

SUCCESSFUL WOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



Launching a Financial Future

Share these fundamental concepts with young emerging investors.

We celebrate our lives in milestones. Ages and stages. Once we hit that thrilling number 18 signifying that we're officially adults, the amount of freedom we feel becomes commensurate with the responsibilities that our lives begin to take on – with financial literacy underlying many of those obligations.

Navigating the world of investing can feel daunting, but understanding key concepts and learning from essential lessons can guide the journey. Whether you have a family member turning 18, or someone in your life looking to build wealth from the bottom up, this primer provides a solid overview of the basic types of securities, investing strategies, and valuable lessons to help pave the path toward financial confidence.

UNDERSTANDING YOUR OPTIONS

Before launching into the world of investments, emerging investors need to know and understand what tools are at their disposal. Securities are essentially tradable assets that hold monetary value. Each type serves a distinct purpose and carries risks and rewards.

- **Stocks:** Representing ownership in a company, stocks grant investors voting rights and potential dividends (a share of the company's profits). These can be volatile, offering high returns but also carrying the risk of capital loss.
- **Bonds:** Essentially loans made to companies or governments, bonds offer a fixed interest rate over a set period. While

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generally less volatile than stocks, they offer lower potential returns and are susceptible to interest rate fluctuations.

- **Mutual funds:** These pool investors' money to purchase a diversified portfolio of assets (stocks, bonds, and so on). They offer lower risk and greater liquidity but come with management fees.
- **Exchange-traded funds (ETFs):** Similar to mutual funds, ETFs passively track a market index or sector, offering instant diversification and lower fees. They trade like stocks throughout the day, providing greater flexibility.

FINDING YOUR INVESTMENT STRATEGY

Once new investors understand the tools, it's time to provide clarity on how different investment strategies align with varying risk tolerances and goals. A vital point to make: your investment strategy can change as your needs and goals change.

Some investors focus on value investing, which seeks undervalued stocks with strong fundamentals (core elements of the company itself that make the stock attractive). To succeed with this strategy, it's important to be patient and interested in researching companies to find those hidden gems with potential for growth.

Another strategy focused on company fundamentals is growth investing. Instead of considering what the company looks like today, this style is mostly concerned with high growth potential. By prioritizing future earnings over current profitability, it carries higher risk but offers the chance for significant returns.

For those investors looking for less growth potential, but a steadier income and capital appreciation over time, dividend investing is a strategy to gravitate toward. It can provide regular income through investing in stocks that pay consistent dividends. It is important to note that dividends are not guaranteed and must be authorized by the company's board of directors.

Looking at the bigger picture, asset allocation zooms out beyond stocks and invites investors to diversify across different asset classes (think stocks, bonds, and so on). This approach helps mitigate risk and balances volatility while on the road to long-term growth.

EMBRACING TRIED-AND-TRUE LESSONS

Investing for beginners can feel daunting, but helping to understand key concepts like risk and return, diversification, and the power of time can set investors on the right path.

You've heard these sayings, and now it's time to pass them on. Stress the importance of not putting all their eggs in one basket – it helps to spread investments across different assets and sectors to manage risk. The earlier aspiring investors start and the longer they invest, the more their money grows thanks to compound interest. It's also prudent to help

them become mindful of fees, do their research, and seek professional guidance when needed.

Remind them that investing is a marathon, not a sprint. Once they embark on their investing journey, they should strive to stay informed and adapt their approach as they work to build a secure financial future.

By sharing the learnings of experienced investors, you can help new investors avoid common pitfalls and succeed in building wealth from the bottom up. Here are some key lessons to impart:

- **The power of compounding:** When you start early, your money grows over time. Even small contributions invested consistently can snowball into significant sums thanks to compound interest. (A great example of this is a 401(k) retirement plan offered by employers where small amounts are allocated from your pay until you can increase your investment.)
- **Risk and reward are inseparable:** Higher potential returns come with higher risk. Understand your risk tolerance and invest accordingly.
- **Discipline over emotions:** Fear and greed are market enemies. Stick to your investment strategy and avoid impulsive decisions based on market fluctuations.
- **Do your research:** Know what you're investing in. Research companies, understand their financials, and critically evaluate investment advice.
- **Embrace diversification:** Don't put all your eggs in one basket. Spread your investments across different asset classes and sectors to help mitigate risk.
- **Time is on your side:** The market has historically trended up over the long term. Invest consistently and stay patient for your wealth to grow.

Becoming lifelong learners benefits us in many aspects of our lives – and the financial realm is no different. The learning curve can feel more approachable when new investors have someone they trust to give them a head start. With dedication and perseverance, emerging investors can navigate the market with confidence and strive to build a secure and prosperous future. ■

NEXT STEPS

- Ask questions to help emerging investors uncover the best place for them to start with their investing journey.
- Consider including your adult-aged children in a call or meeting with your financial advisor.
- Remind early and often that investing is a journey and that our goals and needs change over time.

Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation. This article is educational in nature and every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.



7 money moves to help enhance your cash

Sometimes savings can be easier to find if you know where to look.

Beyond the generic advice of “saving more,” these nuanced strategies can help your cash flow. Here are some tips:

1. Find your match. Take advantage of employer matching so you don’t leave money on the table. If they match 3%, you’ve covered 6% of your retirement savings goal when you add in your contribution. While the specifics vary, many companies will match whatever you contribute to the retirement plan (up to a certain percentage of your income).

