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Student: Isaac Garonzik
Teacher: Ethan Goodman
School: Pikesville High School

Some people compare the uncertainty in investing to chances you take when gambling. Investing and gambling both involve the expenditure of money in hopes of achieving a financial gain. So, what differentiates the two?? Knowledge.

Knowledge gained from researching current events and trends in the market to find the best stocks, bonds, or mutual funds. Knowledge of your own willingness to take risks and what your goals are factor into what investment choices you'll include in your long-term investment portfolio. Knowing that there are experts who have ideas and insight as to what might be the best course of action for you is helpful. When it comes to investing, you need a growth mindset. You need to be ready and willing to learn. Knowledge is never ending, just as changes in the market are never ending. If each person invests time and effort researching what's best for him or her, then what might seem like a gamble could pay off as a sure thing.

Taking a risk tolerance survey prior to beginning your investment journey serves to make you aware of the difficult choices you must make and gives you the chance to reflect on what's out there. If you're not honest with yourself, then the knowledge you're hoping to gain from subsequent research will be a fool's errand. Knowing how active an investor you plan on being is important. The Stock Market Game was a great way for me to realize that trying to create a long-term portfolio in such a short time horizon is difficult, but that's where the research---much like some stocks----starts paying dividends. Once you have a set of goals, you'll need to consider what's out there. I've come to subscribe to the Peter Lynch line of thinking and go with what you know. He said, "Know what you own and know why you own it." You don't have to be a writer for a financial magazine to know about certain companies and why shoppers like them. Have discussions with peers about why they're interested in them. It's ok not to know everything, but what you do know can make all the difference.

Combined with my use of historical stock data from online websites and my years as a consumer, I like Apple and Amazon in my long-term portfolio. The constant efforts by these companies to research the market, to invest in technological advancements, and to provide useful services and products creates tremendous room for overall growth and makes them amazing investment opportunities. Apple's current low price of $147 per share after its recent split makes it a must-need for one's long-term investment portfolio. The same can be said for Amazon, which is currently priced at $94 per share. Ten years ago, had an investor invested $100 in Amazon, that initial investment of $100 would be equivalent to almost $2000 today. Amazon is still growing at a rapid rate, making it an incredible investment for long-term growth that is priced under $100 per share.

Additionally, my portfolio will hold mutual funds such as VFIAX (Vanguard 500 Index Fund Admiral Shares), an index fund that reflects off the performance of the S&P 500. Annually, it has averaged a return rate of 12.75% (making it imperative for your mutual fund portfolio). Funds that reflect the S&P 500 are the best way to create long-term success due to their high annual average return rates. It's a great way to diversify one's investments and you also benefit from the trading of an educated manager.

If you think that investing in uncertain, then trying to do so without researching is even more difficult. That research starts with you---knowing your own capabilities, apprehensions, and goals will make you wiser and put you in the right direction. Knowing what types of investments are available---and the risks associated with each---makes you a better investor. Knowing there are experts and professionals who can give you suggestions and guidance can help open your mind to new ideas. The best bet is the one you take when you confidently place the chips all in on yourself and you've taken stock on all the possibilities that come from being an informed investor.