

FREE WEBINAR

WEDNESDAY 8/5



Staying the Course
in a Time of Upheaval:
What to Do Now?



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Alliance for Investor Education Panel:

Staying the Course in a Time of Upheaval: What to Do Now?

Panelists will include:



Christine Kieffer
Senior Director of Investor
Education, FINRA



Jason Doss
Attorney, President, AIE;
President, PIABA
Foundation



Charles Rotblut, CFA
Vice President and
Financial Analyst, AAI



Lynne Egan
Investor Education Section
Chief, NASAA; Deputy
Securities Commissioner,
State of Montana



Noula Zaharis
Trustee, IPT; Securities
Division Director, Secretary
of State Office of Georgia



American
Association of
Individual
Investors

Charles Rotblut, CFA
Vice President and Financial Analyst, AAI

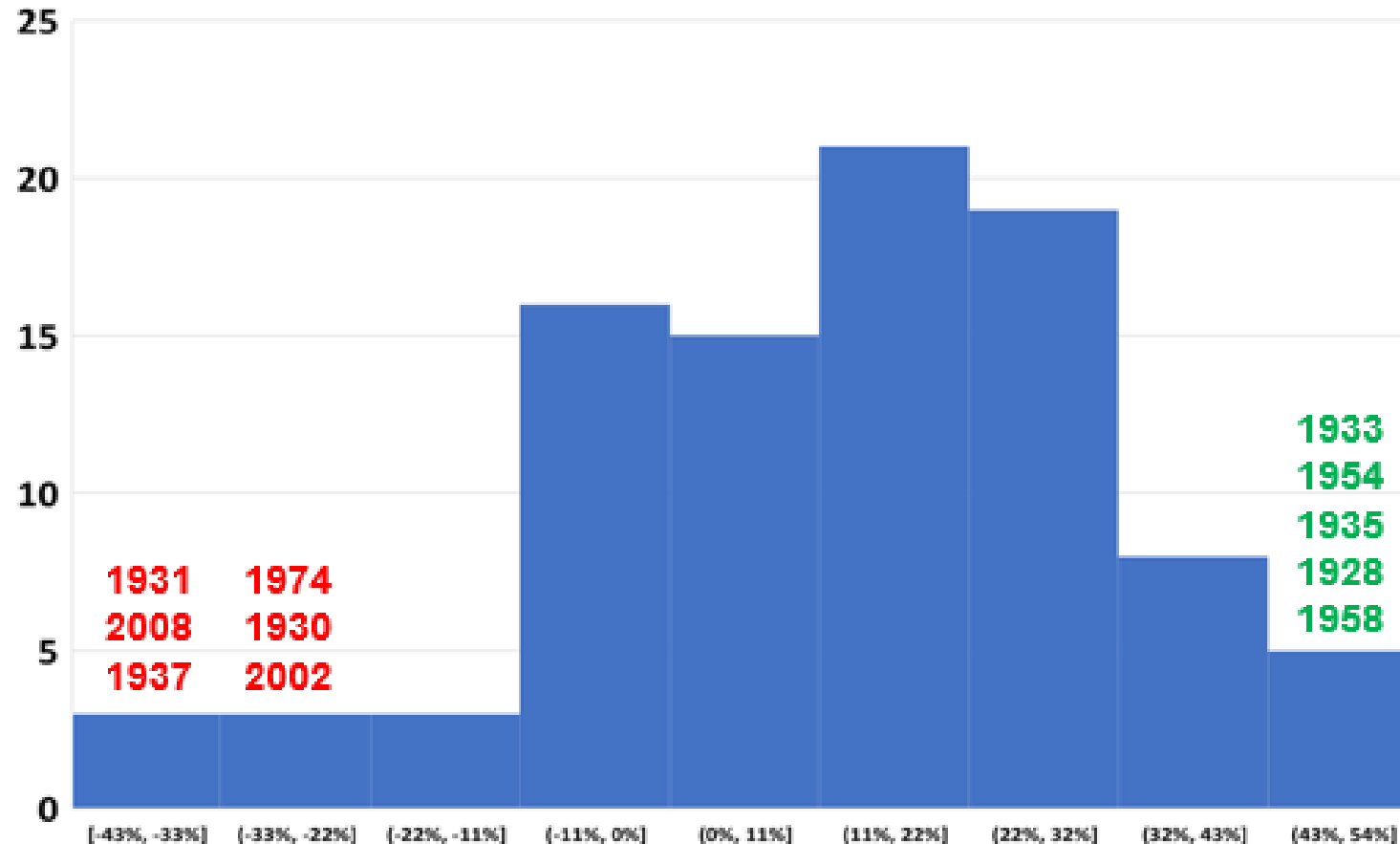
Odds of Losing Money

Years Invested	S&P 500	Small-Company Stocks	Corporate Bonds	U.S. Gov't Bonds	Treasury Bills
1	26%	30%	21%	26%	1%
3	17%	18%	9%	11%	1%
5	14%	14%	3%	7%	0%
10	5%	2%	0%	1%	0%
20	0%	0%	0%	0%	0%

