

When a client has a discussion with me about investing,

there are three P's that come to mind when making recommendations with the funds

they have.

Those three P's are purpose, placement, and portfolio.

Understanding what you have in mind for this money is important.

Is it a down payment?

Do you have a dream vacation?

Could the funds be used to pay down debt?

Or can this be invested towards your retirement?

This helps me understand what your purpose is with the money.

So we can appropriately recommend how to invest it.

Once we have determined the purpose of the funds,

we can review the type of account that best matches your intentions.

If the money is for retirement,

we could add it to a Roth individual retirement account, a traditional IRA,

or discuss how to increase your contributions to your 401K.

For clients wanting to save for college, I might recommend a 529

educational savings account or custodial account.

Depending on the amount of money to invest,

there could be multiple accounts to use to your advantage.

Lastly, we should determine the investment strategy to use in the selected account.

For example, money  
needed within 1 to 2 years, a money market

fund would be a good place to help ensure  
the funds are easy to access

when you need them.

On the other hand, funds

that you want to use in retirement  
have a longer time horizon for investing.

You could take advantage of potentially  
greater growth by strategically

purchasing assets like equities,  
stocks, bonds or mutual funds

that could offer dividends and interest  
to help your money grow.

Although many investors might primarily  
focus on the strategy of investing money,

matching your goals  
appropriately becomes clearer after

we review the answers to the questions  
to purpose and placement.

As you can see, investing  
is a crucial part of making progress

towards your future  
financial goals and aspirations.

Remember,  
when working with a financial advisor,

it helps to think about the three P's  
purpose, placement, and portfolio

to help determine what could be the best  
move for investing your money.