

BEGINNER INVESTING

The world of investing can seem intimidating, but we're here to help. Learn more about the difference between saving and investing, how to think about your investment goals, and the best types of accounts for your needs.

Saving vs Investing

Savings are for emergencies and near-term expenditures. Investments, on the other hand, are designed for a longer timeframe, and must be given room to grow.



Saving

Emergencies and near-term needs

Liquid, able to redeem when needed with no reduction

Safe, little to no risk of loss

Stability, little to no fluctuation in value

Bank savings accounts, CDs, money management accounts, US savings bonds, fixed annuities



Investing

Longer time-frames

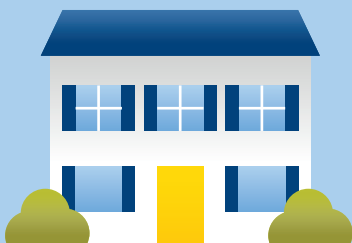
Potential for growth of principal

Potential for loss, fluctuation in value

Stocks, bonds, mutual funds, real estate, variable life and variable annuities, fixed annuities

Investment Goals

You can break your investment goals into three or more time frames: short term, medium term, and long term.



Short Term

Down payment on a house



Mid Term

Pay for college
Pay for a child's wedding

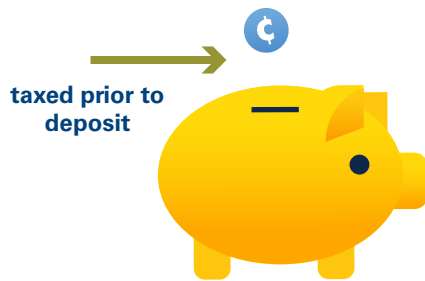


Long Term

Provide for retirement years

Types of Accounts

When thinking about where to put your money, consider the pros and cons of taxable and tax deferred accounts.



Taxable

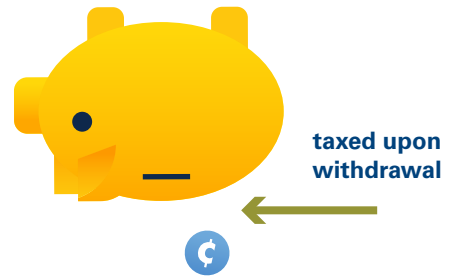
Activity shows up on tax return

Interest, Dividends, Capital Gains

Can claim a capital loss

Tax-Free income has no impact on taxes

Types of taxable accounts: individual or joint account, custodial accounts (for minors), trust accounts



Tax-Deferred

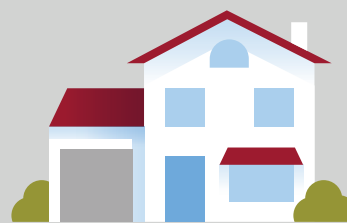
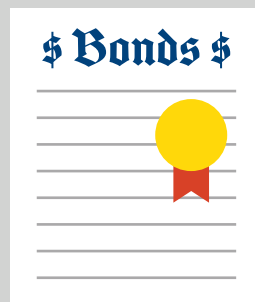
Regardless of activity, is not reflected on tax return

No claiming capital loss

Types of tax-deferred accounts: retirement plans (401k, 403b, 457, TSP), IRA (traditional, rollover, Roth), 529 (college savings), annuities (retirement), life insurance (death benefit, estate & business), health savings account (medical)

Diversification

So, you want to start investing! But, what should you invest in? You want to ensure that you diversify your portfolio. You want a portfolio made up of both risky and less risky investments, and you should invest in multiple asset classes. These include stocks, bonds, cash, real estate and commodities, among others.



Real Estate



Commodities

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