

FREEDOM CAPITAL MANAGEMENT



*Independent    Innovative    Individualized*

## Successful People as Investors:

### **An Interesting Dichotomy**

*Successful people are some of the smartest, most strategic and forward-thinking folks I know...though not necessarily with their own investments. As I work with more and more clients who are financially successful, I have learned that sometimes successful people don't always put the same emphasis on their personal investments as they do their own businesses.*

Here is a sampling of what I have heard from people, who have since become clients, regarding the thinking behind their personal investment decisions:

**My wife handles our investments.** The truth is, it doesn't matter who makes the investment decisions. What matters is how they are made. They should be made in conjunction with clearly defined goals, a realistic time horizon and an honest assessment of tolerance for risk.

**My retirement nest egg is in my company's stock.** Are retirement funds over weighted in company stock? It might be prudent to liquidate a portion of that stock to better diversify retirement assets.

**The market has been pretty turbulent, I'm standing pat for now.** Sure, at times the markets are volatile and confusing. That very uncertainty, however, might well be the reason to re-assess your current asset allocation and consider some adjustments to the structure of your portfolio. Don't be frozen with indecision!

**My investments are taken care of at work.** Really? How and by whom? The HR/Benefits people? If what you mean is you have a 401k plan and you're actively contributing through payroll deductions (which you should), you might ask yourself what investment strategy is used to determine your allocation percentages within the offered funds? If you should change jobs, what will you do with the 401k from your now ex-employer?

**I am not thinking about college costs, my kids are still young.** If you are not thinking about it, you should start – quickly! Predictions for 2036 (only 18 years from now!) are that a private, four-year school will cost approximately **\$355,000** in tuition including room and board. Four-year public schools are predicted to cost approximately \$157,000.\*

*An investment plan begins with a goal. Then, a strategy should be developed against that goal reflecting the proper asset allocation for you. This strategy should then be executed with a portfolio that fits your time horizon and tolerance for risk. Give your strategy time to work!*

***Goal \*\*\* Strategy \*\*\* Execution \*\*\* Performance Monitoring***

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\* <https://www.fa-mag.com/news/-savingforcollege-s-magic-number-for-college-saving-goal>

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