

Best Investment Tips and Ideas



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Understanding The Emotional Dynamics Of Investing

Investing can be an emotional roller coaster for many people. This holds true whether you are investing in real estate, gold, the stock market, your own business, or whatever you consider your investments to be. There are some basic things you can do to make the process less emotional and in turn, less stressful. Make sure you do not over-extend yourself, be aware of when your break even points may be, and have a back-up plan if your first plan doesn't work the way you thought it would.

Do Not Over-Extend Yourself

There is one main reason that over extending yourself financially for an investment is never a good idea. It does not allow for any error, change, or learning curve. Most often people rely on others to participate in some way to make their investments successful. Most businesses need people to run it, investment properties need tenants, and market investors need professionals to guide them. If somebody lets you down it will be hard to bounce back if you are over extended.

The Break Even Point

Different investments have different break even points. If you are looking to break even quickly and start being fully profitable you are likely looking at investments that are not as risky. Higher risk equals higher reward. Lower risk equals less reward. A combination of both investments is excellent to have. After you have reached a breakeven point you open up your investments to valuable other opportunities too.

Have A Plan For The Plan

At first thought that probably sounds ridiculous but it is necessary. One of the most stressful things that can happen to investors is to not have things go the way they envisioned. Creating a plan in the first place will allow you to realistically evaluate your expectations and investments. No solid plan should be all or nothing. That is when the back-up plan comes in to play for investors. It allows you the flexibility to make adjustments and tweaks when necessary.

The dynamics of investing can be very emotional and stressful if not properly managed. When you are aware of what is all involved you give yourself the power to avoid those situations or at least manage them effectively. That will make your investments more exciting, rewarding, and enjoyable. Those positive factors will only lead to greater success in all that achieve with investments and life.

Solid Investment Plans Are Well Rounded

If you want to be a solid investor you will find that you need one critical component. That component is a diversified portfolio. Diversified portfolios help ensure that you will have balance and risk management considerations in place for your portfolio. Experienced investors and financial advisors have discovered the significant importance of diversification for increasing financial gain and reducing loss. The concept is simple. You need to have a well rounded portfolio that has a variety of high risk to low risk investments. That way, if one does great you are ahead. On the other hand, if one does not go great you are not behind. The three main categories of investments you need to balance out in your portfolio are cash, stocks, and bonds. Diversifying these three things in your portfolio will make it strong and give it the best chances of working effectively for you.

Cash

Cash is the portion of your assets that should be considered the most liquid. That doesn't mean you tap into it whenever you have the desire to do so. It means that you have access to it if you need it for a major purchase. Most people choose options such as Certificates of Deposit and Money Market accounts for this part of their portfolio. It provides flexibility, low or non-existent penalties for withdrawals, and the opportunity to earn some interest on the money.

Stocks

When you are starting an investment portfolio or adjusting a current one stocks are the first item to address. Out of the three investment areas, stocks are the most volatile and require the most diversification. When it comes to stocks there are not only high risk and low risk, but also small caps and large caps. You need to do your research or find a financial advisor to help research for you with this one. There are diversified portfolio options now that even tie in with your personal beliefs and help you support the causes you consider important.

Bonds

Bonds are a unique investment because they have an end date and a guaranteed interest rate. Governments, municipalities, and corporations are the most frequent users of bonds. When you start looking into bonds you will hear the term blue chip. A blue chip bond is one that is considered less risky. The best way to tell if a bond is high or low risk is the interest rate that it offers. The lower the rate of return the more stable the bond is considered. Higher rates of return are associated with higher risk.

The Differences Between The Foreign Exchange Market And The Stock Market

The stock market is the first market that all of us have known about. In the early 1970's a new market came to be. That market is the foreign exchange market, more commonly known as Forex. There are several key differences between the two markets. It is important to understand that and to also know that your knowledge in one market doesn't necessarily translate to the other market if you are considering investing in it.

The stock exchange market is regulated by the Federal Trade Commission. They make sure that certain licensing and rules are followed by traders on the stock exchange. Each country has a governing board for regulating this. When you trade on the Forex market there is no overseeing regulator for that. It is an international market and not governed by any specific body. That means that investors have to be extra cautious and wise so they protect their investments.

Stock exchange markets are physical places that you can go to. Foreign Currency exchange is done through computers and the internet. You will not find an active pit like we see with Wall Street trading. What you will find are people behind their computers studying what is going on across the world.

The Forex market never sleeps. There is no specific day for trading. Depending on what type Foreign Currency trading you want to do it can be done twenty four hours a day. With the stock exchange market there are specific hours for trading each day. That is a key difference.

Most stock market exchange is done with long term goals for financial gain. When you trade on the Foreign Currency market the return is usually more quick. There are options out there that allow for you to put end dates to your trading too.

To establish the most versatile, well rounded, and exciting investment portfolio more investors have decided to actively participate in both the stock exchange market and foreign currency market. They have quickly learned the fundamental differences of these two markets so they have the best advantage possible whether they handle their own trading or hire a professional. No matter which route you go or how you choose to invest it is important to give yourself the knowledge regarding the fundamental differences between the Stock Market and Foreign Exchange Market.

