

Getting started with investing

If you're feeling **ready to get started with investing**, it's a good idea to ask yourself a few key questions before diving in. What's your overall financial readiness, your investing goals, your time horizon and risk tolerance level?

Check your financial picture

Investing can help you reach your financial goals. Before you start, it's a good idea to know:

- 1. Your monthly cash flow** – It helps to know how much money you have available each month to put towards saving and investing.
- 2. How much you owe** – If you have high interest debt, for example credit card debt, this will likely accumulate more interest in the short term than any investing gains would make up for. Make a strategy to pay down debt before investing.
- 3. How much risk you can tolerate** – Generally, the higher the potential return of an investment, the higher the risk. But there is no guarantee that you will actually get a higher return by accepting more risk.

Know what you're investing for

Having a clear goal in mind can help you decide how much you'll need to save and when you'll need it.

Cash and bank accounts are very liquid, meaning it's fairly easy to get your money out when you need it. Investments tend to be less liquid than bank accounts. There are different types of

investments that can help you meet your goals. Some investments are more suitable for short-term goals while others may be more suitable for long-term goals. Investments also tend to offer a higher potential return, but also may come with more risk.

What kind of investing help you might need

If you are confident about your investing knowledge and have the time to follow developments in the financial market, investing on your own may be an option for you.

If you would like help, advice can take many forms. Working with an advisor in person can offer personalized support to manage your goals. Choosing the right advisor depends on what help you need. If you need specialized advice, look for an advisor with expertise in that area. You can also open an investing account online using an online advisor. Online advisors will ask you a series of questions to understand your situation and goals.

There are differences in the kind of products and services available when working with advisors in person or online. If you decide an online advisor is for you, compare how this approach differs from in-person advisor relationships.

Where to hold your investments

The type of account – or accounts – you hold will depend on your goals.

You can open an investment account with an investment firm or bank or credit union. Firms offer a variety of investment products.

You can open a registered account. These accounts are given tax-deferred or tax-sheltered status by the government. Some registered accounts (savings plan) can help you save for specific goals – Registered Education Savings Plan, Registered Retirement Savings Plan, and Registered Disability Savings Plan. Not all types of investments can be held in registered accounts.

Check before you invest

Checking registration helps protect you from unqualified or fraudulent individuals. Always check the registration of any person or business trying to sell you an investment or give you investment advice. Before you buy a new investment, make sure to check before you invest. Visit **CheckBeforeYouInvest.ca**.

Keys steps to get started with investing:

1. Check your financial picture
2. Know what you're investing for
3. Know what kind of help you may need
4. Consider where to hold your investments
5. Check before you invest

Learn more at [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)

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