Source: Roger G. Ibbotson and Duff & Phelps, “2019 Stocks, Bonds, Bills, and Inflation Yearbook” (Duff & Phelps, 2018). Data from 1926 through 2018.

One-Year Range of Stock Prices

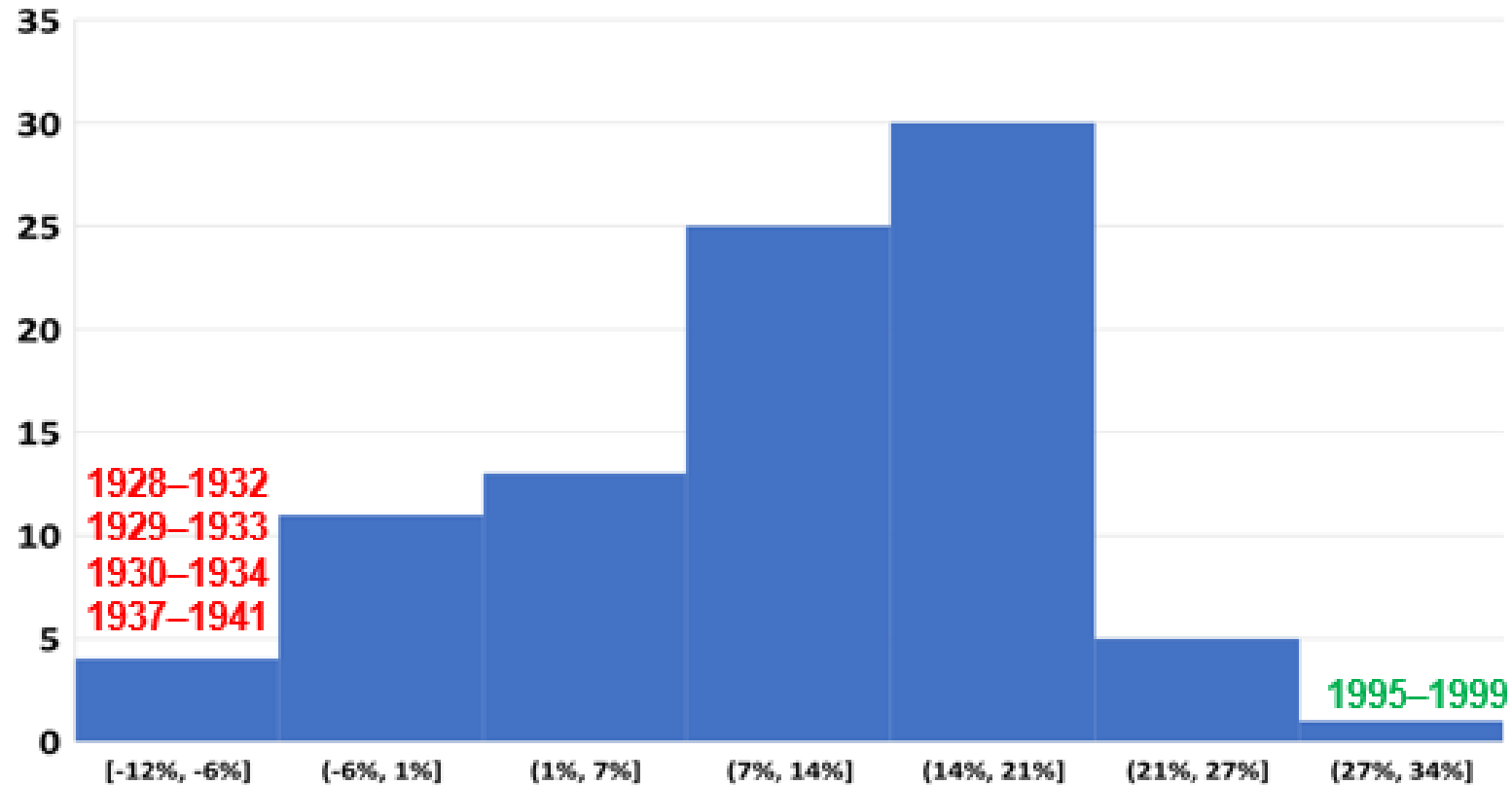
1-Year Large-Cap Stocks



Source: Roger G. Ibbotson and Duff & Phelps, "2019 Stocks, Bonds, Bills, and Inflation Yearbook" (Duff & Phelps, 2018). Data from 1926 through 2018.