Three Reasons To Have A Financial Advisor

Many people go through life without having a true financial plan. There are a handful of individuals who can create a financial plan for their future on their own. The rest of us should find a financial advisor and create a relationship with them to help ensure the best financial future possible for us as the years go on. Financial advisors stay current with the latest investing trends, they can create a financial plan for you that will help in decision making, and they want you to have an enjoyable life in your golden years.

Investing Trends

Investing is constantly changing. The fundamentals stay the same but there are always new ways to invest smarter, better, and more economically. A financial advisor will be aware of the latest tax deductions you have available for certain investments or which ones have gone away. They want your money to make sense and work for you. Their knowledge of both the overall picture and the little details make them a valuable resource when it comes to investing trends.

Create A Financial Plan

It is very important to create a financial plan for your present situation and future goals. The plan will help you develop a strong financial foundation, not get overextended on your obligations, and really understand the direction you are headed towards for retirement. That is very valuable information and a plan will help you stay on track. Each and every major purchase you make (and even an accumulation of smaller ones) should be evaluated through the boundaries you set in your financial plan. Nobody wants to reflect back on life and see that they chose frivolous purchases over long term security.

Enjoy Your Golden Years

Financial advisors work diligently to put your financial life on the fast track. They know that you want to retire comfortably and reap the rewards of a lifetime of investing, planning, and working. Having a professional partner that is working for the same results as you are is very beneficial.

Financial advisors are always in demand. That is for a reason. They help people understand investing trends, create financial plans for living better, and help keep you on track for enjoying the golden years. Make sure you know if you are making the best decisions to increase your money's efficiency and decrease the stress of wondering what will happen in the future.

The Best Investments To Help Pay For College

As a parent you have every reason to be very proud of your child for wanting to go to college and getting accepted into the college of their choice. Most parents also want to help pay for their children's education and need to find out how to make their money really work for them. There are two things that all parents can agree upon. Kids grow way too fast and going to college is expensive. As a parent, you do not want to make the mistake of procrastinating when it comes to saving for your child's (or children's) education. Here are a few of the best investments you can make that are designed to help your children go to the college they want and not have as much in student loans when they are done.

- Traditional investment options. The traditional investment options are savings accounts, taxable investment accounts, annuities, and U.S. Savings Bonds. These have long been popular options for parents to use when saving for their children's education. They provide stability and a great rate of return.
- Section 529 College Savings Programs. Section 529 programs are operated by states or educational institutions to help parents set aside funds for their children to go to college. Every state has at least one 529 program available. The thing that really makes the 529 attractive to parents starting to save for college now are that they can live in one state, invest in another states 529 program and their child can go to college in an entirely different state. That flexibility is reassuring and it also plays a great role in keeping various 529's competitive and profitable for those who invest in them.
- Coverdell Education Savings Account. This account was formerly called an Education IRA. The strength of a Coverdell Education Savings Account is that you invest in it with after tax dollars. When it is time to withdraw funds for education you will need to meet a few criteria but will most likely have a tax free, penalty free withdrawal for college expenses.

With increasing education costs more viable savings options for college have come to be. Parents know that they need to make college financial considerations for their children from the time they are infants to prepare. Eighteen years can go very quickly and it is important to be ready.

The Foreign Exchange Market Scams

The Foreign Exchange market is frequently referred to as Forex. Since the mid 1970's Forex has become increasingly popular with people all around the world. The market never sleeps and you can trade any time of day with it. There are no specific hours like you will find with the stock market. There are promises of instant financial reward with Forex and that can happen but you do need to look out for scams. Here are some of the warning signs that may show you are being enticed by a scam Forex transaction.

Scam Sign Number One

When a deal sounds too good to be true that tells you one thing. That deal actually is probably too good to be true. Investments are not known to be risk free and when you are guaranteed something great you better make sure that it really can be guaranteed.

Scam Sign Number Two

Your Forex trader keeps calling you to get just a little more money. It may be for the latest and greatest opportunity or a chance to turn an investment that is non-profitable around. If you are yet to see any return at all from your trader make sure that you are prepared to accept the consequences of losing all your investment.

Scam Sign Number Three

Your instincts are telling you that the investment does not feel right. Instincts are powerful and often right. They are completely different from stress or anxiety and when they are speaking to you it is time to pay attention to them.

Scam Sign Number Four

You are following advice and doing everything your trader asks to recover a lost investment yet nothing is changing for the better. Risk does involve the ability to accept a loss and move on. It does not involve blind faith. Investments can take time to become profitable so you need to evaluate when enough is enough.

Scam Sign Number Five

Pay for a course that states it will teach you all you need to know to become an expert. There is a great chance you will become an expert. Unfortunately, you will be an expert in recovering from a scam. People dedicate their life, careers, and education to Forex trading. That is because it takes a lot of knowledge, finesse, and understanding of the market. You would never expect to become a doctor from reading a book and you should not expect to become an investor from reading one either.

What You Should Know About Investment Property Purchasing

There is a lot of talk out there about investment properties. The perspective comes from peoples personal experiences. If you are considering purchasing an investment property you need to create your own perspective based upon your own expectations. Other peoples advice is interesting but does not necessarily apply to you – especially if they are not an expert in the field of investment property purchasing.

