



Introduction to Investing

Investing money for retirement can be intimidating, especially if you don't know much about it. Stocks, bonds, mutual funds, index funds...what does it all mean?

Stocks: The capital raise by a business or corporation through the issue and subscription of shares.

Bonds: A fixed income investment in which an investor loans money to an entity for a defined period of time at a variable or fixed interest rate.

Mutual Fund: An investment fund that pools money from many investors to make purchases.

Index Funds: A type of mutual fund with a portfolio constructed to match or track the components of a market index. An index fund provides broad market exposure at low operating costs.



Compounding Interest: Compound interest is "interest on interest". Compounding interest allows money to grow quicker than simple interest.

Portfolio: Everything you own is considered part of your portfolio; Your retirement accounts, investment accounts, and even your home.

Diversity: Spreading your investments out into different accounts and assets means you are diversifying. This is the best way to keep your money safe. You never want to put all of your eggs in one basket.