

Investing Your Money

Core Facts

- **Savings Account** – A safe and easily accessible place to store money, earning minimal interest. Best for emergency funds or short-term savings with no risk of loss.
- **401(k)** – An employer-sponsored retirement plan that allows tax-deferred growth, often with employer matching. Ideal for long-term retirement savings but has restrictions on early withdrawals.
- **IRA / Roth IRA** – Individual retirement accounts offering tax advantages. Traditional IRAs defer taxes until withdrawal, while Roth IRAs require taxes upfront but allow tax-free withdrawals later. Great for long-term retirement savings.
- **Stocks** – Buying shares of a company gives you ownership and the potential for high returns but comes with high risk due to market volatility. Suitable for long-term investors willing to handle fluctuations.
- **Bonds** – Lending money to a company or government in exchange for interest payments. Generally safer than stocks but offers lower returns. Used for stability and income generation.
- **Mutual Funds** – A professionally managed pool of investments, providing diversification. Less risky than individual stocks but still subject to market changes. Good for investors who prefer professional management.
- **Exchange-Traded Funds (ETFs)** – Similar to mutual funds but traded like stocks. Offers diversification with lower fees and more flexibility. Ideal for cost-conscious investors seeking diversification.

Lyfe HQ

- **Real Estate** – Investing in property to generate rental income or long-term appreciation. Requires significant capital but provides tangible assets and potential steady income. Real Estate Investment Trusts (REITs) offer a hands-off alternative.
- **Certificates of Deposit (CDs)** – Fixed-term deposits offering guaranteed returns with minimal risk. Best for those seeking safe, predictable returns without immediate access to funds.
- **Peer-to-Peer Lending (P2P)** – Lending money to individuals or businesses via online platforms in exchange for interest. Offers higher returns but comes with significant risk due to borrower defaults.
- **Commodities** – Investing in physical goods like gold, oil, or agricultural products. Prices fluctuate based on global demand and supply. Used for inflation protection and diversification but carries high volatility.