1. Purchasing investment properties does take time. It is considered a small business. You need to make sure you manage your time efficiently and devote the proper amount of time to your investment properties. It does not have to be a lot of time and they don't always require constant attention. One of the best ways to have your investment property work for you without a lot of time is to get good tenants into it.
2. You do not always need to have a lot of money saved up to purchase an investment property. Many lenders will provide you financing if you can purchase a property at 30% below the market value. One other way that people get into investment properties with less cash is by choosing to keep their current home when they move and start renting it out. There are definitely options out there. You may also create a partnership with somebody else. Perhaps they supply the cash and you supply the attention to the property.
3. It is a good idea to have a minimum of two months reserves for your investment property. This will help cover the gap if you are between tenants or cover an emergency

repair or expense. Those funds should be kept in a separate checking/savings account that is devoted to the investment property and nothing else. That separation also makes it a lot easier when it comes to tax time.

4. Depending on your goals with investment properties you should have a list of your specific criteria in place. That way you have your own formula of what is a good property for you and what is not. There may be a fantastic investment property opportunity that is thirty miles from your home. In the end, it may not always be easy to make that thirty mile trip to check on it or show it. Establish your criteria for investment properties around neighborhoods, popular school districts, and distance from your home base.

The Strengths Of Adjustable Rate Mortgages

The controversy over adjustable rate mortgages has been ongoing since mortgage loans have been a part of home purchasing. No mortgage loan can be everything to all people. When you are evaluating your mortgage needs you have to look at the pros and cons to all the various programs out there. Here are some of the strengths of adjustable rate mortgages for people who are investigating their mortgage options.

- You can end up with a very affordable interest rate. In the end that means that you will have more funds available to pay down on the principle of your loan. If you are like most people, they start out with a thirty year mortgage to keep payments lower. Lower payments are great but 30 years worth of interest are not.
- Many people will only stay in a residence for a few years. If you plan on living in your home less than five years an adjustable rate mortgage can be a terrific option for you. You can lock in a rate for that entire five years that is lower than fixed mortgage rates. The largest caution point on this is that you have to hope that the market is solid when it comes time to sell to increase your chances for a quick sale close to the asking price you are requesting.
- The qualify terms for adjustable rate mortgages are often less strict than on fixed rate financing. That gives many consumers reassurance because they don't have to get beaten up during the qualifying process if they are not perfect. That does not mean that you should try to force yourself into a mortgage that is not right for you or a property that is too much for you.
- You can get adjustable rate mortgages that are based on different markets. That means there is a wide variety of rate choices that are available to you to fit your mortgage needs. A reputable mortgage broker or banker will be able to advise you of the best choices out there for you.
- If the economy is in a period where interest rates are high you can end up with a more practical rate for that duration if you look at an adjustable rate. Historically, rates never stay high and keep rising for over five years. That means you have an excellent window to fix into a lower rate at some point. Even if your adjustable rate has a prepayment penalty you could end up ahead by paying it and refinancing.

Why Fixed Rate Mortgage Loans Provide Stability

There are many people in this world who like and appreciate stability. They thrive on it the way others thrive on change and risk. When it comes to purchasing a home they want to know what their principle and interest payments are and how long they will be paying on the mortgage before it is paid in full. Fixed rate mortgage loans are one of the best ways to give this consumer the information, answers, and guarantee that they need. Fixed rate mortgage loans help people budget their money more effectively, give a specific breakdown of where payments are applied every month, and stability in their financial lives.

Budget your money effectively

When you know that a payment will be the same for thirty years it is pretty easy to make sure you allocate enough money to cover that payment. That is one of the shining reasons why a fixed rate mortgage loan is a great option for many people. Over the past years, adjustable rate mortgages have went up greatly when they adjusted and many people suddenly found themselves in more house than their budget allowed for.

A specific breakdown of payments

With a fixed rate mortgage you can get an amortization schedule that shows you exactly how payments will be applied for the length of the loan. As the years go by you can see how more of your payment will go to the principle and less will go to interest. That is very exciting and motivating for some people. Anybody who has ever had a mortgage loan before has realized how much goes to interest at the beginning. That fact cannot be changed but it sure is tough to swallow at times.

Stability with finances

When you have a fixed rate mortgage it is easy to bring stability to your overall financial picture. Many people plan on retiring when their loan is paying off and that mortgage payoff date really becomes an exciting thing. Of course, people do refinance fixed rate loans for home improvements and cash infusions but overall they do get paid off more quickly than adjustable rate mortgages.

Fixed rate mortgages have been around for a long time. While their rate can often be a bit higher than an adjustable rate it will be your rate after that time. If mortgage rates go to 10% you could be sitting pretty at 7%. That is exciting and 'makes fixed rate mortgages a great choice.

Six Reasons Why Purchasing A Home Is Still A Good Investment

The housing market may not be in the best condition ever right now. Let's face it, the market appears to be about as bad as it can get. What is important to remember is that it is not bad for everybody. Buyers have a wonderful opportunity to purchase a home that is a good investment. Here are seven reasons why purchasing a home now is not a bad idea.

