

Twitter Thread by [Maykel | Yes To Riches](#)

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60% of people are intimidated by investing.

If this is you, understanding these 50 terms will change that:

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1. Stock/Share – a piece of ownership in a company
2. Stock market – where people go to exchange stocks
3. Bond – a loan to the government or a company
4. Real Estate – private property like land or buildings
5. REIT – a company you can invest in that owns real estate
6. Asset class – a group of investments with similar traits
7. Index – a list of stocks
8. Index fund – a fund that tracks a list of stocks and trades once/day in the stock market
9. ETF – a fund that tracks a list of stocks but trades all day in the stock market
10. S&P 500 – an index (list) of the top 500 companies in the US
11. Market cap – the total value of a company
12. Large-cap – a company worth more than \$10B
13. Mid Cap – a company worth \$3B - \$10B
14. Small Cap – a company worth \$250M - \$3B

15. Active management – when a fund is managed by pro investors
16. Hedge fund – a partnership between private investors that invests using risky strategies
17. Turnover – the rate at which a stock is bought and sold
20. Expense ratio – the % cost of investing in a fund
18. DCA – regularly investing with a fixed dollar amount
19. Lump-sum – a single investment made one time
21. Brokerage – the intermediary you use to buy and sell stocks
22. Robo-Advisor – an algorithm that invests for you/financially guides you
23. Long-Term Investing – investing for 10+ years
24. Short-term Investing – investing for less than 10 years
25. Time horizon – how long you can stay invested
26. Risk tolerance – how much risk you can endure
27. Volatility – the ups and downs of the market
28. Diversification – owning multiple types of investments
29. Asset allocation – owning multiple types of assets
30. Long-term capital gains/loss – when you realize a profit/loss after 1 year
31. Short-term capital gains/loss – when you realize a profit/loss before 1 year
32. Compound interest – when the money you make starts making you more money
33. 401k – an employer-sponsored retirement account
34. Roth IRA – a retirement account you can withdraw tax-free from
35. Traditional IRA – a retirement account you can contribute pre-tax money to
36. HSA – an investment account earmarked for health expenses
37. Tax-advantaged account – an account with favorable tax treatment

- 38. Target Date fund – a fund that adjusts to your age
- 39. Bull market – when stocks go up over time without falling 20% from their last peak
- 40. Bear market – when a market falls 20% from its peak
- 41. Recession – period of economic decline
- 42. Inflation – when things get more expensive
- 43. Portfolio – your collection of investments
- 44. Return – what % your money grows when invested
- 45. Dividend – a payment from a company to its investors
- 46. Blue chip – a company considered to be reliable investments
- 47. Penny stock – a stock you can buy for less than \$5
- 48. IPO – when a private company goes public which allows you to invest in it
- 49. Margin – a loan from your brokerage to invest
- 50. Market price – the price of an investment on the open market

If you learned something from this thread, please retweet the first tweet so others can learn too.

I tweet about money, so you can improve your relationship with it.

<https://t.co/Tn59Morjml>

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— Maykel | Yes To Riches (@YesToRiches) [August 20, 2022](#)

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<https://t.co/IYt39zuE7Y>