Bonus: If you’re already doing this, try increasing your savings rate by 1% a year. Whether in an IRA, 401(k) or some other dedicated account, this small change means you’ll be at 15% within 10 years (without even feeling it).

2. Dig deeper for savings at work. Investigate additional savings and see if your employer offers a corporate profit-sharing plan, an employee stock purchase plan (which empowers you to purchase your employer’s stock at a discount), or an employee stock ownership plan, which provides company stock at no cost as part of overall compensation.

3. Crusade for cash back. Befriend credit cards that reward you for every swipe and/or deposit cash back into your retirement account. But remember, this perk is only for disciplined spenders who pay off their balances religiously. Otherwise, interest fees could swallow your rewards whole.

4. Negotiate like a ninja. From cable bills to phone plans, many recurring expenses can be lowered with a simple ask or negotiation. Channel your inner dealmaker and watch the savings pile up.

5. Create challenges for yourself. Go further than “set it and forget it” savings mode, by setting monthly challenges like

cooking at home one more night a week or canceling a barely-used. Reward yourself for reaching these goals, but redirect those rewards to your cash stash instead.

6. Automate your savings. Make saving effortless by setting up automatic transfers from your checking or savings account to your retirement account. Choose an amount you won’t miss, and watch your cash grow steadily over time. Paying yourself first keeps you on track and ensures that you’re investing consistently, regardless of market fluctuations.* And when you put money aside in a tax-deferred account, such as a 401(k) or a traditional IRA, you can also cut your tax bill.

7. Combine your financial accounts. This may help you take advantage of potentially lower fees. Don’t assume a bank is your only choice for check writing, and consider applying whatever savings you achieve to your retirement fund.

The secret here is to find strategies that work with your savings style. By taking a little time to think outside the savings account box and get creative, you can watch your financial flexibility increase.

NEXT STEPS

- Reach out to your company’s human resources leader to ask about investing opportunities.
- Set aside 30 minutes to identify financial accounts that can be automated for savings.
- Review your subscriptions and make a plan to cancel those unused or no longer needed.

*This strategy does not assure a profit and does not protect against loss. It involves continuous investment regardless of fluctuating price levels of such securities. Investors should consider their financial ability to continue purchases through periods of low-price levels. Investing involves risk, including the possible loss of capital. There is no assurance that any investment strategy will be successful. Withdrawals from tax-deferred accounts may be subject to income taxes, and prior to age 59 1/2 a 10% federal penalty tax may also apply. Matching contributions from your employer may be subject to a vesting schedule. Please consult with your financial advisor for more information.



Can homeschooling and a full-time job coexist?

Juggling schoolbooks and paychecks isn't for the faint of heart, but can be a rewarding endeavor with the right expectations and support.

The decision to homeschool can offer freedom, and personal learning, and create a deeper connection with your child. But what if you're employed full time? Can your dream of nurturing a young mind live alongside the very real demands of a busy career? Spoiler alert: It depends.

THE BALANCING ACT

Picture early mornings juggling lesson plans with coffee, lunchtime Zoom calls interspersed with science experiments, and evenings where exhaustion battles with bedtime stories.

When you have a child, you're no stranger to how clutch organization and flexibility is in your every day. Considering homeschooling with a full-time job means you have to be honest with yourself about the demands on any given day or week and plan accordingly on both ends of the work and school spectrum.

PLANNING YOUR PIVOT

As with any worthy endeavor, success at homeschooling takes planning. Here are some tips to create a harmonious learning environment:

- **Schedule synergy:** Chart a detailed plan. Factor in work hours, breaks, family time, and homeschooling blocks. Utilize online resources, curriculum plans, and educational apps to maximize efficiency.
- **Embrace flexibility:** Unexpected meetings, sick kids, or a flat tire? Adapt by modifying schedules, utilizing online lessons, or enrolling in short-term camps.
- **Delegate and utilize:** Can grandma handle math mornings? Is a neighbor qualified to teach Spanish? Don't be afraid to share the educational load to ease the pressure.

- **Community counts:** Homeschooling doesn't have to mean isolation. Social interaction and peer support are invaluable. Seek online communities, join local homeschooling groups, or participate in co-op classes.
- **Prioritize mental health:** Operating on full throttle in your career and your child's schooling is taxing. Schedule time to exercise, do something you love, or enjoy a hot bath. A well-rested, happy parent is the driving force behind homeschooling success.

BEYOND THE BOOKS

While academics are important, tap into the unique advantages of homeschooling. Use work experience to integrate real-world applications into lessons. Take field trips, visit museum, and volunteer. By making learning an enriching, hands-on experience, you take journey and memories well beyond textbooks and online lessons.

For families who embrace the challenge of overcoming the hurdles of this balancing act, the joys of fostering a deep connection with their children, tailoring education to individual needs, and witnessing the magic of independent learning firsthand can be worth it. And you'll have many priceless memories to show for your dedication.

NEXT STEPS

- Maximize flexibility in your routine as you consider this journey for your family.
- When you're not working, practice being present with your child.
- Foster a sense of independence by helping your child help themselves.

Sources: smartasset.com, investopedia.com, finra.org