



# SEC

OFFICE of INVESTOR  
EDUCATION and ADVOCACY

Before You Invest, **Investor.gov**

## Tips on Saving and Investing for Veterans

With a basic understanding of investment options and common scams, veterans can avoid fraud and grow their hard-earned money. Here are tips on saving and investing to help you meet your financial needs:

- **Pay Off High-Interest Debt.** If you have high-interest credit card debt, consider paying that off first, since few investments will pay you the 15, 20, or 25-percent interest that credit and retailer cards can charge monthly.
- **Set Goals and Make a Plan.** The best way to attain financial security is by saving and investing over a long period of time. You can use the SEC's [Savings Goal Calculator](#) to see how much you need to save each month to meet your goals.
- **Start Saving and Investing Early.** Starting on a path of saving and investing as early as possible can have tremendous long-term benefits. For example, if your goal was to save \$500,000 for retirement at age 65, by starting at age 25 and investing in a mutual fund averaging 7% per year, you'd only have to save a little more than \$200 per month. If, however, you didn't begin saving until age 50, you'd have to save more than \$1,600 per month to have \$500,000 by age 65. The lesson? Start investing now!
- **Take Advantage of Employer-Sponsored Plans.** If offered by your employer, take advantage of your employer-sponsored retirement plan, such as a [401\(k\)](#) or [403\(b\) plan](#). Your contributions are automatically deducted from your pay and often your employer also contributes in the form of a match. Furthermore, these plans provide tax advantages either today (traditional) or in the future (Roth). The [TSP](#) is the federal government's version of a 401(k) and one of your best options for retirement savings if you are still in the military.
- **Diversification is Important.** By picking a mix of investments, you may be able to limit your losses and reduce the ups and downs of your returns without sacrificing much in potential gains. Mutual funds and Exchange Traded Funds (ETFs) can help you [diversify](#) because they invest in many different stocks, bonds, other securities or assets, or some combination of these investments.

- **Always Check Out an Investment Professional.** If you plan to use an investment professional, be sure to do a background check on [Investor.gov](https://www.investor.gov) and make sure the person is licensed and registered. Be careful of scammers who may appear legitimate and try to convince you that they are trustworthy because they go to your church, live in your community, or are a veteran of your service. Review our tips on [how to select a financial professional](#) and [contact the SEC](#) if you have questions.
- **Be Wary of an Investment that Sounds Too Good to be True.** Claims that an investment is a “can’t miss” opportunity or promises “guaranteed” returns are classic warning signs of fraud. Be also alert to any promise of high returns with little or no risk. Never invest before you have a chance to review the investment and do research. Remember that no legitimate investment requires a rash decision. Here’s more on [how to avoid fraud](#).
- **Do Your Research.** When considering investment opportunities, be sure to do enough research that you are comfortable that the investment meets your financial goals and risk tolerance. The SEC has a guide on [Questions You Should Ask About Your Investments](#).
- **Don’t Ignore Fees.** When choosing among investments, pay attention to fees because high fees can lower your returns over time. Even small differences in fees can have a significant impact on earnings over time. Make sure you compare the fees of mutual funds and ETFs and a good place to start is the FINRA [Fund Analyzer](#).
- **Learn More.** [Investor.gov](https://www.investor.gov) is the SEC’s website for individual investors and has tools and resources that you can use to help you make sound investments and avoid scams. Check out our [Savings and Investing Basics for Military Personnel](#) and our [Financial Readiness](#) brochure.

The Office of Investor Education and Advocacy has provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.