1. The selection. The homes that are on the market right now are fairly extensive in many areas. You will have a broader range of homes to consider in your price range than what has been available in a long time.
2. The value. The value of homes has gone down in all markets over the past years. With lending restrictions being implemented and financial industry woes the same amount of

people do not qualify for purchasing homes unless they have a substantial down payment. That is one big reason that the supply has went up. You can get more of a home at a lesser price.

3. Tax deductions. When you own a home you open up the opportunity to receive several tax benefits that are not available to you as a renter. You can deduct interest, taxes, energy efficiency upgrades, and more. There is nobody that could tell you all your possibilities aside from a tax accountant.
4. Express yourself. When you own your home it opens up the possibilities that you may enjoy for decorating, landscaping, playing, and having fun. Depending on the type of home you could finally have that space to decorate with that perfect color or start gardening if you have a yard. The only limit is your imagination.
5. Always in demand. People will always need to have a place to live. They will most always be interested in purchasing too. Despite a tough economy right now you will have people looking at your home down the road if you choose to sell it.
6. Appreciation. Yes, your home will ideally appreciate in value but the appreciation I am speaking of is the type of appreciation that goes with owning something. When you own something as substantial as a house you feel proud. You are most likely to take care of your investment because it may be with you a long time.

Seven Things To Consider When Purchasing An Investment Property

Investment properties have long been considered a way to create an investment opportunity that will provide long term financial benefits. We all know that the real estate market has been in turmoil the past years and that is expected to continue for awhile. That does not mean that it is not a good time to consider purchasing investment properties however. Here are seven things to consider and be aware of if you are interested in purchasing residential investment properties.

- Can you collect the amount of rent that will offset the mortgage payment and expenses? Ideally you can, but if you cannot you need to make sure that you have the additional income to offset the monthly payments and expenses associated with the property. Even if you have to chip in some of your funds every month to offset you could still end up ahead.
- Do you have the time to devote to being a landlord? Investment properties do not just take care of themselves. Like any residence, unexpected repairs and emergencies to arrive with investment properties. You need to make sure that you are available or you have somebody available to tend to those situations immediately.
- Is your city landlord friendly? Some cities are completely into the rights of tenants and very negligent of the rights of landlords. You need to make sure you understand and accept the criteria for investment properties that are set forth by the city.
- Will a vacancy bankrupt your wallet? Investment properties need to have reserves tied to them. It would be perfect and ideal if you had the next tenant waiting as one left. That is seldom the case though. Make sure you can swing the months when you do not have a tenant.
- How long would you like to keep the investment property? It seldom pays to own an investment property for just a few years. The real gain comes from long term ownership. Make sure that you understand the tax and investment consequences of owning investment properties.

- Can you treat your investment property like a business? When you are in the business of providing people their residential homes you need to be able to take a business stance when they throw personal reasons at you. It is sad when people have hardships and don't make their payments, but it is not your responsibility or goal to cover them. They probably will not catch up.

Invest Wise And Do Not Compromise

Investing can be daunting and intimidating for some people. Lately, the whole subject of investing has received a lot of attention. If you are just getting started with investing or revamping your prior investment strategies you need to make sure that you are wise with your decisions and do not compromise on them. That takes some discipline. Three things you can do to help maintain your discipline are to create a plan, separate your emotions, and be patient.

Create A Plan

Investing requires a plan just like any other business adventure. An investment plan should consider how to make your investments well rounded, an investment budget that you can stick to, and the results you expect.

- A well rounded plan will make sure that all your options are not riding on one factor.
- Make sure you are being realistic with your investment budget. It is not practical to think that you can invest 50% of all your income each and every month in long term investments. You need to have access to emergency funds that don't have a penalty or fee attached to them.
- Evaluate your desired results with your investment plan. The market and earning money from it takes time. You should not expect to see huge gains monthly or even yearly.

Separate Your Emotions

Our finances are every bit as much an emotional topic as a business one. When the market takes a down swing and you see hard earned money go away you must remember that it is temporary. That is not always easy to do. History is on your side though. The past trends have shown that people do gain when they invest in the stock market overall. That happens with time, dedication, and perseverance.

Be Patient

Patience is not only a virtue but it is vital when you are investing. Watching your money shrink and grow can be difficult. Make sure you have some systems in place for managing your patience. You may want to consider not looking at market performance daily and evaluating the overall picture once a month. That will help keep your sanity. In turn, you and your loved ones will be much happier and less stressed as a result.

Create a plan, separate your emotions, and be patient when you invest. When you do those three things you will find investing to be fun, exciting, and less stressful.

Investment Professionals Will Always Be Needed

There are many reasons why people decide to go with investment professionals when it comes to their investments. There is a great amount of knowledge that you need to effectively make all the decisions that come with investing your hard earned money. Some consumers are comfortable learning the intricacies of investing and want to give it a try themselves. Others know they need to invest, want to have a basic understanding of it, and know they don't have the time to do it themselves. Investment professionals provide us with real time information and proven strategies.