Five Years Smooths Out Volatility

5-Year Large Cap Stocks Return



Source: Roger G. Ibbotson and Duff & Phelps, "2019 Stocks, Bonds, Bills, and Inflation Yearbook" (Duff & Phelps, 2018). Data from 1926 through 2018.

Things You Can Do: Know What You're Investing For

AAll Way: Identify and Prioritize Your Financial Goals

Goal	Number of Years Away	Spending Duration	Priority	Comments
			1	
			2	
			3	
			4	
			5	

Notes:

Goal is what you plan to do with money. Goals can include, but are not limited to, funding retirement, leaving an inheritance, donating to a charitable or religious organization, paying for a child's or grandchild's college, building emergency savings and paying off debt.

Number of Years Away is the amount of time between now and when the goal must be funded.

Spending Duration is the length of time you expect to spend cash on the goal.

Priority is the numerical ranking of how important each goal is.

Source: "Defining Your Investing Goals," by Charles Rotblut, CFA, *AAll Journal*, July 2020.

Things You Can Do: Have an Allocation Strategy

Aggressive

Revised	
Weight	Category
20%	Large-Cap Stocks
20%	Mid-Cap Stocks
20%	Small-Cap Stocks
20%	International Stocks
10%	Emerging Markets Stocks
10%	Intermediate Bonds
0%	Short-Term Bonds
6.9%	Annualized Return
17.1%	Standard Deviation

