

## Surviving Market Turbulence.

Screaming headlines proclaiming stock market meltdowns, bank failures, and job losses leave even the most confident investors feeling shell-shocked. For small investors whose primary concern is financing retirement, the current onslaught of bad news often induces unnecessary fear.

The first tip for coping with doom-and-gloom financial predictions is to check the source of your financial news. Many Canadian news outlets save money by filling their white space or newscasts with American stories from wire services, which leave many Canadians believing that we share the same problems. We don't.

Canadian regulations would not have allowed sub-prime mortgage products such as "ninja loans" (loans to borrowers with no income and no job) or "liar loans" (loans to borrowers without checking their income claims). U.S. bank failures and the resulting chaos can be traced directly to a lack of prudence.

For meaningful economic information, talk to your financial planner and review your portfolio. Have your circumstances changed since you made your investments? Do you need your money within the next three years? Everyone's circumstances differ, and there are legitimate reasons to tinker with a portfolio during a volatile market – but fear isn't one of them.

Now is also good time to remember the other advice you were given when you first put money into stocks: investing isn't gambling and it isn't stock-flipping; it's a strategy for beating inflation over the long term.

Don't forget that one person's crisis is someone else's opportunity. For young investors with a built-in risk tolerance – e.g. they won't need the money for 30 years – market downturns are an opportunity to make good buys on undervalued stocks and hold them over the long term. When investment gurus say the best advice is to buy low and sell high, they mean buying into just the sort of frightening market that characterized 2008.

Generally, even the most anxious investors are ill-advised to pull out of a bear market, but that doesn't mean there aren't other things they can do to improve their personal finances. Billionaire fund manager Stephen Jarislowsky, a child of the Great Depression now worth an estimated \$1.2 billion, advises individuals to work aggressively to reduce debt and to eliminate "silly" spending. The best hedge against financial disaster, he's often quoted as saying, is to maintain a modest standard of living as your income increases and save more.

### Ready to talk with one of our Financial Advisors?

At Kootenay Savings MoneyWorks, we welcome the opportunity to help you achieve your financial goals. Contact us at 877.691.5769.