Real Time Information

An investment professional needs to stay current with everything going on. Through their professional affiliations they have access to everything happening in the investment world right when it is occurring. That means that if they know your directives they can be contact with you or follow your instructions to help optimize your investment results. The market does not wait for you to have the time to pay attention to it. If you are sick, in a meeting, or on vacation the market will continue on its path for that given moment. Professionals with access to real time information can help you grow while you are living your life.

Proven Strategies

Like most professional businesses, there are trade magazines and information available to help professionals grow and stay on top of their respective fields. Investment professionals are constantly receiving statistics, information, and various ideas based off of proven strategies that they can use. Who do they use that information on? They use it on their valuable clients. No investment professional wants their clients to lose money. They want you to grow, thrive, and prosper with your investment.

There is an old adage that says you need to spend a few bucks to make a few bucks. That may not have been created with investment professionals in mind but they are a shining example of why the saying holds true. When you find a trusting relationship with an investment professional you will discover how valuable that is for your future. Make sure that you consider the strengths an investment professional provides you when it comes to investing your dollars. They have access to real time information and proven strategies to help their clients achieve their growth goals.

The Secret Investment Formula

There are a series of questions that you can ask yourself to create the parameters, boundaries, and guidelines that are acceptable to you for investing. These questions are designed to not only keep it relatively simple for somebody who chooses to invest on their own, but they also can be applied to every type of investment – stocks, bonds, real estate, foreign exchange, etc. Grab a piece of paper and write down the answers to these questions. Once you have the answers for each investment category you are considering you will have a blue print to follow when making your decisions. Ideally, this will make it easier for you to invest comfortably and not be prone to investing from emotions and alluring words.

- Do I have a current investment portfolio of any sort? If you do not currently invest you may want to start out with a few higher risk opportunities, especially if you are younger.

If the investment doesn't perform the way you hope you will have more time to recover from that.

- Am I planning on using these investments for retirement income some day? The answer to this question is most likely yes. If you have a certain monthly income you would ideally like to receive you should work backwards from that number and find out the amount you need to invest monthly. There are programs to help you discover the breakdown depending on your age and the amount you have to invest.
- Will I be financially ruined if this investment fails? If you believe that you will be financially ruined from one failed investment there is only one solution. Do not invest in that opportunity. It is not the right one for you. There are absolutely no investments out there that you should put you in the all or nothing category.
- How do I deal with risk? If you don't believe you deal with it very well you need to find a way to increase your comfort level with risk and find investments that are less risky to get you started. As you see how investing works and watch it increase your portfolio you will gradually get more comfortable. Then you can move on to the next steps that would include riskier investments.

Five Ways To Make Investing Yourself Easier

If you have decided that you want to start investing in the stock market yourself there are five things that you can do to make the process a bit easier, relaxing, and more rewarding. You do need to devote time and attention to your portfolio on a regular basis when you choose to go it alone so make sure that you are committed to doing that before you dive in. If you are not willing to commit the time and develop the knowledge you should look at a professional investor to work on your behalf.

Software

You should find a good software program to help you manage your stock. The programs will not only allow you to organize all your information but they will help you set up parameters and criteria. They also come with updates that keep your software current and user friendly.

Take a class or seminar

Education is essential to get through life and it is definitely essential to get through investing in the stock market on your own. It is not an easy endeavor and you need to give yourself a wealth of information and knowledge to capitalize on the rewards. Investing is always a risk but it is a slightly higher risk when you are doing it yourself and not using a professional.

Join an investment group

Investment groups are an excellent way to start investing on your own and really understanding how it all works. Your monies are pooled with a group of other self investors and you all decide on what the best options are and why. Many people join these groups because they are enthusiasts and want to be professionals with their own funds down the road.

Read the trade magazines

Magazines that are devoted to stock trading are a valuable source of information for learning about all the different facets of investing. You learn about new trends, new opportunities, and get advice from experts.

Watch the investment blogs

Blogs are a great way to find out what is going on with other investors. Keep in mind, they are from a personal perspective so don't ever take them as absolute. When you find some good self investment blogs you will be able to learn from others experiences and have a chance to share what you have discovered yourself. They are very interesting that way and you can do that whenever you have the time.

The Most Under Appreciated Investment

The most underappreciated investment is easy to find. We all see it each and every day. Most likely we believe that we are paying attention to it and treating it fairly well. If the suspense has gotten to you let me tell you what the answer is. The answer is you. You are most likely your most underappreciated investment. Investing takes a combination of time, money, and passion. Do you truly devote yourself to those three things? If you don't it is time to start doing so.

Time

As busy people we all need time. Investing takes time. Reflect back on all the things that you are curious about or would like to know more about. Have you actively tried to quench your thirst for knowledge in those areas? If you have not you should take the time to do so. For example, if you are interested in investing in only green investments you should understand the basic principles and specific differences of green investing compared to other types of investing.

Money

Most all investments do involve money or at least a request for money. It would be fantastic if you could be prosperous and thrive for an investment that just required your time and brain power. The chances are slim. So, while you are waiting for that to come along you should find ways to generate the money you need to invest in what you desire. For many people this means higher education so opportunities for higher pay open up. People are driven by what improving them can do for themselves and those they love.

