K I S S (Keep It Super Simple)

Keys to Successful Investing: Discipline – Patience – Time

Discipline – Diversify by asset allocation and be a long-term investor. Don't invest money you will need within two years, save it. Determine your risk tolerance: conservative (saver), moderate (investor), or aggressive (gambler). Professional mutual fund managers strive to beat a benchmark, such as the S& P 500; but from 1995-2000 only 6% of managed funds outperformed the S&P 500. The average return of the S&P 500 over the last 70 years is around 10%; consider index funds.

Patience - Don't panic when the market goes down instead of up. Bear markets show up about once every five years. Signs of a bear market: rising interest rates, high inflation, economic growth slows (GDP or earnings disappointment). Ignore the media and remember you are invested for the long term. Slow and steady wins the race, just like the tortoise and hare.

Time - Time in the market is more important than trying to time the market. Don't try to time the market or chase high-flying risky stocks or sector mutual funds. They can go down just as fast as they go up. Even the experts have difficulty getting their market timing right. Timing the market requires three right decisions: when to buy, when to sell, then; when and what to buy back. Dollar cost averaging is a good strategy. Invest the same amount of money each month regardless of what the market is doing. You will buy some shares low and some high but you will have a good average price per share in the long run.

Educational Web Sites

www.jumpstart.org (Resources for Financial Literacy)
www.vanguard.com (No-Load MF Company for research)
www.federalreserveeducation.org (Education and Information)
www.cfp.net (Certified Financial Planner - Learn)
www.investor.gov (US Securities and Exchange Commission)
www.myfico.com (Credit Scores and Credit Report info)
www.annualcreditreport.com (Free Credit Report)
www.cccsok.com (Consumer Credit Counseling of OK)
www.finra.org/Investors (Tools and Calculators)
www.pathtoinvesting.org (You Can Build Wealth)
www.chickslayingnesteggs.com (Steps to Picking a Stock)
www.investedok.org (Oklahoma Investor Education Program)

How often do recessions occur?

Source: American Funds Investor Fall/Winter 2008

In the past 77 years, the United States has faced more than a dozen recessions. That averages to about one every six years. While they can be difficult to endure, it's important to keep in mind that economic cycles are necessary to purge excesses, this time in leverage and housing. Although there is no way to predict what will happen next -- nor is it inevitable that history will repeat itself -- this period is likely to pass, providing investment opportunities for those with longer term discipline.

U.S. Recessions Since 1931

1931	The Great Depression
1945	World War II
1960	Cuban Missile Crisis
1970	Oil Embargo
1990	Savings and Loan Crisis
2000	Dot-Com Bubble Burst
2001	9/11
2008	Credit Crunch

What three lessons to learn from the Market Volatility of 2008:

1. No asset will continue to rise forever.

2. Don't try to time the market

3. Diversification can help smooth volatile periods.

When Consumer spending slows the Economy slows down:

Two-thirds of the economy depends on consumer spending.