

SHOULD YOU START INVESTING? TIPS BEFORE YOU DO

Educate yourself before you invest

Know where you are putting your money and understand the risks associated with it. You work hard for your money, so it is important that you have a good understanding of basic investment terms. Ask any questions you have before you invest your money.

Look at the big picture

You should understand your overall financial situation before you start trying to invest. Do you have debt obligations? Do you have an emergency fund? You should ask yourself these questions before you take money away to invest.

Create and maintain an emergency fund

It is essential for you to keep enough money saved to help you in any emergency. The world is unpredictable, and you never know when you might need it. If you keep maintaining an emergency fund you will be prepared when an unplanned expense happens, you will be able to keep investing, you will avoid taking on unnecessary debt and damaging your credit score, and you will have options!

Learn to budget and save come before investing

Learning to budget and save is important to do before you start investing. You never want to drain all your funds to invest. It is important to have an emergency fund and enough to pay your bills and/or debt obligations.

High or low risk?

Deciding on the right investments for you requires you to match the time frame you have to the riskiness of the investment. If you are investing money that you want to be able to use next year, a safer investment option could be best. Riskier investment options often require more dedication to time.

Choose financial advisors carefully

If you decide to get financial advice from a financial advisor, educate yourself beforehand so you have a better understanding of what you are looking for in whomever you choose to handle your finances.