

Getting Your Feet Wet - Begin Investing

If you are anxious to get your investments started, you can get started right away without having a lot of knowledge about the stock market. Start by being a conservative investor with a low risk tolerance. This will give you a way to making your money grow while you learn more about investing.

Start with an interest bearing savings account. You may already have one. If you don't, you should. A savings account can be opened at the same bank that you do your checking at - or at any other bank. A savings account should pay 2 - 4% on the money that you have in the account.

It's not a lot of money - unless you have a million dollars in that account - but it is a start, and it is money making money.

Next, invest in money market funds. This can often be done through your bank. These funds have higher interest payouts than typical savings accounts, but they work much the same way. These are short term investments, so your money won't be tied up for a long period of time - but again, it is money making money.

Certificates of Deposit are also sound investments with no risk. The interest rates on CD's are typically higher than those of savings accounts or Money Market Funds.

You can select the duration of your investment, and interest is paid regularly until the CD reaches maturity. CD's can be purchased at your bank, and your bank will insure them against loss. When the CD reaches maturity, you receive your original investment, plus the interest that the CD has earned.

If you are just starting out, one or all of these three types of investments is the best starting point. Again, this will allow your money to start making money for you while you learn more about investing in other places.

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