

# THE 4 INVESTMENTS EVERY PERSON SHOULD OWN



## ABOUT KEVIN L MATTHEWS II

In 2014 I left my career as a math teacher in Dallas, TX to become a financial advisor in New York City. As an advisor I've written two books and managed more than \$140 million in investments for my clients.

But before I became an advisor, I was just like you. Confused about where to start investing my money, how much I should be investing and what I should be investing in. I thought it was too complex for me to understand.

But I quickly found out that investing is very simple if you know where to start. When I started my first job after college I had \$0 invested and in 4 years grew my portfolio to \$30,000.

## "I AM AFRAID OF LOSING MONEY."

If you're worried about losing money, you are not alone. But if you're a long-term investor, you might not have that much to worry about. Since 1981 the stock market has only been down 6 times. Since 1872 the stock market is positive 73% of the time!

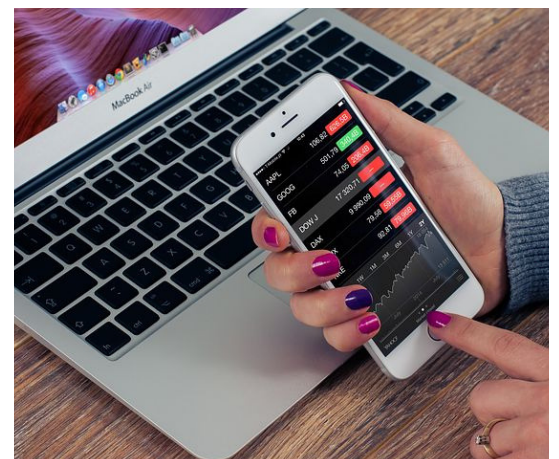
Do you remember the Great Recession? Since then, stocks are **up 277%** through October 2017. The fear of losing money can stop you from investing altogether and not investing can be one of the worst mistakes you can make.

If you were too afraid to invest in 2008 or 2009, you missed out on tripling your money and, in some cases, gaining even more. A \$1,000 investment in Amazon in 2008 would have been worth more than \$30,000; \$1,000 in Netflix would have been more than \$68,000 (as of Nov. 2017).

## "HOW MUCH WILL I NEED TO INVEST?"

Most experts suggest investing anywhere between 12-15% of your pre-tax income is a good place to get started assuming you begin as early as age 25. (If you're starting a bit later, you may want to consider contributing more to catch up.) Also, if you receive a company match, you can count that too!

There are also dozens of options that can help you invest; some even let you invest with as little as \$5 or you may be able to take a small portion from your paycheck. Starting small is much better than not starting at all.



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## #1 STOCK INDEX ETF

An equity index ETF or Exchange Traded Fund is a collection of stocks packaged together. Think of it like renting a movie: In the past you had to go and find movies on your own, one at a time, each with their own separate prices. Just like buying an individual stock, that movie may or may not be a good decision. An ETF is a lot like Netflix, because instead of buying different stocks at different prices, you can have a collection of stocks for one price. If you choose a bad movie on Netflix, it's just one out of thousands of other options. Because you own a collection of stocks, you often decrease the likelihood of significant losses when paired with other investments like the ones listed below.

## #2 BOND INDEX ETF

Bonds are loans made typically to companies, governments (city, state, federal) or school districts with the promise to pay you back with interest at specific intervals. Just like the equity index ETF mentioned above, this type of investment is a collection of bonds packaged together instead of trying to find and buy your own bonds one-by-one. Bond ETFs however do not come with the promise that you be paid back like individual bonds do.

## #3 TERM LIFE INSURANCE

Life insurance isn't the most exciting topic but it can set your family up for financial success in the long run. Simply put, a term life policy will guarantee a set portion of money to the people you designate, should you expire during the time frame also known as the "term."

For example: If I own a 30-year term policy for \$100,000, if something happened during that period my family would be given \$100,000 tax-free. At the end of 30 years (or the time period you select) you can choose to renew the policy or choose a new one. For most people term life is very inexpensive; depending on your age and health it can range between \$20-50 per month.

## #4 CERTIFICATE OF DEPOSIT

A certificate of deposit (or CD for short) is one of the few investments that guarantee a specific return and generally cannot lose money. There is a catch, however. Currently, CDs do not grow at a rate that will create enough wealth to retire on. Also, you cannot touch the money until the maturity date, doing so before that time may result in a fee. CDs are a better option than a typical savings account for certain goals such as saving for a home or saving for a trip.

## HOW MUCH MONEY DO I PUT INTO EACH INVESTMENT?

Each of the options listed above are important but how much money you put into them will depend on your goals, age, family situation and how you feel about risk. Those who are younger (20-35) will have more of their money in stock and bond ETFs than CDs. If you're saving for a home, you might be using a CD for the down payment; those who are already in retirement are more likely to invest more in bond ETFs and CDs because they carry less risk.

The most important thing is knowing what your goals are and then finding investments that match. You also don't have to hold all four investments at the exact same time. You may find two that are most useful now, and others might be needed later.

# NEXT STEPS

## JOIN THE BREADWINNER'S CIRCLE!

Now that you know where to start would you like my help getting more of the details on getting started? Not only did I build my own portfolio from \$0 to \$30,000 in just 4 years I've helped hundreds of people save and invest for the future. Let me show you how to save more money, invest with confidence and create financial independence.

Join our community of new investors who are learning how to "Stop Grinding and Start Growing."

Click **here** to join!

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