

Your Best Defense

Investing with confidence during a recession

There are markets that test an investor's patience and this is one of them. These three steps may help you stay confident in tough times.

Maximize Your Savings

Your workplace account gives you a huge advantage over other savings accounts by allowing you to redirect money, which hasn't yet been taxed, from your salary into your retirement savings plan. You can then increase that amount each year up to current IRS limits.¹

Don't Miss the Potential Rebound

Historically, stocks have recovered from short-term declines. In fact, the biggest risk to investors may not be short term declines but inflation. You can lose purchasing power if your investments grow at a rate less than inflation. In order to achieve potential growth in your portfolio, your returns must exceed the inflation rate.

Choose the Right Mix

Diversification can help you create a portfolio that may be better able to withstand market fluctuations, though it does not assure a profit or protect against loss in declining markets. The way you divide, or allocate, your investments also depends on your age, goals and comfort with risk. For instance, people close to retirement often seek a lower risk mix of investments but include stocks for potential growth to make their savings last for decades. Remember, past performance is not indicative of future results.

¹ In 2010 you can contribute up to \$16,500 (plus another \$5,500 if you're age 50 or over) to certain workplace retirement savings plans, such as a 401(k) or a 403(b).