https://www.unionleader.com/news/business/money_sense/marc-a-heberts-money-ense-tips-for-surviving-market-turbulence/article_598bf6d7-88be-5b68-a033-9144602af21b.html

Marc A. Hebert's 'Money $ense': Tips for surviving market turbulence

By Marc A. Hebert
Jul 18, 2020

MOST stock market investors want to see the value of their assets go one way, and that's up.

Strong and steady gains are a top investing priority. Given this, dealing with a period of up and down markets isn't easy.

Sharp drops are often accompanied by panic selling or hanging on to bad investments with the hope that they just might go up.

If you are in this category, a more thoughtful approach would be to review your portfolio and your risk tolerance.

Maybe it is time to acknowledge those things you can control and those you can't.

Maybe it is time to make some adjustments and maybe not. You can control your allocation and manage your personal finances in ways that help you avoid unnecessary risks and protect you from your emotions.

Here are a few key suggestions to keep in mind:

Maintain a long-term perspective. Stay focused on your financial goals. A buy-and-hold investment strategy designed to meet your goals will help you hold on to your portfolio despite any short-term market moves.

The opposite of buy-and-hold investing is market timing. This involves buying and selling investments based on what you think the market will do next. Market timing is risky since there are two decisions that need to be made: when to sell your current investments and when to buy back in to the market.

If you are wrong on even one, you can miss out on the market's best days. It might help to remember how you managed during other financial crisis that came during your life.

Maintain your balance. As the market moves, the value of your investments will go up and down. With a well-diversified portfolio, some asset categories may rise in value while others may go down.

If you have a predetermined allocation model, the key to maintaining stability is to regularly rebalance by selling some investments that have appreciated and buying other investments that have lagged.

The goal here is to attain the mix that you started with.

This mix should reflect a risk tolerance that you are comfortable with, so a rebalance to this point shouldn't be emotionally distressing.

Your portfolio structure will also take into account your time horizon and, as mentioned above, your goals.

Continue your savings. With the outbreak of COVID-19, times are tough for many people, and it might be tempting to reduce your savings rates. If this applies to you, try to get back on the savings track once things get better. If you are still able to save, don't let turbulent markets scare you.

Your savings might be buying stocks that are being sold at bargain prices. This means you are getting more for your money.

And by buying into the market regularly with your savings you can do a technique called dollar cost averaging, which is buying a set amount of an investment over time to reduce the impact of volatility.

Review your entire financial picture. Your investment portfolio and savings strategy are only a few pieces of your financial puzzle. There are cash flow management considerations, income taxes and insurance issues to review. You might also want to take a look at your estate planning or education planning.

Make certain all your finances are in order and meeting your goals.

Seek information. A financial professional, such as a certified financial planner, can help you stay the course, understand recent events and prepare for the future.

If this isn't an option, there are plenty of resources on the web and in bookstores.

Educate yourself on the markets and financial topics in general.

Just make sure to read from a variety of reliable sources to have a more complete picture of investing and your part in it.

Marc A. Hebert, MS, CFP, is a senior member and president of the wealth management and financial planning firm The Harbor Group of Bedford. Email questions to Marc at **mhebert@harborgroup.com**. Your question and his response might appear in a future column.

<]