

The background of the slide is a close-up, slightly blurred image of a blue pen writing on a document. The document features a line graph with a dotted trend line. Several numbers are visible on the graph, including '2.5' on the left, '2.47' on the right, and '2.0' at the bottom left. The overall color palette is a muted blue-grey.

Empowerment through Investment

A Quick Basic Guide to Investing

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April 26, 2021

Outcome

To empower you to take greater control of your economic condition through the sharing of easy-to-understand facts.

Why Invest?

- Having a job is crucial. BUT.....
- Wages from jobs are barely keeping up with costs.
- Investing helps subsidize income from work and other sources.
- Earning are greater than savings accounts (savings accounts ½ of 1%).
- Work and time can provide a “nest egg”.
- No guarantees.

Investment Goal

What does empowerment (from investing)
look like in your life?

Investment Objective

What are a couple concrete, time sensitive investment-driven accomplishments that would give life to your empowerment?

My Investment Values

- Prioritize value investments (i.e. good price).
- Prioritize companies that bring new tools to the masses for daily use.
- Long term investments.
- China.
- I am not a day trader.

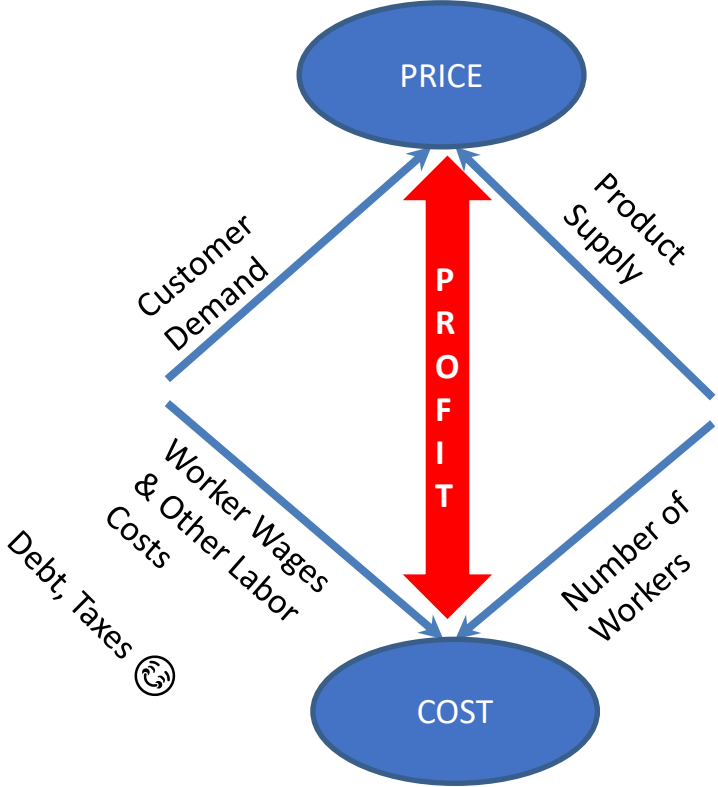
Investment Materials

- Cash
- Budget
- A commitment to learn
- A strategy that assumes the proper risks

Investment Risk

- Risk involves the degree of uncertainty about the outcome(s) of an investment decision.
- Risk can be mitigated by historical information but never eliminated.
- Risk is driven by perceived importance.
- Stocks are priced to account for risk.
- Less risky stocks are priced higher for higher demand.
- More risky stocks are priced lower for lower demand.

Basics of Profit



Risking for Your Empowerment



Remember what empowerment looked like in your life.



What is the level of risk you willing take in stocks?

Definition of Stocks

- A portion of ownership (stock) in a company made available for purchase by the public.

Hence when a company begins selling stock, we say they've gone "public".

- Companies sell stock to raise \$\$\$ for its operations.
- Company will pay investors dividends.
- The two most common types –

