Stock Market

The stock market is a vehicle to invest money. It is where consumers buy and sell fractions of companies, and is referred to as stocks. A proven method to achieve wealth while keeping up with inflation, comprised of publically held companies who offer goods and services that are used by the general public daily. Companies sell stocks to public investors in a free and open market environment on a daily basis, which is an effective strategy to build a sound financial future.

Stock investment means you are purchasing a share of the company, therefore the company’s success determines the value of your investment. Buying stocks is not a difficult process; clarification of some important terminology and differentiation helps gives you the foundation to start investing.

Common stock is a term that is synonymous with investing; it is ownership in a public company. The stock owner is granted voting rights in addition the ability to receive dividends. It is a common terminology that is heard frequently in terms of the daily performance of the stock market whether it was up or down.

Another terminology is Preferred stock, which varies in comparison to common stock investors are paid dividends consistently.

Dividends is used often with the stock market, dividends are profit you receive when the company makes a profit. If the company does not make a
profit, you will not receive a dividend reimbursement. Payments can be reinvested, which helps build wealth because you are increasing your portfolio. You can also so use this cash for whatever you like.

Dollar cost average is an effective investment strategy that is used to build wealth over time. Invest for the long term should be the goal of all investors. If this is the goal, stock market fluctuations can be a good thing. You benefit when the market is down because you are purchasing stocks at a low price when over time you are attaining more bang for your dollar.

The stock market is a centralized area where buyers and sellers come together to perform stock transactions. When one thinks of the stock market, the first thing that comes to mind is Wall Street which is sometimes referred to as the New York Stock Exchange as well as the NYSE. This is the leading trading house in the world and offers some of the largest and well-known companies. Investors range from the small investor to investors with a large amount of assets.

The stock market is the only entity that has provided returns of over ten percent over a long period. If you are looking for long-term investment, stocks are the best alternative.