



Education First
FINANCIAL GROUP

RETIREMENT | INVESTMENTS | INSURANCE

INVESTING 101:

Guide Book

Here at [Education First Financial Group](#) we provide a variety of resources and services to address your specific financial needs. One such example is our financial education guides. Read on to learn more about Investing basics and how to get started on your journey to financial freedom!

What is investing?

An investment is an asset or item obtained to produce, pay, or appreciate. The value of an asset increasing over time is an appreciation. When someone buys a good as an investment, the expectation is to let the good generate wealth, then utilize it in the future (i.e., retirement). An investment always concerns the expenditure of a few resources today— time, money, or effort, with the desire of a more noteworthy payoff in the future than what was initially put in.

Types of investments

- [Traditional IRA](#) – Provides tax exemption on contributions and tax deferral while your investment seeks growth. After the age of 59 ½ you pay ordinary income tax on distributions taken at that time.
- [529 Plan](#) – Provides a tax efficient way to manage assets planned for college purposes. In a 529 the owner has tax deferred growth, and the proceeds are federally tax free if used for allowable college expenses.
- [Roth IRA](#) – The investor receives tax deferral during the accumulation phase and 100% tax free income on the total assets after the age of 59 ½ and if the plan has been in place at least 5 years.
- [Annuities](#) – Tax deferred investments (Fixed, Index, Variable) can be used for retirement money or after- tax money. Depending on the type of annuity chosen, these investments can help it seek growth at a fixed rate, variable rate, or a combination of the two. Many also provide guaranteed income streams or principal protection.
- [Life Insurance](#) – While life insurance is not an investment it can be used in all planning stages of life (young families, working families, estate planning).

Reasons to Invest

Investing is simply finding a strategy for an event. For some it may be college planning and finding the right account for your situation. For others, retirement may be soon or far away, but in either case – having a plan is important. And lastly, estate planning for families that have assets they want to pass on in a more manner.

What investments are right for me?

The type of account and individual investment chosen for you is perhaps the most important when discussing investing. While there are [1000's of investment choices](#), not all of them may be right for your goal. This is truly where an investment professional should earn your trust and their paycheck. [Your Financial Representative](#) should be able to explain which investment is right for your situation.

When should I start investing?

Anyone over the age of 18 may begin investing. Typically, it is best to start investing after you have saved enough to cover 3-6 months of your monthly expenses. However, if you are investing for retirement, the earlier you begin investing, the better off you may be when that time comes.

How do I get started?

First, you'll need to determine what type of investment works best for your situation. You can do this by simply researching for yourself, but a financial representative can help you determine the account that may better suit your needs.

What questions should I ask a Financial Representative?

- Are you a fiduciary?
- How do you get paid?
- What investments can you offer?
- How often do you conduct reviews?

Whether you are just starting to save for your future or are looking to evaluate or strengthen your existing financial plans, [Education First Financial Group](#) will create a strategy that is personalized for your needs.

Ready to get started on your investing journey? Give us a call at **(409) 896-8553**.



[Make an appointment
with an Education First
Financial Group
Representative](#)



[Investment Calculators](#)

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Prior to investing in a 529 Plan, investors should consider whether the investors or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary. Please consult with your tax advisor before investing. Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply.