

Investing

Choosing Investments

You should aim to make investment choices based on your risk tolerance and capacity. If you are able to take on more risk, you may want to consider investing in stocks or mutual funds. If you tend to be very risk averse, you may want to consider bonds or a high-yield savings accounts for most of your portfolio.

Always research what investment choices make the most sense for you, and diversify! Regardless of your risk tolerance, do not put all your eggs in one basket. Your portfolio should contain a mix of stocks, bonds, cash, etc.

➞ Types of Investments

- **Stocks:** ownership in a company offered to in market. Risk level depends on what companies you choose to invest in.
- **Bonds:** a loan that an investor makes to a company or government. Generally a safer investment, as you have some guaranteed return.
- **REITs:** Funds that allow you to purchase shares in a company that owns and operates real estate. Safer than general real estate but still riskier than stocks or bonds (generally).

➞ Diversification

- **Own a mix of several types of investments :** Some stocks, some bonds, some money in savings, some in alternative investments, etc.
- **Adjust holdings based on risk:** Remain diversified but allocate higher portions of your portfolio to investments you feel more confident in.
- **Avoid emotional decisions:** Invest for the long-run, avoid pulling money out of investments when worried or putting too much money in when excited. Make rational, long-term decisions.

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