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Planners Offer Market Tips For Nervous Investors

Financial Planner Breaks Down Tips, According to Age

POSTED: 5:33 pm EDT August 3, 2011

UPDATED: 6:44 am EDT August 4, 2011

BOSTON -- The stock market closed with some gains Tuesday, which is welcome news after Monday's big losses.

Many people were caught off guard by the stock market's recent plunge, despite Congress reaching a debt deal.

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"Everyone thought if there was a deal, things were going to get better. The stock market is such a funny thing," said certified financial planner Dana Levit.

These uncertain economic times are stressful. But an expert financial planner says there are things you can do to protect your investments, depending on your age.

Financial Advice For All Ages

"If you're between 20 and 40 I wouldn't tweak anything different. I don't think this time is different. I don't think this is a reason to be changing anything. If you've got a good allocation set for yourself, it's fine to stay there," said Levit.

She does suggest an emergency fund of at least six months of living expenses; refinancing of variable debt to fixed interest debt; to maximize saving in an employer retirement plan and consider buying real estate.

Levit suggests taking a hard look at your portfolio if you're between 40 and 60.

"This might be a good time to be re-balancing. If things have grown, it's time to take growth off the table. If things are low, it's time to get back into those. As hard as it is, you hold your nose and get back in," she said.

A diverse portfolio can have higher returns with lower volatility. Levit suggests re-balancing annually, not every time there's a market fluctuation.

If you're over 60, an emergency fund is the most important thing to do. Levit suggests at least one year of cash in a high interest savings account and to take any stock profits and invest in safe bonds.

Don't get out of the market entirely, says Levit, because one thing is certain about the stock market: it always changes.

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