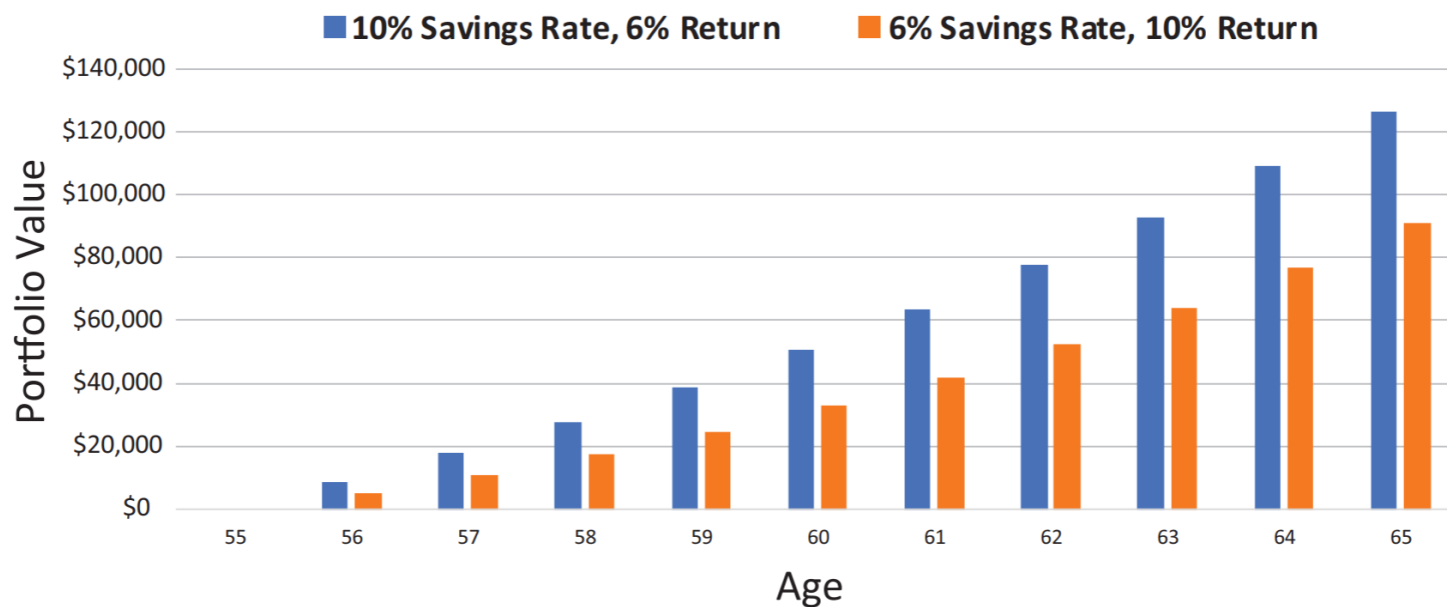
Moderate

Revised	
Weight	Category
20%	Large-Cap Stocks
15%	Mid-Cap Stocks
10%	Small-Cap Stocks
15%	International Stocks
0%	Emerging Markets Stocks
30%	Intermediate Bonds
10%	Short-Term Bonds
6.1%	Annualized Return
10.1%	Standard Deviation

Source: "Revising Our Asset Allocation Models," by Charles Rotblut, CFA, AAI
Investor Update, July 9, 2020.

Things You Can Do: Save More

An investor with a shorter time horizon, such as a 55-year-old who is saving for retirement, benefits more from a higher savings rate than from seeking higher rates of return. This investor has less ability to benefit from the impact of compounding and is less able to withstand an ill-timed drop in their portfolio.



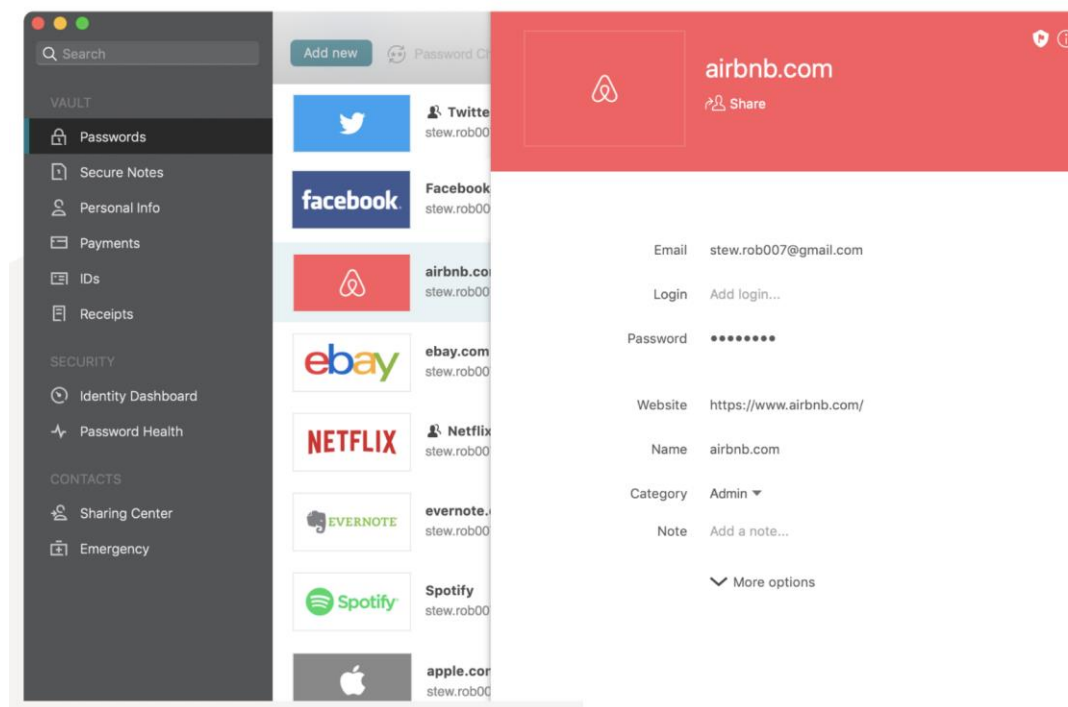
Source: "The Impact of Saving Versus Return on Wealth," by Craig L. Israelsen, Ph.D., *AAII Journal*, May 2018.

Things You Can Do: Adjust Your Withdrawals



Source: "Vanguard's Dynamic Spending Strategy for Retirees," by Colleen M. Jaconetti, Francis M. Kinniry Jr., Michael DiJoseph and Zoe B. Odenwalder, *AAII Journal*, January 2017.

Things You Can Do: Protect Yourself Online



Source: "Protecting Yourself Online," by Jess Sherman, *AAII Journal*, July 2020.
Screenshot from Dashlane.com.