Passion

When a person is passionate about something it is usually all consuming in the most positive of ways. You talk about it with energy and become a natural sales person. You think about it more than just about anything else. You also try to find out how to make that happen. If you need to get others to invest in your vision they will screen you fairly heavily. The more you've invested in yourself through education and knowledge the better your chances are of finding people to join in.

Don't underestimate or neglect one of the most major investments you can make. That is the investment in you. When you give yourself time, figure out how to make more money, and pursue your passions you will have found a winning combination for an investment you can monitor 24/7.

How To Get People To Invest In Your Business

If you have a dream and vision for owning your own business you also have a lot of work to do to make that dream become your reality. There are three main things that you need to have in place in order to make it all happen. You need a solid business plan, you need specific goals

and objectives, and you need make sure that people will want whatever service your business offers.

The Solid Business Plan

A solid business plan takes time to write. Many times people work on business plans for a year before they are set to go. Some of the critical components to a solid business plan are break even points, detailed description of services, back-up plans for adjustments, and the financial management of the plan. Only when you have that business plan completed should you start investing money into your business or approach anybody else about investing in it. If you go to a bank they will listen, give some advice, and tell you to come back when a solid business plan is in place. If you are considering family members and friends for financing they deserve the same professionalism from you that the bank demands.

Specific Goals And Objectives

The business plan will help lay out some of this but understanding your specific goals and objectives is really where the passion comes in. Owning your own business is definitely two things in the beginning – exciting and a lot of work. You need to understand your intentions and reasons for diving in. When you do the rest will fall into place much easier.

Make Sure People Need Your Business

If you want your business to be your fulltime income and livelihood it is a good idea to make sure that people need what you are providing. If they don't or the market is very small it is really more like a profitable hobby. That is okay too. Just make sure that you don't confuse the two. You also need to clarify that your costs are in-line with competitors in your area of service.

When you are starting your own business you need to be up to the challenge. You need a solid business plan, specific goals and objectives, and a business service that people need. If you have all that you have the solid foundation you need to help it all come together.

The Pros And Cons Of Foreign Exchange Investing

There are two options available to people investing in the Foreign Exchange market. The more common name for this market is Forex. When you do decide to invest in Forex you are either investing in the US Dollar or the Euro. Both currencies have their own set of pro's and con's. Make sure you learn the differences before you decide to dive into this type of investing.

The Pros Of Investing In The US Dollar

- You can intentionally drive the US Dollar value down. While that may sound negative it is positive for making US exports have a more attractive price for buyers from foreign markets.
- If US exports are driving a lower price it leads to narrowing the margin for the US trade deficit.
- Historically, Canada has always profited from purchasing the US Dollar. In fact, it is one way that many people earn money on the Forex market with a simple technique. Depending on bank or ATM fees you can just do currency swaps yourself through credit cards or your personal accounts.

The Cons Of Investing In The US Dollar

- A weaker US Dollar often leads to other countries trying to weaken their currency against it. That is one way they protect their trade market.
- Weak US Dollars on a global scale lead to higher oil prices. We all know the negative impact of that in the long run.
- A weak US Dollar may decrease the trade deficit but it does nothing to help another important deficit – our national debt.

The Pros Of Investing In The Euro

- When there is a stronger foreign currency rate the US Dollar thrives. Our rate becomes stronger at the same time. When the Euro dollar is strong it will be beneficial for your Forex trading and investment.
- The Euro is the official currency in twenty two countries now. That gives people the benefit of the Euro being strong from a diverse set of economies and also makes it the accepted currency of many countries if you are a frequent traveler.

The Cons Of Investing In The Euro

- It is difficult to make it profitable if you do not get an exchange rate that is close to the rate of the US Dollar.
- The amount of options available for trading Euro make it be overwhelming to investors at times.

The Five Types Of Foreign Exchange Trading

If you are considering diving into Foreign Exchange trading you should understand the five different types of Foreign Exchange (or Forex) options out there for investors. Each one is designed with a specific purpose and not all options are for everybody.

1. Basic currency exchange is the first type. More people are familiar with this form than any other. With basic currency exchange you are trading your country's currency for the currency of a foreign country. People do this when they travel to a different country all of the time.
2. Forward contracts are the second type of Forex trade. This option is most commonly used with banks or businesses that want to protect themselves from significant losses due to negative economic swings. The unique feature of forward contracts is that they set a predetermined price of return at the time of the contract creation. The repayment term is a window and not a specific date.
3. Swaps are the third form of Foreign Exchange trading. With a swap business people can go to a currency dealer and let them use their funds in exchange for the business person using the dealers' funds for that country. This helps protect businesses and their people from loss due to fluctuating rates.
4. The fourth type of Foreign Exchange trading is simply termed Forex. Forex trading is popular with speculators in the market. This is the type of trade where you hear about the margins for rate of return. It can have a very lucrative return. What you need to watch out for are the traders running scams and promising an unrealistically high rate of return.

5. Forex Options is the fifth available method of Foreign Exchange trade. Traders pay a premium to a Forex dealer when they choose this option. In exchange, they get the flexibility to buy or sell currency at a certain price. If exchange rates move up so does the profitability. If they move down and the option expires the investor loses their investment.

