

Information from Financial Services and CFS* to help keep your financial life in balance

Consumer Sense

Build a Solid Foundation

Even for the most informed investor, investing in the stock market can be risky. The idea of losing money is a frightening thought but don't let those fears alone keep you from passing up on some potentially incredible investment opportunities. Successful investing begins with building a solid foundation of key fundamentals to create a well-thought out plan designed to help reach your short-term and long-term financial goals.

Strategic Investing

The process of investing on a systematic basis is called dollar cost averaging, and it may help you overcome the uncertainties of the market by investing more consistently over a longer period of time. Investing on a regular basis, over a period of time, may result in a better outcome than trying to figure out when the markets will go up or down.

* A systematic investment plan (dollar cost averaging) does not assure a profit and does not protect against loss in declining markets. Such a plan involves continuous investment, so investors should consider their financial ability to continue purchases through periods of low price levels.

Sources: http://en.wikipedia.org/wiki/Main_Page
www.standardandpoors.com, www.bankrate.com

Have You Read...

The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities by *Bernard Baumohl*. Every day, stocks, bonds, and currencies bounce wildly in response to new economic indicators. Money managers obsess over those statistics, because they provide crucial clues about the future of the economy and markets.

If you've been contributing to an employer-sponsored retirement plan, where earnings are automatically taken from your paycheck, then you've already been practicing dollar-cost averaging.

Turbulent Times

With all the recent ups and downs of the economy, you've probably heard analysts refer to a myriad of economic indicators. We have outlined below a few of those indicators, and why they might be important to investors.

Gross Domestic Product (GDP) is the total market value of output produced in a nation in one year. It is the sum of consumer, investor and the government spending (plus the value of exports, minus the value of imports). Generally when the economy experiences two consecutive quarters of a decline in GDP, analysts describe that as an economic recession.

S&P 500 Index

According to Standard & Poor's, the S&P 500 is "widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy."

Federal Funds Rate

The short-term interest rate that banks charge other banks to borrow money overnight at the Federal Reserve. Changing the target rate is one form of open market operations that the Chairman of the Federal Reserve uses to regulate the supply of money in the U.S. economy.

Who can help me?

The investment professionals at your credit union can provide guidance, and answer questions regarding a wide range of financial topics. To learn more about working with a financial representative, contact your credit union!

Interested in Learning More?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!



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Do you have a topic you'd like to see covered in future *In Balance* newsletters? Email your questions and comments to us at: investmentctr@fmfcu.org

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