Twitter Thread by Maykel | Yes To Riches



Maykel | Yes To Riches
@YesToRiches



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

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

https://t.co/Tn59MorjmI

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> — Maykel | Yes To Riches (@YesToRiches) August 20, 2022

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