**Investor
Protection
Trust**

Empowering Investors to Build
and Safeguard Their Futures

WHEN I'M



NOULA ZAHARIS

TRUSTEE, INVESTOR PROTECTION TRUST
& DIRECTOR GEORGIA SECRETARY OF
STATE, SECURITIES AND CHARITIES DIVISION

ALLIANCE FOR INVESTOR
EDUCATION WEBINAR
AUGUST 05, 2020



FINANCIAL SECURITY STRATEGIES FOR YOUR LIFE

ABOUT US

- The Investor Protection Trust (IPT) is a nonprofit organization devoted to investor education. Since 1993, the Investor Protection Trust has worked with the States and at the national level to provide the independent, objective investor education needed by all Americans to make wise and safe investment decisions.

www.investorprotection.org | facebook.com/InvestorProtectionTrust | twitter.com/IPT_Info

- When I'm 65 is a national documentary and consumer engagement program exploring how our financial and lifestyle choices today affect the whole of our lives. When I'm 65's multi-generational approach examines how each generational cohort is looking at and planning for retirement. It also provides action-based resources to help people plan and invest for life-long financial security at every stage of life.

www.wi65.org | facebook.com/WI65Project | twitter.com/WI65Project

- The objective of the She Leads program is to raise awareness and develop additional perspectives about the issues and challenges women face in enhancing their wealth, putting their wealth to work for them, and growing their wealth. We strive to make women feel more financially confident and empowered and to assist them in articulating specific actions they can take to improve their financial well-being.

www.wi65.org/Georgia | facebook.com/SheLeadsGA | twitter.com/sheleadsGA



FINANCIAL SECURITY STRATEGIES FOR YOUR LIFE



Let's Discuss...

- Managing your Money When You're Starting Out (ages 16-24)
- Starting to Save for Retirement (ages 24-40)
- Ramp Up Savings for Your Retirement (ages 40-55)
- Getting Closer to Retirement (ages 55-70)
- Making Your Money Last in Retirement (ages 70+)
- SheLeads Steps for Women

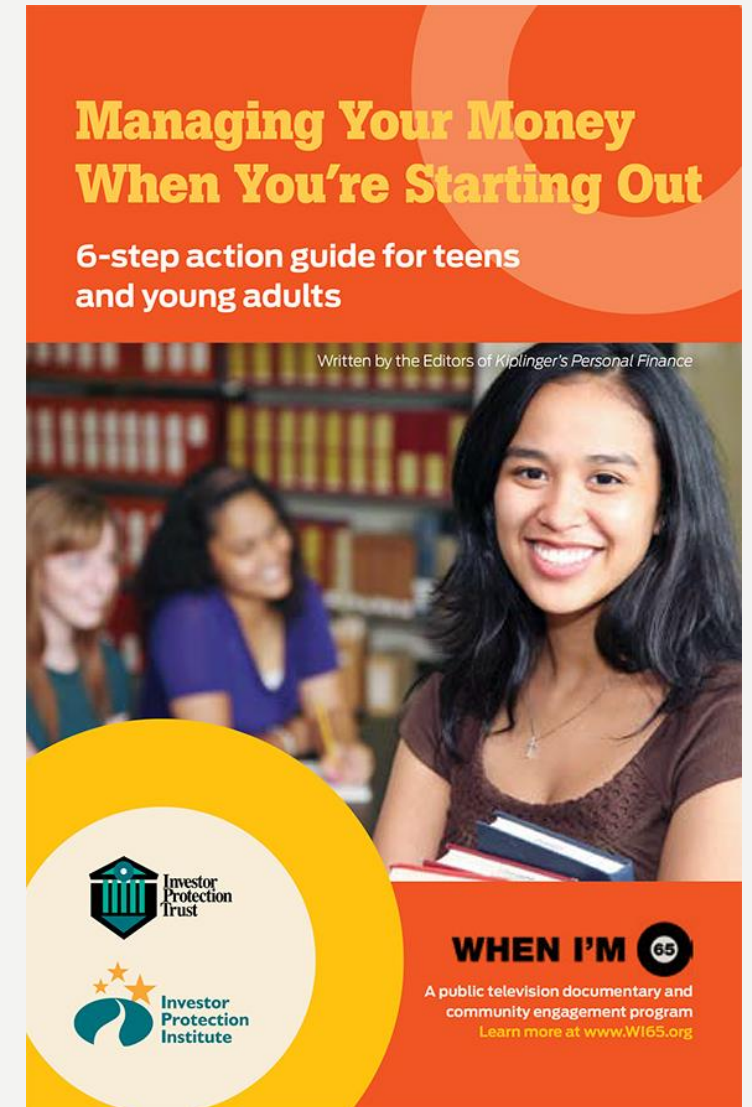


MANAGING YOUR MONEY WHEN YOU'RE STARTING OUT

(AGES 16-24)

Six Steps to Take Today:

- Start saving and watch your balance grow.
- File your first tax return.
- Be smart about student loans.
- Start off right with credit and debt.
- Open a Roth IRA.
- Become an investor.



