



May

10

2021

What's Your Investing Personality?

By admin

Just as each of us is unique as a person, we also have a distinct investing personality. One isn't better or worse than the other, but understanding "who" you are as an investor is helpful, no matter your circumstances, or how much money you have to invest. While it's a complex matter that depends on various factors, exploring the questions below may give you some preliminary insight into your investing personality.

1. What's your risk tolerance?

Can you accept the potential risk of short-term losses, with the possibilities of earning higher returns over an extended period? Or are you more comfortable with investments that generate a stable but modest return from year to year? Knowing your risk tolerance - which can change throughout your life - can serve as the foundation of your investment game plan.

2. What is your approach to saving?



Money is an emotional topic for many of us, but being honest with yourself about your saving style is one key to your success. This self-reflection can give you clarity on what you need to do to save for your goals while still living a responsibly balanced financial life. Speaking of goals, whether you're a saver or a spender, it's also essential to identify what you're saving for and to be clear on how much you need to put away to make your dream a reality.

3. What is your timeline?

Your investment timeline is how long it will take you to meet the financial goal(s) that you've identified. Whether it's short-term (i.e. saving for a car), mid-term (i.e. saving for a down payment) or long-term (saving for education or retirement), determining an end date for achieving those goals is a helpful indicator of the type of investing you need to do.

4. Will you need access to your money?

Liquidity refers to how easy it is to get your money out of an investment. Cash, chequing, and savings accounts are very liquid, but the returns are negligible. Longer-term investments are less liquid, but they offer a higher potential return on your money. They may also come with more risk. Do you need one or the other? Or is there a way to leverage both to reach your financial goals?

There are online tools to help you identify your investing personality, which is an interesting place to start. However, like all meaningful and lasting growth, your financial journey may be more likely to flourish through trusted, long-term relationships. Specifically, working with a financial advisor who takes the time to know who you are, how you relate to money, and your current challenges and future goals may be the most beneficial financial decision you can make.

Financial advisors do much more than help you identify your investing style. Your financial advisor can be an expert guide, planning partner, coach, advocate and mentor who can help shepherd your financial future for the long term. It's the right choice for every investing personality type. [Contact our office today](#) [1] to learn more.

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