering it in math at school. Compound interest, or earning interest on your interest, is a storied financial concept that has helped countless people reach their financial goals. But even with its well-known reputation, it's surprising how few people use it. Once you look at a basic example, you won't ever forget to look for opportunities to earn compound interest again.

For those of you who aren't quite sure what compounding is, have no fear. It's an easy concept to grasp. Imagine a snowball at the top of a hill. If you give it a push and it begins to roll down, the size of the snowball begins to grow at an increasing rate. By the time it gets to the bottom, the snowball could have doubled, tripled, or even quadrupled in size. As it gets bigger, the gains it makes become even larger. All it takes to earn compound interest is time and patience.

Let's check out the math to really understand how compounding can help grow your investments. We'll also show you how to easily earn compound interest with Binance Earn.

Crunching the Compound Interest Numbers

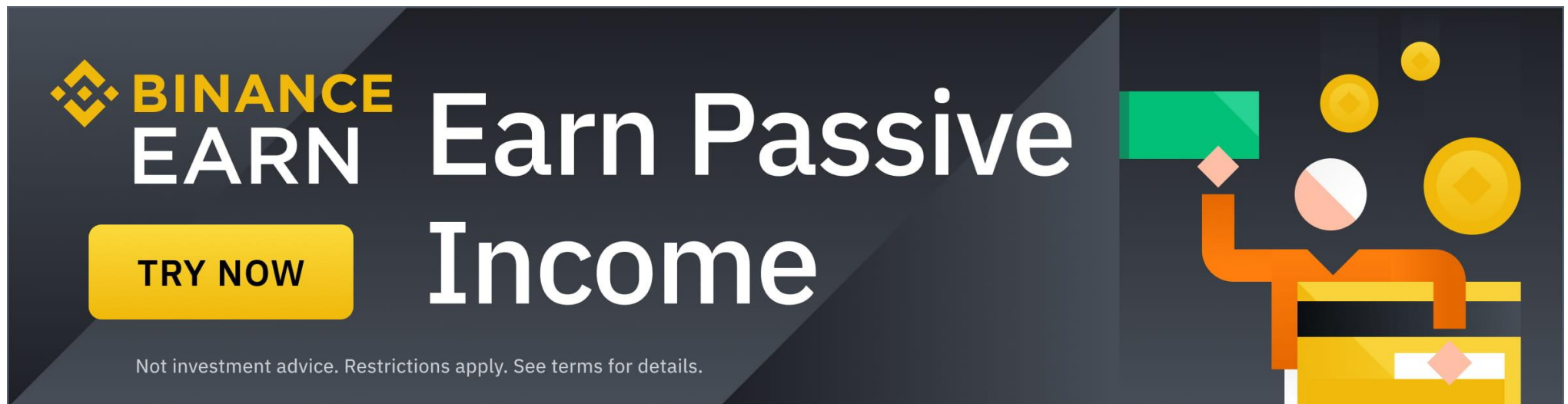
Imagine you're investing \$10,000 in a high-interest crypto savings account that provides 5% APY. You can leave your deposit in for as long as you like, but your returns aren't automatically reinvested. The minimum lock-in period is one year.

You deposit your money, and at the end of one year, you gain \$500 (5% of \$10,000). At the end of the second year, you gain another \$500. After five years, you remove your deposit and take home \$12,500, giving you 25% profit.

Now, imagine you remove your funds and yearly interest and reinvest them both. After year one, you take your \$1050 and reinvest it into the account. After year two, you'll then have \$1102.50. Let's look at a table to compare the two scenarios:

Year	Without Compounding	Compounding	% Increase w/ Compounding
0	\$10,000	\$10,000	0%
1	\$10,500	\$10,500	0%
2	\$11,000	\$11,025	0.23%
3	\$11,500	\$11,576.25	0.66%
4	\$12,000	\$12,155.06	1.29%
5	\$12,500	\$12,762.81	2.10%
50	\$35,000	\$114,674	228%

At the end of the five years, you'll end up with an extra \$262.81 in your hand thanks to compound interest. These are modest gains, but if we take this example out even further to 50 years, your returns will be over four times the amount you'd have without reinvesting. Time is the most important factor when it comes to earning compound interest—even modest APYs can compound over time to become a sizable position.



