

Investing in Oneself

When it comes to investing in yourself, it is the most lucrative and worthwhile investment you can make. You may have spent X amount of dollars on a college education or trade school, but now that you're out in the work force, it's time to invest in YOU. In industries with ever-changing technologies and advancements, continued growth will always pay off trifold and help propel you to the top of your industry. The ways in which you can invest in yourself are vast, but we are going to provide you with some of the most advantageous and appreciating ways to do so - from contributing to your 401k now, to pushing yourself with educational training.

401k

Retirement is likely the last thing on your mind when you are just starting off your career as a young professional. In reality, you should start thinking about building your retirement the first day you begin working a full-time job. Employers are likely to offer a 401k plan to their employees, as such benefits help retain top talent.

If you've just graduated from college, you might be thinking that you should focus on ridding yourself of student loan debt first. However, financial experts say that you should not wait to pay off your student loan debt before starting to file money away in your 401k. Budget your new salary accordingly, and cut back on things like fancy coffees and that extra beer now, so you can stop working hard and be able to relax and enjoy your life once you enter your 60's, 70's, 80's and beyond.

Take Advantage of Matching Programs Offered

When employers offer a match on retirement funds, always do your homework but DON'T ignore this benefit. Some employers will match 50-100% of the money that you put into your 401k. You can think of it as "free money" that an employer is willing to contribute to you long-term, but it is important to understand the mechanics of how it works and what percentage your employer will offer.

There is no single right answer with how much you should contribute, except that you should try your best to contribute the maximum percentage that your employer offers to match. Typically, you should consider 3-5% of your salary.

Alternative Savings and Retirement Plans

If you haven't heard of other options like a Roth IRA, it's time to do some research. A 401k is great, but can be limiting in some of the investment choices extended to you. A Roth IRA, for example, would allow you to diversify your funds and manage your risk tolerance. It can also help you effectively manage the fees you might pay with a 401k.

The main difference between an 401k and a Roth IRA is that a Roth IRA taxes you now, meaning you withdraw tax-free when you retire. The downside to a Roth IRA? Once you make over \$135,000 annually as a single, or \$199,000 as a married couple, you are no longer eligible to contribute to a Roth IRA. Evaluate your income and all your options before deciding which retirement plan is going to be right for you now and long-term.

Educational Training

When you invest in educational training, you are allowing yourself to evolve and grow as your industry develops. After those 4(+) grueling years in college, or whatever educational path you chose, continuing your education may seem unnecessary and punitive, but there is always room for growth and improvement, especially once you are immersed in the work force. As the workplace changes, so do the skills needed to meet marketplace demands. Ask yourself what or where you think you could improve in your job performance. If you need help, these are 8 essential professional skills:

- Ethics and Integrity
- Continuous Learning
- Relationship Building
- Communication
- Problem Solving
- Innovation
- Teamwork
- Diversity

Employers are likely to cover the cost of educational training if they are presented with information that supports the improvement of employee performance as a result of the training. If your employer is unwilling to assist with further educational training, investing in it for yourself can pay dividends, often resulting in pay raises, promotions, and/or leadership opportunities in your industry, etc.

Once you've decided to invest in yourself, you have several courses of action you can take. It all starts with defining where you wish to grow first, doing some research, and putting one foot in front of the other. Start investing in your 401k, find out what matching options your company offers, and continue your knowledge and growth with educational training, and you are making a wise and lucrative investment in yourself.

Further reading:

<https://www.nerdwallet.com/blog/investing/best-retirement-plans-for-you/>

<https://www.cnbc.com/2017/11/10/suze-orman-most-young-people-invest-in-the-wrong-kind-of-401k.html>

<https://www.forbes.com/sites/financialfinesse/2015/09/10/3-big-mistakes-millennials-are-making-with-their-401k-accounts/#443a63ee3035>

<https://www.business2community.com/human-resources/benefits-of-workplace-education-and-training-01338458>

<https://www.linkedin.com/pulse/benefits-continuing-education-everyone-ian-cohen/>

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