

investment imprints

- 💡 Investing can help fund your retirement.
- 💡 Investing can make you money through interest, dividends, and capital appreciation.
- 💡 Before you start investing, take care of credit card debt.
- 💡 With an online discount broker, you make most of the decisions yourself.
- 💡 With a full service broker, an expert makes decisions for you, but it is more expensive.
- 💡 You can invest in several types of products, including money market mutual funds, bonds, and stocks.
- 💡 Stocks are more risky than bonds.
- 💡 The younger you are, the more risks you can take with investing.
- 💡 Figure out how long you want to invest for.
- 💡 Spreading your investments around is a good idea.
- 💡 There are agencies that protect investors.
- 💡 You invest using a broker and/or brokerage account.
- 💡 Always have an emergency savings fund.

bonds imprints

Whether you want to add bonds to your portfolio or just want a savings bond, keep in mind that while bonds might be a safer investment than stocks, they still have risks and you should spend quality time learning about bonds. You know, “bonding” time, hehehe. Here are some key points to muse over with a glass of Chianti (and liver for you Silence of the Lambs aficionados):

- 💡 A bond is an IOU. Why? You are loaning money when you buy a bond. The bond issuer like a company, municipality or the federal government owes you. However, you don’t own a piece of the bond issuer (that would be a stock).
- 💡 You expect to get your money back plus interest (coupon).
- 💡 Bonds historically are less risky than stocks but make less money.

- 💡 Bonds are not risk-free. Money could lose value because of inflation or the bond issuer not paying back your money.
- 💡 You will probably pay tax on what you make.
- 💡 Some bonds are tax-free, like certain municipal bonds.
- 💡 Bond prices move in the opposite direction of interest rates. When interest rates fall, bond prices rise.
- 💡 Savings bonds are extremely safe, followed by Treasuries, and then Municipal bonds.
- 💡 Corporate bonds are the riskiest bonds, but offer the best coupon rates.
- 💡 Bonds are rated according to a bond rating index. An “A” is considered best while a “D” is worst.

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Too. Much. Input. Wouldn't it be nice to have a summary of the key concepts I just dump trucked onto you? Oh wait, what's this in my back pocket? Oh, it's a summary. How convenient. If you are looking for details, wrong section, but this is a reminder of what this crazy mutual fund thing is all about.

- 💡 It's about the long term, baby. I'm not saying you are not going to be making a lot of money by trading in and out of mutual funds, but that quick trading might be better reserved for stock trading. There are all kinds of fees when you trade in or out within a year, and the benefits of having a varied portfolio can really come out over time.
- 💡 Diversification can rock your socks. Some people say don't put all your eggs in one basket. I say don't put all your Benjamins in one bidness. If you don't have multiple options, you could crash and crash hard. A mutual fund is supposed to reduce your risk by spreading around your investments.
- 💡 Know thy self, and know thy mutual fund. It all comes down to knowing what you want and taking the time to go find it. Too many people don't do the homework and end up picking funds based on a conversation they overheard at a cocktail party.

- 💡 Always compare to the rest of the herd. There are nearly 8,000 thousand mutual funds to chose from. There are many useful tools to compare funds against each other... use them or ask your Personal Finance Guide for help.
- 💡 Watch those fees like a hungry wolf. People want your money, as if that was a surprise, so you need to know what you are getting yourself into. They are going to want to tack fees on for everything. Just saying. If you keep an eye on the wolf, you can keep him from eating the crap out of your returns.
- 💡 Be careful with that Brokerage Account. These accounts make it real easy for you to buy and sell off your mutual funds and any other investments you took the plunge on. Even the discount firms have fees in the nooks and crannies. It's so easy to hit the ENTER key on your computer and see the leeching effect of the fees later.