

# Investwrite essay

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InvestWrite Essay If you need help planning your financial future, then I am the one to help you. Through trial and error, learning from my mistakes, and just getting a better understanding of stocks, The Stock Market Game has greatly improved my knowledge on stocks and has made me an excellent source of information on investing. For the couple that is in their late twenties, I would ask them a series of questions like, “ How much money do you plan on investing? ”, “ How long do you have to save? ”, and “ Are you willing to take some risks? Since the couple wants to save for their retirement and save up for their child’s college expenses, I would advise that they invest in a variety of stocks. First, I would recommend they invest in Sprint stock. With its low current price at around three dollars, they are bound to make some money, especially with the holiday season so close. Another reason they should pick Sprint, is that it is a fairly large corporation, which means that it’s somewhat stable and can benefit the couple in the long and short run. Second, I would recommend they invest in a more pricy stock, Procter and Gamble.

Although it’s higher priced, around sixty dollars, this stock comes with dividends and is great no matter the state of the Stock Market. With brands like Bounty, Gain, Pampers, IAMS, and even Pringles, people are never going to stop buying these items just because the Stock Market goes down. That being said, this stock is very stable and will definitely help balance the couple’s portfolio. Third and finally, I would recommend they invest in PepsiCo. With its multiple food related items such as Frito-Lay chips and all the Pepsi related soft drinks, this somewhat pricy stock, is a great way to keep the couple’s portfolio balanced.

With the nice addition of dividends, this stock is a sure fire way to make the couple money in the long run. I based my recommendations on a variety of things. I looked mostly to see if the stock price was on the rise or going down the drain. If I didn't think that it would make money, I didn't choose it. Secondly, I looked for dividends. Dividends are basically money you get from the company's earnings for each share of their stock you own. So if the company makes money, then you make money. Dividends are usually found on the higher priced stocks, but re great for long term investors. Thirdly, I went for diversification. You want to keep a diversified portfolio so that if one of your stocks fails, then you have something to back it up. If you keep all of your stocks in one related industry, if one fails, then all of your stocks will go down as well. Fourth and foremost, I thought of risk and reward. Risk and reward are important because it bases what stocks are suitable for which people. Younger people can take a higher risk because they have time to earn their money back if a stock or two fails.

Older people have a lower risk because they usually don't have a source of regular fixed income, so they can't earn their money back. All of these factors were key when picking my recommended stocks. Through trial and error, learning from mistakes, and gathering basic knowledge, The Stock Market game has helped so much by giving me the essential tools for picking stocks, diversifying portfolios, and overall just making money in the Stock Market. And it is with these tools that I have recommended these stocks to this couple to which I am sure they will meet both of theirgoalsof saving for retirement, and saving for their child's college.

Works Cited " PEP: Summary for Pepsico, Inc. Common Stock- Yahoo! Finance. " Yahoo! Finance - Business Finance, Stock Market, Quotes, News. Web. 13 Nov. 2011. . " PG: Summary for Procter & Gamble Company (The) - Yahoo! Finance. " Yahoo! Finance - Business Finance, Stock Market, Quotes, News. Web. 13 Nov. 2011. . " S: Summary for Sprint Nextel Corporation Comm- Yahoo! Finance. " Yahoo! Finance - Business Finance, Stock Market, Quotes, News. Web. 13 Nov. 2011. .