Common stock – most common, voting rights, dividends less certain

Preferred Stock – no voting rights, dividends more certain

The System is Very Resilient

DJIA 27110.98 315% ▲

S&P 500 3193.93 2.62% ▲

Nasdaq 9814.08 2.06% ▲

U.S. 10 Yr 0/32 Yield 0.902% ▼

Crude Oil 38.97 1.47% ▼

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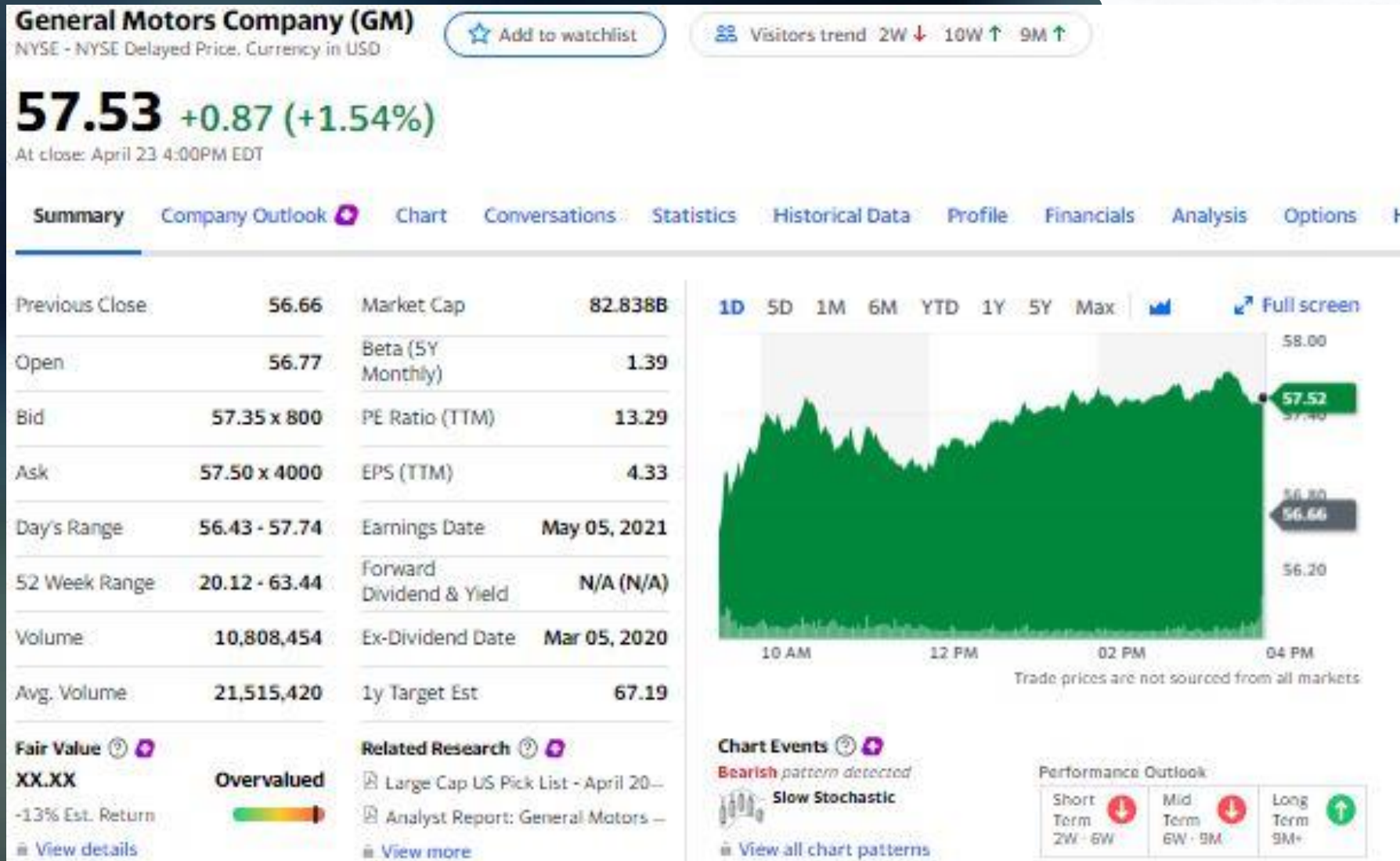
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Scoring Stocks

- The stock's price.
- DIV = Dividend paid during year per share. Companies don't have to pay DIV.
- Yld = Yield by dividing stock price by DIV. What is your return of the stock.
- Price to Earnings Ratio (P/E). Sometimes you will find TTM meaning earnings per share from past 12 months was used to find (P/E). Lower # the better.
- EPS = Earnings Per Share.
- Beta = Stock price risk. $<$ or $>$ 1.0
- Market Cap = Share price times outstanding stock

Example



Growth Stocks

- Companies that have potential for substantial growth in the future.
- Often newer companies.
- Outperforming the rest of the market.
- These companies will often reinvest their profits and not pay dividend.

Income Stocks

- Slow and steady companies.
- Will provide small yet solid growth over time.
- Will often pay out dividends to investors.

Value Stocks

- Undervalued companies.
- That will bring long term value.
- Sometimes it's a company that had a short-term challenge but is otherwise sound.

Bond (Debt)

- A company or governmental agency sells debt in the form of a bond to fund capital project.
- Bond is sold at set price to paid by investor.
- In exchange the investor receives what they paid + a fixed interest rate after fixed number of years.
- The value of bond goes UP when interest rates goes DOWN.
- When interest rates go UP the value of a bond goes DOWN.

Stuff

- Commodities funds and futures
- Metals
- Currencies like.....
 - **CYPTOCOIN**
 - Bitcoin & so many others

Real Estate

- Includes land and the buildings that sit on top of it.
- Driven by supply and demand.
- Land is finite, making it very valuable.

Investment Groupings

- Exchange-Trade Funds vs. Mutual Funds.
- Private Equity Firm vs. Hedge Fund.
- Investment clubs.

Exchanges vs. Indexes

- An exchange is the marketplace where companies, investors, and government regulators combine to buy and sell assets.
- The main U.S. exchanges: NYSE & NASDAQ.
- An Index tracks the value of a group of specific assets.
- Dow Jones Industrial 30, S & P 500 are indexes.

Great Sites for Research

- www.investopedia.com
- www.zacks.com
- www.finance.yahoo.com

There are 100s of websites. Most want you to subscribe.

Popular Brokerages

- E-Trade
- TD Ameritrade
- Robinhood

There are many others. Many offer “commission free” trades. They earn their money from upselling and Payment for Order Flow.

Closing

- Start saving.
- Develop your investment goal.
- Develop your investment objectives.
- Determine maximum amount of cash you have available to invest.
- What is your strategy based upon your values?
- Start investing.
- You have little choice. You must invest.