

## FINANCIAL WELLNESS – ONE STEP AT A TIME!

You've already taken nine critical steps to financial wellness. You're ready to put an investment strategy in place and although it's best to work with a financial adviser to implement a holistic investment strategy, there are few things you can do to get started.

### October – Step #10 *Develop an Investment Strategy*

#### *Activities:*

**Invest early and often:** The earlier in life you invest, the more potential your money has to grow. Whether you invest in the market, a retirement account, or a bank account - time is your greatest asset when it comes to investing. Over time, compound interest puts your money to work as it pays on your original investment and the income earned from that investment.

**Diversify your portfolio:** One of the best ways to manage market volatility is [diversification](#). Investing in a variety of assets that perform differently over time helps reduce your risk and improve your potential returns. A diversified portfolio can hold stocks, bonds, funds, and short-term investments like CDs. While diversification does not ensure a profit, it does help limit your exposure to any one type of asset.

**Invest tax efficiently:** Not all investment accounts are taxed in the same way. For example, you can minimize your exposure to current taxes by investing in tax-deferred retirement accounts like IRAs, 401(k)s or annuities. Interest earned from municipal bonds is typically exempt from federal taxes. A Health Saving Accounts (HSA) may allow you to deduct current contributions from your taxable income, and withdrawals for medical expenses may be tax free

#### *Helpful Hint:*

*Speak with a qualified financial professional to ensure that you understand how different investment vehicles work and that your investment strategy aligns with your financial goals.*

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