

FAMILY FINANCES

How To Help Your Investments Grow

(NAPS)—One of the most exciting parts of any financial plan is watching investments grow—and thinking about how you will use the money you earn—whether it's to finance a dream home, college education or your retirement.

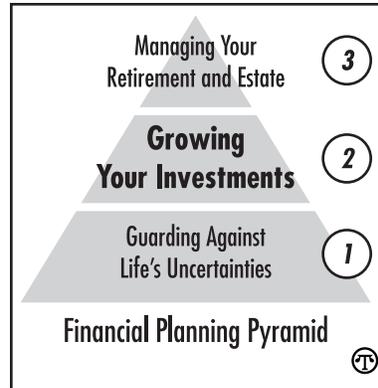
According to the National Association of Insurance and Financial Advisors (NAIFA), accumulating assets is the second step in a sound financial plan. Think of your plan as a pyramid.

Once you have built a strong financial foundation in which you have enough cash for an emergency and enough insurance to protect against life's financial uncertainties, there are several ways you can help your savings grow:

- Stocks are defined as shares in the ownership of a company. Today, over half the U.S. population is invested in the stock market in one way or another. To minimize your risk, experts recommend you diversify your investments across a variety of sectors.

- Bonds are debt investments that can be used in your portfolio to balance the financial risks inherent in investing in stocks. A bond is a loan to an entity that needs funds for a defined period of time at a specified interest rate. In exchange, you get a certificate stating the interest rate you are to be paid and when your loaned funds are to be returned.

- Mutual funds are collections of stocks or bonds, which by definition create instant diversification in your portfolio. Plus, they are professionally managed. A fund



The expertise of a financial advisor can help you reach your financial goals.

manager's job is to create a portfolio that blends different types of stocks and bonds to achieve the maximum return for a given level of risk. As with stocks, you can certainly do your homework and save on commissions and fees by picking your own mutual funds. But with over 8,000 mutual funds from which to choose, you may want to seek the advice of a financial advisor.

- 401(k) plans are voluntary retirement plans offered to employees of a growing number of companies. These plans allow employees to set aside and invest a certain percentage of their pre-tax income. Many companies offer a percentage match as an incentive to participate.

For more information about investment basics, or to find a NAIFA advisor in your area, visit www.naifa.org and click on Consumer Info.