

REITs and Real Estate Mutual Funds - Investing Your Retirement When Leaving A Job

If you have recently left a job you may have ended up with a payout of your retirement money that had been growing in stocks, bonds, mutual funds and other stock market investments in your retirement account. Do you know what that means? You are about to have the federal government take some of that money away.

First, there will be an automatic 20% withholding to pay federal taxes (not to mention any possible state taxes). On top of that, if you are not 59 ½ years old there will be an additional 10% taken away as an early withdrawal penalty against you. Also keep in mind as soon as you cash that check, you have added it to your income. It could move you into a higher tax bracket meaning even more of your money will be collected by the government.

But, it doesn't have to be that way. If you are wise with this money and don't spend it, you can let it continue to grow for you without losing any of it. Instead of spending that money, you need to roll it into a new retirement account for yourself. Rules differ by state and policy for how to do this but many times you can roll your investment from the retirement plan at the company you are leaving to a new retirement plan (either 401K or Roth IRA) without being penalized.

Make sure you know how this works because there is usually a set time frame you must complete this in order to be free of any penalties. If you are going to put the money into an IRA, you are going to likely be making the decision of where it is going. That means you need to know which investments are the wise ones to make.

The first thing you need to do is select a market to invest in. Since you want to make sure this money will be around when you get to retirement age, you may not want to choose high-risk categories. Instead you should look for a more stable and grounded market like real estate.

While real estate mutual funds and REITs have great potential for positive returns, they are also more stable than many other markets as they are based on something that will not disappear, property. While real estate can fluctuate in value, it will always come back around.

When it comes time to find the best real estate mutual fund or REIT for your retirement investing dollars, you should go to a site that specializes in this market. REITBuyer.com is just such a site. They are the first and only online brokerage that specializes in REITs and real estate mutual funds. In addition to being able to do all the research you need to know what is wise to buy, they are also the place to make your purchase and then monitor your portfolio and watch your money continue to grow.

This article was written by Earl E. Bird, spokes person for the REITbuyer.com, a site dedicated to educating Real Estate Investors on how to invest in Real Estate Mutual Funds to diversify their investing portfolio. Learn more at <http://www.reitbuyer.com>