If you are considering entering the Foreign Exchange market you will be faced with many choices and opportunities. Understanding the significant differences between them will be the first step you need to take in starting off with the right type of trade. After that, you will want to determine if you wish to trade yourself or hire a professional.

Aha Investment Moments

Nobody ever knows it all when they start investing. When they believe that they do know it all it is almost a guarantee that they are missing something – possibly the big picture. Here are some of the moments investors have faced in the past that really helped put it all into perspective for them. There is no doubt about it. If you invest you take the good, bad, and ugly.

- That first investment statement that comes back lower than your starting point. This is a big one. When you see hard earned dollars losing money you want to panic and pull out. That is human nature and cannot be avoided. What can be avoided though is overreacting from the situation. You will end up losing money permanently if you want to change your options every time your investment loses money.
- Getting taken by a bad deal is probably the worst aha moment an investor can have. Most people have had that happen to them in some capacity. There may be somebody to blame in the market or it may just be bad luck. What is important is to learn from the lesson and grow from the experience. You will reflect on the history of the investment and likely find some warning signs you could have paid attention to. In the future you are pretty likely to notice those signs in time to save on a big loss.
- Experiencing a stock split is awesome. When you find out that your stocks have doubled it is amazing. Yes, the individual stock value will temporarily be lower but when it starts to grow again you will get dizzy with delight watching your investment grow.
- The annual statement that shows how well your investments did that year. The statements are pretty, fun, and snazzy. You'll feel the same way because you will see that you are a part of something that is good, real, and profitable.
- Paying taxes on your investments when you withdraw funds. It seems completely unfair and like a rip-off. The one thing you need to remember and repeat over and over is that you are still further ahead from when you started. Make sure you consult a tax advisor or fully understand what happens when you cash in on an investment and how that process works.

Seven Reasons Why Mutual Funds Are An Attractive Investment

A mutual fund is a way to have a well diversified investment within one opportunity. You pool your funds in with others that choose to participate in that mutual fund and the result can be an excellent rate of return. Here are seven reasons why many people consider mutual funds an attractive investment alternative.

1. The wide variety of mutual funds available allow for many options and solid options. There are mutual funds that invest into blue chip (proven companies). They are considered fairly safe and secure because they are lower risk.
2. Mutual funds are fairly liquid. You can set up an open end mutual fund and receive funds quickly. You can have a closed end mutual funds and receive funds down the road. It is nice to know that you have options. Many people like open end because they can act more quickly if a new opportunity comes along.
3. Many mutual funds have a smaller cost of transaction.
4. Investment professionals manage mutual funds. That gives investors the assurance of an expert working for them. It also can help relieve stress because you pay a small fee to know that somebody is watching your money as carefully as you would.
5. Mutual funds are highly regulated. Those regulations make it easy to track daily change and movement of your mutual fund. When you can easily track how your mutual fund is doing you can prepare for possible adjustments you may consider making or just enjoy watching your excellent investment prosper.
6. Mutual funds have a fairly high rate of return and the process of cashing them in is fairly simple. First you can pay yourself and then you can take care of paying the other things that you need to with the proceeds. You can also shift from one fund to another within the same family.
7. Mutual funds are fairly diversified. That means that if one portion of it is weak the other portions can help lift you back up and off-set any losses. That type of risk management is very appealing for the mutual fund investor.

Investment is not risk free. Mutual funds are one great way to decrease loss while still having a diversified investment plan. Make sure you check out how a mutual fund could be beneficial to you.

The Three Types Of IRA's Available To Consumers

IRA's are one of the most basic investment accounts that people start and continue to invest in. IRA stands for Individual Retirement Account. We all want to retire some day, either in part or in full. The IRA helps give us the assurance that we can still receive an income when that happens that is separate from relying on Social Security. There are three types of IRA's that consumers invest in. Each one has its strengths and purpose for consumer needs. There are Traditional IRA's (also known as Regular IRA's), Roth IRA's, and Education IRA's. Here are the basic differences between each type of IRA.

Traditional IRA

The Traditional IRA allows for tax free contributions. You can deduct your contributions during tax time and do not have to pay any taxes or penalties until you withdraw the funds. That

means that you accumulate value on pretax dollars. You will end up paying taxes on current rates however and you do need to start taking withdrawals at a certain age.

Roth IRA

A Roth IRA is considered a sheltered account. There is no deduction available and you make contributions after tax. Your growth is tax free and that is what makes this such a lucrative IRA option to many people. That means that you never pay taxes when you withdraw. There are no requirements for mandatory withdrawals and you can set up withdrawals in the dollar amount you choose. The withdrawals do not count as income on tax returns either.

Education IRA

In recent years the Education IRA has become known as the Coverdell Education Savings Account. This IRA allows you to save more funds for higher education for a beneficiary (child, relative, or ward). The contributions are non-deductible and can only be contributed if the child is under the age of 18. The maximum investment amount is limited to \$2,000 per year and is made with after tax dollars. When it comes time to withdrawal certain rules and restrictions will apply. If you meet all the criteria you will not have to pay any taxes or penalties on the withdrawal though. That really sets this IRA apart from others. This type of IRA came to be because of the amount of parents who were paying penalties and taxes on IRA distributions to help put their children through college.

