In 2019, judge ruled that Mavis committed fraud disagree.

 $\equiv$ 

RECOMMENDED FOR YOU

Antonio Brown says he owns the Empire. His co-owners

Millions of New Yorkers could soon lose Medicald coverage

Millionaire workers club at Stewart's Shops keeps growing

Hochul paid nearly \$2M to firms to help with annual addresses

Saratoga Springs can't get to solution on homelessness

SPRING SALE!

ONLY 25¢

Sign In

**y =** 

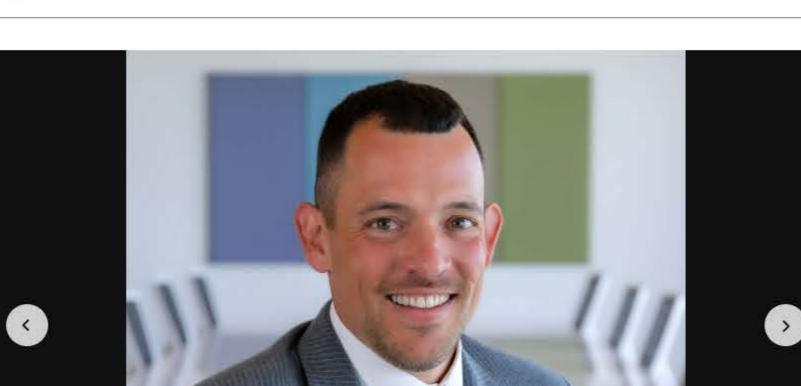
518 Free Store tp opens Schenectady storefro

## BUSINESS

## Young investors should also tackle debt, savings in tandem

Experts weigh in on how 30-something investors should approach the markets





2 of 3

Joseph Lindner of Pioneer Bank's wealth management division

Show More

Pioneer Bank

Right now would sure be a crazy time to be young and looking to start investing.

Inflation, war in Ukraine, the recent crypto and banking scandals, fears of a global recession and tensions with China - all of these issues have made Wall Street a very scary place, and even the Federal Reserve doesn't seem to totally have a grasp on what's happening with the economy these days.

But there are young professionals - workers in their early 30s who may have just now decided it's time to start getting serious about investing.

So what do they do? Who do they call? What should their strategy be?

Joseph Lindner, a senior wealth advisor for Pioneer Wealth Management, part of Pioneer Bank, says young investors should first look at their life as a business.

What does their bank account look like? How much debt do they have? How much savings do they have for emergencies? These are questions that people have to ask themselves before they consider how, or whether, to invest.

"The real job is to educate yourself," Lindner said.

Lindner was asked to consider a 30-something worker who has been dutifully making contributions to their employer's 401(k) retirement plan for several years. Maybe they recently inherited \$5,000 from their grandparent that they are looking to invest on their own. What should they do?

Lindner says that 30-somethings must first look at their credit cards. If they are carrying balances on cards with high interest rates, those should be paid down or off completely - it's like making 15 percent on an investment when you eliminate high-cost debt on credit cards.

enough money saved to get by for six to 12 months if they lose a job or can't work for some reason.

"Try to build up your emergency fund," Lindner said, adding that the high

The next thing to do is to look at savings. Lindner suggests that people have

interest rate environment can make a savings fund work for itself, especially if the money is put into a certificate of deposit. "It's for if that 'unknown' happens."

plans for any special savings on insurance options and even travel discounts. And then if they want to invest, Lindner suggests that young workers open

Lindner, 43, says young workers should scour their employers' benefit

a Roth IRA, or individual retirement account. A Roth IRA differs from a traditional IRA or traditional 401(k) in that taxes are paid on the contributions on the front end. Lindner says this gives tax certainty to the worker when they are probably experiencing the lowest tax rates in their careers. Plus, opening a Roth IRA is easy, and it can be funded over time.

that shouldn't scare away young investors. "It's the unknown events (like COVID for example) that are the biggest

Lindner says that the stock market may seem extremely volatile now, but

risks, but that's nothing to be afraid of," Lindner said. Elroy and Angela Tatem run a financial education firm called YouInc

Wealth Education Services based in Niskayuna. The company partners with colleges, schools and businesses to provide their students and employees with financial wellness programs. We asked the Tatems how they would counsel a similar 30-something

worker looking to invest a \$5,000 inheritance. Just like Lindner, the

Tatems say that before even thinking about investing that money, that worker needs to have an emergency fund in place, and also pay down debt. "So if this person had no savings, we recommend starting there first," Angela Tatem said. "If a savings account is already in place, then we would

ask them about their debts. Because carrying debts with high interest rates

significantly pulls down your financial health. Our priority is establishing an emergency savings account and then investing." Also like Lindner, the Tatems believe that there is no "bad" time to get into the market. And people don't need a large, lump-sum to invest. They can

also fund their account over time, like they do their 401(k). "We believe and practice dollar cost averaging, which means we invest consistently no matter what the stock market is doing," Elroy Tatem said. "There will always be times of fear, anxiety, war, political divisiveness, and

## other factors that impact the market. However someone in their 30s should adopt a long-term perspective. If you take out your money when it feels scary, you will not realize the greater gains down the road."

News Publishers Association. Contact him at 518-454-5504 or Irulison@timesunion.com.

Stay informed with a daily digest of top headlines. Email

Sign up for the Daily Headlines newsletter

By signing up, you agree to our Terms of Use and acknowledge that your information will be used as described in our Privacy Policy.

SIGN UP

journalism from the New York State Associated Press Association and the New York

Reach Larry on

Larry Rulison

Larry Rulison has been a reporter for the Albany Times Union since 2005. Larry's reporting for the Times Union has won several awards for business and investigative