BINANCE
EARN

Earn Passive Income

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Not investment advice. Restrictions apply. See terms for details.

The advertisement features a dark blue background with a stylized illustration on the right showing a green rectangle, an orange line with a diamond, and several gold coins. The text is in white and yellow, with a prominent yellow button labeled 'TRY NOW'.

Why Does Compounding Work so Well in Crypto?

While our savings account example had 5% interest compounded annually, you can easily stake and earn compound on select coins for up to 100% annual yields.

However, you can't forget that crypto, like any investment, comes with risks. APYs can and do change. Even more importantly, you can't guarantee that the dollar value of your coins won't drop. Even with local currencies, you have to contend with inflation: that 0.50% APY you get with a traditional high-rate savings account won't get you anywhere if the inflation rate hovers around ~2–3% (in many regions, inflation rates are even higher).

How to Compound Your Crypto with Ease

You don't need to leave Binance to start earning compound interest. There are multiple ways to make sure your interest doesn't just gather dust. We've got both automatic and manual options for any investor to choose from.

1. Use the Auto-Subscription feature for Binance Savings

If you've subscribed to [Flexible Savings](#) or even [Binance Staking](#), Binance sends your interest to your Spot Wallet daily. While you could manually reinvest, you can also automate compounding with the Auto-Subscription feature. By turning on the Auto-Subscription feature, Binance will take the earned interest and subscribe them into [Flexible Savings](#).

2. Resubscribe to Binance Staking and Locked Saving products when the campaign has ended

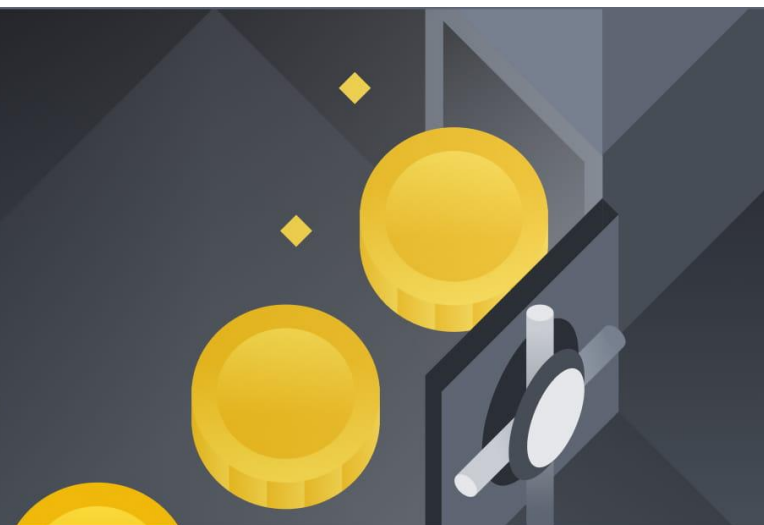
If you've invested in [Binance Staking](#) or [Locked Savings](#) products, you'll have to wait until the subscription period is over before subscribing your earned interest back into one of those two products. One way to maximize your gains is to reinvest your principal and earnings as soon as the campaign ends. For example, with a 90 day subscription period, you'd only need to compound four times a year. How's that for efficiency?



TRY NOW

Try Binance Staking

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Earn Passive Income and Compound Interest with Binance Earn

While compounding is a useful tool for any user, it's not the only way to start earning more with your crypto. Binance Earn has a whole variety of products you can use with the funds you're HODLing. If you want to start earn compound interest, staking, and even just saving, you'll need to [register](#) first and complete [Identity Verification](#). Once that's done, head to [Binance Earn](#) and start making progress towards your crypto goals.

For more detailed information on how to use Binance Earn, as well as the terms, conditions, and risks, refer to the following FAQs and guides:

- (Support) [What Is Binance Earn and How to Use It](#)
- (Support) [How to Get Started with Flexible Savings](#)
- (Support) [How to use Binance Locked Savings](#)
- (Support) [How to Use Binance Locked Staking](#)
- (Support) [Binance Earn FAQ Library](#)
- (Academy) [Your Guide to Binance Earn](#)