FINANCIAL INVESTMENTS AND DEVELOPMENT OF USE OF INVESTMENT ACCOUNTS.

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Abstract. *This article explores the role of financial investments in economic development with a focus on the growing use of investment accounts. It examines how individual and institutional investors are increasing their participation in financial markets through diversified investment tools. The article also highlights the advantages of investment accounts in improving capital allocation, encouraging saving behavior and supporting long-term financial planning. The study shows that the development of investment accounts has made investing more accessible, transparent and efficient, contributing to overall financial inclusion and economic growth.*

Key words*: financial investment, investment accounts, stocks, bonds, real estate, mutual funds.*

INTRODUCTION

There is a vital role of financial investments in economic growth and personal wealth accumulation. With the advent of technology, investment accounts have evolved, becoming more accessible and user-friendly. This development has transformed how individuals and institutions approach investment strategies, making it important to understand not only the existing types of investment accounts but also their effect on financial behavior and market development. The increasing popularity of different online platforms for trading and mobile investment applications has broadened investment opportunities, which allows a wider audience to participate in financial markets. In this article, the significance of financial investments, the development of various types of investment accounts, including standard brokerage account, retirement accounts, investment accounts for kids, education accounts, ABLE Accounts and how these changes impact economic development and individual financial literacy are all has been explored.

LITERATURE REVIEW

Investment accounts are those that hold stocks, bonds, funds and other securities, as well as cash. A key difference between an investment account and a bank account is that the value of assets in an investment account fluctuates and can, in fact, decline. In exchange for this risk of loss, investments tend to offer the potential for greater reward, especially over the long term.

For this reason, assets in an investment account are often used to meet financial goals that are well in the future, such as saving for retirement or college. In fact, it's not uncommon to have a number of investment accounts, each used to help meet a specific financial objective.[62]

Claus Munk[63] provides valuable insight into how financial instruments, such as stocks, bonds, and other securities function within the broader financial market and the role they play in shaping investor behavior and economic development. Munk emphasizes that stocks[64], as equity instruments, provide opportunities for growth through capital appreciation, while bonds[65], as debt instruments, offer stability and fixed income returns. The development and use of investment accounts have significantly transformed the way investors access these securities, providing a structured and accessible platform for individuals to build wealth over time.

The evolution of investment accounts has facilitated financial markets, which is allowing more individuals to participate in investment activities. Furthermore, it supports economic growth and development. These accounts not only enhance investor access to various financial instruments but also serve as a tool for managing risk and diversifying portfolios. As financial markets keep developing, the role of investment accounts becomes increasingly crucial, as they bridge the gap between individual investors and the broader financial market, facilitating capital allocation and economic advancement.

By integrating Munk's theories with contemporary developments in financial technology and policy, this literature review emphasizes that the efficient development and management of investment accounts are critical to optimizing returns for investors and fostering economic development. The continued evolution of financial products and services, along with the accessibility of investment accounts, offers vast potential for both individual investors and the broader economy.

METHODOLOGY

The methods such as induction and deduction, comparison are applied in this research.

RESULTS AND DISCUSSION

This study claims that financial investments can drive both individual wealth and national economic progress. The enlargement and accessibility of different investment accounts, including retirement plans, bokerage services, education savings accounts, and ABLE acxounts - have given opportunity to participate in finnacial markets. Due to development of digital technology and mobile applications, investing activity has become more inclusive for all population.

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62 www.finra.org

63 '' Financial Markets and Investments'' by Claus Munk. The book version: August 15, 2018.

64 '' Financial Markets and Investments'' by Claus Munk. The book version: August 15, 2018. Page 2

65 '' Financial Markets and Investments'' by Claus Munk. The book version: August 15, 2018. Page 6

A difference between national bank accounts and modern investment accounts shows a change in financial behavior. When traditional accounts mainly focus on capital protection, investment accounts are designed to produce returns via exposure to a various range of assets such as stocks, bonds and mutual funds. According to Munk (2018) these financial tools often come with high levels of risk and return which allows investors to build protfolios based on their intentions and riks appetite. This does not only promote productive financial planning strategies but also ecourages the habit of consistent saving and investment.

Eventually, the widely used investment accounts promote fimancial engagement among individuals who were perviously excluded from capital markets. This increased participation aligns with broader economic development goals, as it transfers household savings into productive economic activities.

CONCLUSION AND RECOMMENDATIONS

The development and the usage growth of investment accounts have notably changed how individuals interact with financial markets. Confidence and flexible access to a range of investment options provided with these accounts are encouraging smarter capital use and forward-looking financial planning. More individuals are empowered to manage and grow their wealth, as a result of financial tools becoming more user-centric and widespread.

Recommendations

1. Improving Financial Literacy:

Educational programs should be expanded to equip people with the knowledge needed to make informed investment decisions

2. Policy Enhancements:

Regulatory frameworks should continue evolving to ensure transparency, safety, and ease of access in financial platforms.

3. Support for Innovation:

Embracing technological innovation in the financial sector will make investment tools more efficient and tailored to individual needs.

4. Encouragement of Long-Term Saving:

Governments should offer incentives for long-term investments, especially through retirement and education-focused accounts.

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