

## What Crisis? Young investors are counting time on their side

### FIVE REASONS TO START INVESTING NOW

#### **Reason Two: With interest rates so low, not investing could end up costing you money.**

We all know that stuffing your money in a mattress is not a good investment. But with interest rates at historic lows, letting your money sit in the bank isn't much better.

"Young people often aren't sure what to do with their money, so they do nothing, and that's a decision too," said David Fieldhouse, a professional financial advisor for three decades.

Even money market accounts today are paying a half percentage point or less, so \$1000 left sitting in the bank for one year would leave you with just \$6 more, or about \$1006.

If prices go up even just one percent over the course of that year, it now costs you \$10 more to buy what you could have bought for \$1000 a year ago. You're losing ground.

Financial planners say carefully selected stocks provide the best long-term protection against inflation. "Since 1925, the average rate of return on savings accounts has been 4 percent, for bonds, it's about 5 1/2 percent, for real estate it's about 6.9%. But for blue chip stocks it's been 10.2%, and that's including all the years of the Great Depression," said Fieldhouse.

He acknowledges that stocks also have more risk associated with them, since you risk losing principal, "It can be scary but there are ways to alleviate that. Even if you pay someone two percent to help you manage your money, it's still the best return over the long run."