

**5 Tips for Investors in a
Recovering Economy
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Five Tips for Smart Investors in a Recovering Economy

#1 Hire a financial advisor. There's a great deal of confusing and complex financial information out there including the tax code. Regardless of what type of financial advisor you hire you need someone who is looking out for your best interest and provides you with independent advice tailored to your needs.

#2 Do your homework. When you hire a financial advisor, make sure you do your homework. Get referrals, meet in person, look up the firm on the Internet, ask if they are an independent firm meaning they don't work on commission from selling you products that may not benefit you. My clients say they hire us because of our trust, transparency, integrity and peace of mind. You should have the gut feeling that you are in good hands when you meet with your financial advisor.

#3 Have a long-term plan. Everyday we get different and often conflicting information about the economy. Oil prices are going up, while unemployment is going down. Even the top economists differ on where the nation's economy is going. The inclination in a volatile economy is to change--to sell and buy current investments or move money around. I understand that because it's a way to gain control over your financial future. But those that do well in a volatile market have a long term plan and while adjustments may be made, remember they are in it for the long-term.

#4 Don't put your eggs in one basket. The best financial investment strategy is to be deeply diversified. This entails taking a look at your asset allocation and making sure you are invested across multiple asset classes. Asset allocation balances your risk and reward by dividing your money based on your goals, risk tolerance and investment horizon. Asset allocation is the best tool to manage volatility in the marketplace

#5 Can you sleep at night? What we saw in 2008 when the markets dipped significantly, was that many who thought they had a high investment risk tolerance, really did not. Part of determining risk tolerance is to recognize that each person is different. There are many factors that play a part in determining your risk tolerance such as stage of life, age, a life change such as getting married, your financial responsibilities, how much money you have to invest, and your emotional make-up. Whatever your needs, your financial advisor should be work with you to create a plan that maximized your return based on level of risk. And that plan should help you sleep at night.