Tips To Make Your IRA Thrive

IRA's are an essential investment tool for those who are retiring and do not have a company pension plan or want to rely solely on their company's pension plan. There are many guidelines and regulations that change frequently with IRA's but the best tips will always apply for people. Here are some great tips to help you maximize your IRA account.

- You can contribute for your IRA up to the time you file your taxes for the previous year. The only exception is if you file an extension.
- Make your contributions to your IRA as early as possible. The earlier you do it the longer the contribution will have to work for you.
- If you choose to have inflation linked bonds in your IRA make sure you counterbalance that with inflation protected securities.
- If part of your retirement portfolio is a 401K plan from your employer make your IRA work for you when it comes to diversifying your investments. Diversity will always be critical to a well rounded portfolio.
- In 2006 the Tax Increase Prevention and Reconciliation Act passed. It eliminates the income limits on Roth IRA conversions starting in 2010. If you do not have a Roth IRA at this time you may want to investigate that conversion and see if it is viable for you.
- If your annual income is less than \$100,000.00 you can convert your company retirement plan to a Roth IRA without having to first put it into a traditional IRA.
- If you are going to convert all or a portion of your IRA make sure you know what your tax bracket is and more importantly – where you lie within it. You don't want to convert too much and end up in a higher tax bracket.
- Make sure you factor in the beneficiaries of your IRA in your estate planning. Your decisions here could either make a surviving spouses life easier or more chaotic if it is not set up properly.

- You may not like to talk about your personal finances with your spouse, children, or other heirs but it is important to let them know what you have, how it should work, and what they need to do when it comes time. The best way to do that is have everything in writing via a will and proper beneficiary wishes for the IRA itself.
- After you reach the age where you need to start making withdrawals from your IRA don't forget to do it. Even if you don't need the money you don't want to end up paying the hefty penalty that comes with not withdrawing it or the income taxes on it because you will pay those regardless as well.

Five Effective IRA Strategies

There are five things that you can do to make your IRA work optimally for you. Keep these strategies in mind if you are starting or start implementing them into your investments if you don't currently do them.

1. Start investing in an IRA early. This can be tough to do when you are young because retirement seems an eternity away and all the new opportunities that come with a paycheck are pretty enticing. You can invest up to \$4,000 maximum each year and you cannot contribute \$4,000 if you did not make \$4,000 that year.
2. Decide which specific investments you want held in your IRA. This where asset allocation comes in to play. You need to have some diversity. Not everything should be in a tax shelter account and not everything should be in a taxable account. Come up with a blend that will work optimally for you. Make sure you consult a professional advisor if you are not sure how to do that.
3. Look at converting portions of your traditional IRA to a Roth IRA. With a Roth IRA you are not required to take a minimum distribution when you reach a certain age. When you do take withdrawals they will be tax free too. A Roth IRA also continues to grow in value after you pass away. Your beneficiaries can take withdrawals as they need to. That will take them through their life expectancies if they plan correctly.
4. One of the largest benefits to a tax deferred account like an IRA is that you can defer paying taxes. When you can pay taxes at a later date it allows the value of the IRA to compound and increase over time.
5. If you decide a traditional IRA is right for you make sure you start taking your distributions after you reach 70 1/2. As you have expenses every month you can use the IRA account to replenish your other accounts and rebalance them.

All investing requires some great strategy and good fortune. Make sure that you are doing everything you can to ensure a great turn-out when it is time to retire. There are effective strategies out there like the five mentioned in this article that will help you make the most of your retirement years. If you are unsure how to approach your IRA make sure you talk to a professional who can guide you.

Frequently Asked Questions About Investing

The list of questions a person has when they are considering investment opportunities are endless. Thousands of people may invest in one specific investment but the reasons they chose that investment are usually very different. Here are the answers to some of the most commonly asked questions.

Q: Does it pay to start investing if I don't have a huge sum of money available to start?

A: It absolutely pays to start investing even if you can only put forth \$50.00 per month for a starting point. Everybody starts somewhere and your return will often be more substantial than if you just invest in a standard savings account until you save a larger sum of money. Plus, that savings account is often tempting to use for something other than its original purpose of saving money to invest.

Q: Am I better off investing on my own to save money or using a licensed investment broker?

A: That decision is completely up to you and what you are comfortable with. If you do not thoroughly understand investments and investment strategy you will likely have more success with an investment broker. If you are comfortable with your grasp of investing principles and have the proper time to devote to investing try a small investment first and see how it goes from there. There are also investment clubs out there that teach people and grow their pocketbook at the same time.

Q: How long do I need to keep money in an investment before it is okay to take it out?

A: There is not one answer for this question. If an investment is just going down in value and gives every indication that it is doomed to failure it is okay to take a loss for a loss. Where people need to use caution is when it comes to making decisions based off of emotion and not practical investment strategies.

Q: When is the best time to buy into an investment?

A: The golden rule of investing has always been to **buy low and sell high**. Naturally, that sounds wonderful to start out with a little and end up with a lot. It doesn't always work that way though. There are some investments that are spectacular to buy in at a higher rate because their history and future predictions show that they will be stable and positive options for investors.