Stocks: What you need to know

Eric Christopher July 20, 2013

What you nee to know about stocks

Interested in investing in stocks? Before you do anything there are a few things you should do beforehand that will prepare you when investing in stocks.

(Newswire.net -- July, 30, 2013) Phoneix, AZ-- You want to invest your money, but you don't know how. Maybe you do know, but you're not sure what stock will be the best. Before you do anything you should do the following below:

Research potential stocks before investing: If there is a certain industry/company you're considering buying a stock(s) in, look at their past stock market performance. It doesn't guarantee how it will perform in the future, but it will give you an idea if this is a good place to invest your money or not.

Practice before actually investing: Before you start investing your money in stocks practice beforehand. This means pretend you invest so much money in a stock and track its performance for a while. You can see how your "investment" is doing without having to actually use your own money.

Read: The best way you can have a better understanding of stocks and the stock market is to read about it. There are thousands of books that can explain the basics of investing which can be benefical to any investor.

Learn how experts decide on stocks: Learn what experts do when it comes to deciding on which stocks to invest in. Warren Buffet doesn't invest in a stock if he can't write down enough reasons for investing in it. Another person to look up is Mike Dillard who has a group called The Elevation Group. He became a self-made millionaire by learning from other millionaires their stratgies when investing. The Elevation Group offers the same type of advice he received when he started out investing.

Now that you have done the above steps you should then do the following:

Contact a broker, banker, investment advisor: If you are unsure or leery of investing in stocks all on your own , contact a professional who can guide you on where you should invest and can even invest for you.

Don't invest more than you are comfortable with: Just because someone you know is investing 80% of their savings in stocks doesn't mean you have to. It's true that the younger you are the more risk you can take, but it doesn't mean you have to follow that rule.

Get a diversified portfolio: Investing in individual stocks alone is one of the biggest risks you can do with your money. To help your finances not take such a hit when the market is down consider opening a mutual fund or ETFs (Exchange Traded Funds). They offer you a variety of stock options so if one of your stocks isn't doing well than the others can pick up the slack.

Overall do what will make you comfortable when investing your money. Listen to yourself above everyone else including the experts. Continue to learn and grow your knowledge of how to invest because it will be beneficial to you and your money.