How Smart Investments Now Can Pay Off Down the Road.

Millennials inhabit a world in which there is rising inflation, debt, and healthcare costs. Now is the time for millennials to consider making investments that may put them in a position to succeed over the long term.

Millennials make up more than a third of America's population and are a driving force of the economy. Millennials have a lot at stake when choosing investments—facing challenges such as reducing student loan debt, purchasing a home, and saving for retirement. It's an excellent time to learn how to invest now to address your long-term financial concerns.

Consider taking more risk. The repercussions of the Great Recession shook many millennials, and perhaps too many have kept their money in cash savings rather than investing it in riskier assets such as stocks and other equity investments. However, you have plenty of time to recover from a potential market downswing. Over time, riskier investments may pay a premium over safer ones, and that can make the difference between staying ahead of inflation or falling behind.

Manage risk intelligently. There are strategies to increase your exposure to risky assets without creating an overly volatile portfolio. Diversification across many assets and asset classes helps manage portfolio risk because some investment might zig when others zag. Another technique is called dollar-cost averaging, in which you invest the same amount every month. This way, you'll buy more shares when the market is low and fewer when it's high, thereby smoothing out the price you pay over time.

Defer Your Taxes. The government has made it easier to defer taxes on your retirement savings through accounts like 401(k)s and IRAs. Your contributions are tax-deductible and grow tax-deferred until you start making withdrawals later in life. Without taxes draining investment profits, your earnings have the potential to compound faster. Also, an employee 401(k) plan may bring you employer contributions that will add more money for retirement.

Keep an eye on costs. You can't control the market, but you can control how much you spend to invest in it. Always know the expenses, fees, and commissions you'll have to pay—each dollar in fees reduces your returns. Passive investments in low-cost index mutual funds and exchange-traded funds might save you through your lifetime of investing.

Put time to work for you. Millennials have plenty of time to take advantage of the market's historical long-term upward trend and ride out weak periods.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

Dollar cost averaging involves continuous investment in securities regardless of fluctuation in price levels of such securities. An investor should consider their ability to continue purchasing through fluctuating price levels. Such a plan does not assure a profit and does not protect against loss in declining markets.

Index funds are subject to market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Also, an index fund's target index may track a subset of the U.S. stock market, which could cause the fund to perform differently from the overall stock market.

An investment in Exchange Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.