

[Reasons For Investing In The Stock Market - Part 2](#)

In my previous article, the first part on the advantages or the reasons why you should invest in the stock market was discussed. Three points are highlighted, mainly potential for greater returns, part ownership of the company you are investing and belonging to a special group of people. This is the second part of this two part series. Check out my blog should you wish to view the article in its entirety.

4.) The stock market is still the one of the best investment - While it is true that investing in the stock market has its up and down moments, in the long run investing in the stock market is still one of the best investment vehicles out there. Stock market returns fluctuate from year to year. In 1986 we have the recorded highest return rate at 224 % and negative 41 % as the lowest return rate in 1997. Yet despite the markets up and down if you hold on to your money (Holding period of about 20 years) on the long term, the average return for investing in the stock market is 24 % to 28 % per year so in short you it is not possible to incur any loss if you are a long term investor.

5.) Helps you become more financially literate and inspires you to increase that knowledge - Investing in the stock market forces you to go over the business news. It also helps you give significant meaning to the major news headlines. News for you is not something to be discussed in chit chats, but rather you view it as something that will have an impact on how the market behaves. You are forced to understand words that are foreign to you. You will become more sharper intellectually as you are motivated to keep on reading. If you dozed off in your your economics class in high school or college, this time you will be pulling your hair apart just to figure out what inflation means. you will be motivated to become a life long student.

6.) Helps you understand the importance of being online and getting instant "knowledge" in this age of information technology. - Man has gone a long way from the stone age, the iron age, bronze age up to the industrial age. Now we have moved one more step ahead as we are right now in the "information technology age" where knowledge is power. Trading in the stock market by means of utilizing information technology certainly gives meaning to the adage that "knowledge is power." Years ago when I was still in college I wanted to know what it is like to invest in the stock market as I was intrigued by what I see in the movies when traders shout buy or sell. Unfortunately, I did not invest back then because of the lack of information, capability and most of all the lack of capital to do so.

The advent of the internet age has certainly changed a lot of things. The information technology is powered by the internet and information on anything is accessible via the world wide web. This has also changed the way stock market trading is done. Because of this I am now able to do everything online such as monitoring the business news, buying and selling shares of stocks and transferring money to and from my accounts. A future development would be to trade stocks globally. Although this might prove to be a much more complicated area of study nevertheless the principles of stock trading are similar.

7.) Helps build the nation - Investing in the stock market helps build the nation. Most stock market investors may not realize this but this is one of the most noble objective and advantage of investing in the stock market. Companies who are listed in the stock exchange intends to infuse more capital into their business in order that such capital might be further used for expansion. Business expansions would mean more people are hired for work. The government also benefits as more taxes are being paid. This further translates into more economic activity which in the long runs helps build the nation.

Certainly these compelling reasons make a valid argument as to why you should invest in the stock market.

About the Author

Want to know more about [how to invest in the stock market](#) ? Zigfred Diaz regularly blogs about this topic as well as other interesting topics such as law, leadership, entrepreneurship, management, finances, investments, technology, internet marketing, blogging and faith. Visit his blog today.

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