Download the action guide and facilitator guide at: www.investorprotection.org/learn-about-investing/?fa=booklets

Go to www.wi65.org/video and click on "Information for Teens and Young Adults" for WI65 videos on saving and investing.

STARTING TO SAVE FOR RETIREMENT (AGES 25–40)

Four Steps to Take Today:

- Start saving what you can today to give your money maximum time to grow.
- Learn what retirement savings options are available.
- Choose investments based on your timeline and risk tolerance.
- Select a financial adviser to guide you along the way.



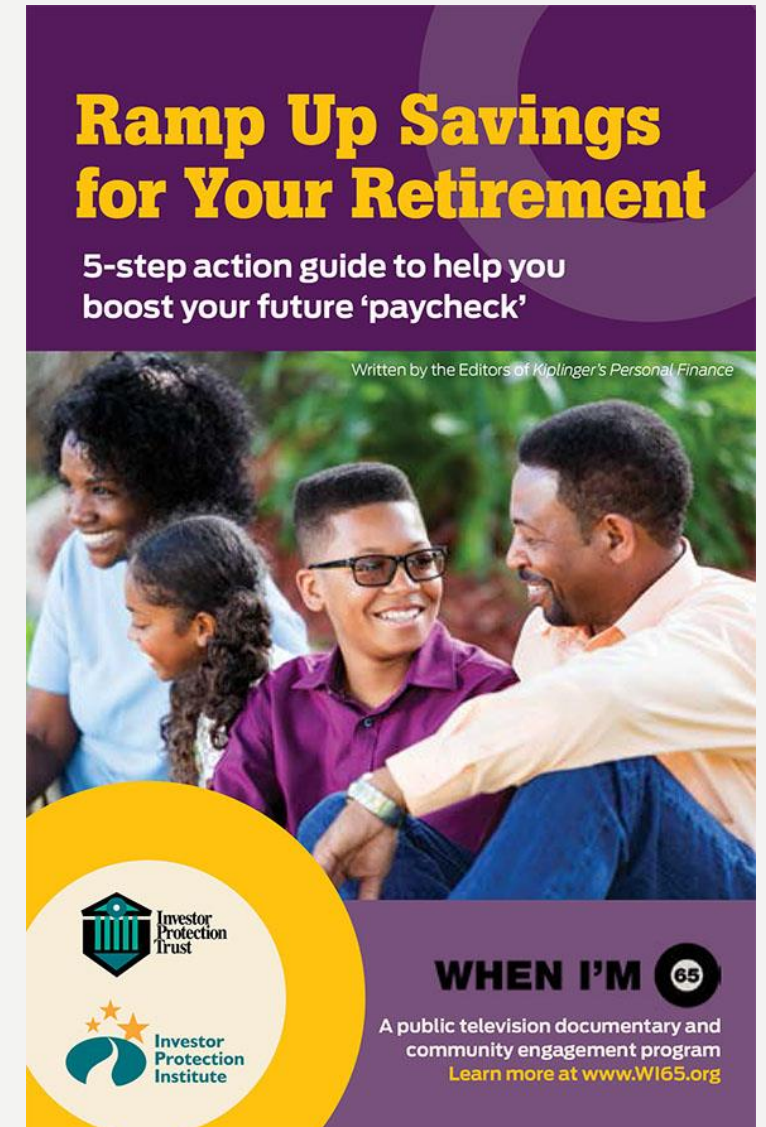
Download the action guide and facilitator guide at: www.investorprotection.org/learn-about-investing/?fa=booklets

Go to www.wi65.org/video and click on "Information for Millennials" for WI65 videos on saving and investing.

RAMP UP SAVINGS FOR YOUR RETIREMENT (AGES 40-55)

Five Steps to Take Today:

- Boost savings to supercharge asset growth.
- Reassess your investments based on your timeline and risk tolerance.
- Get dependable financial advice to minimize risk and fortify assets.
- Plan to maximize Social Security.
- Determine when you want to retire.



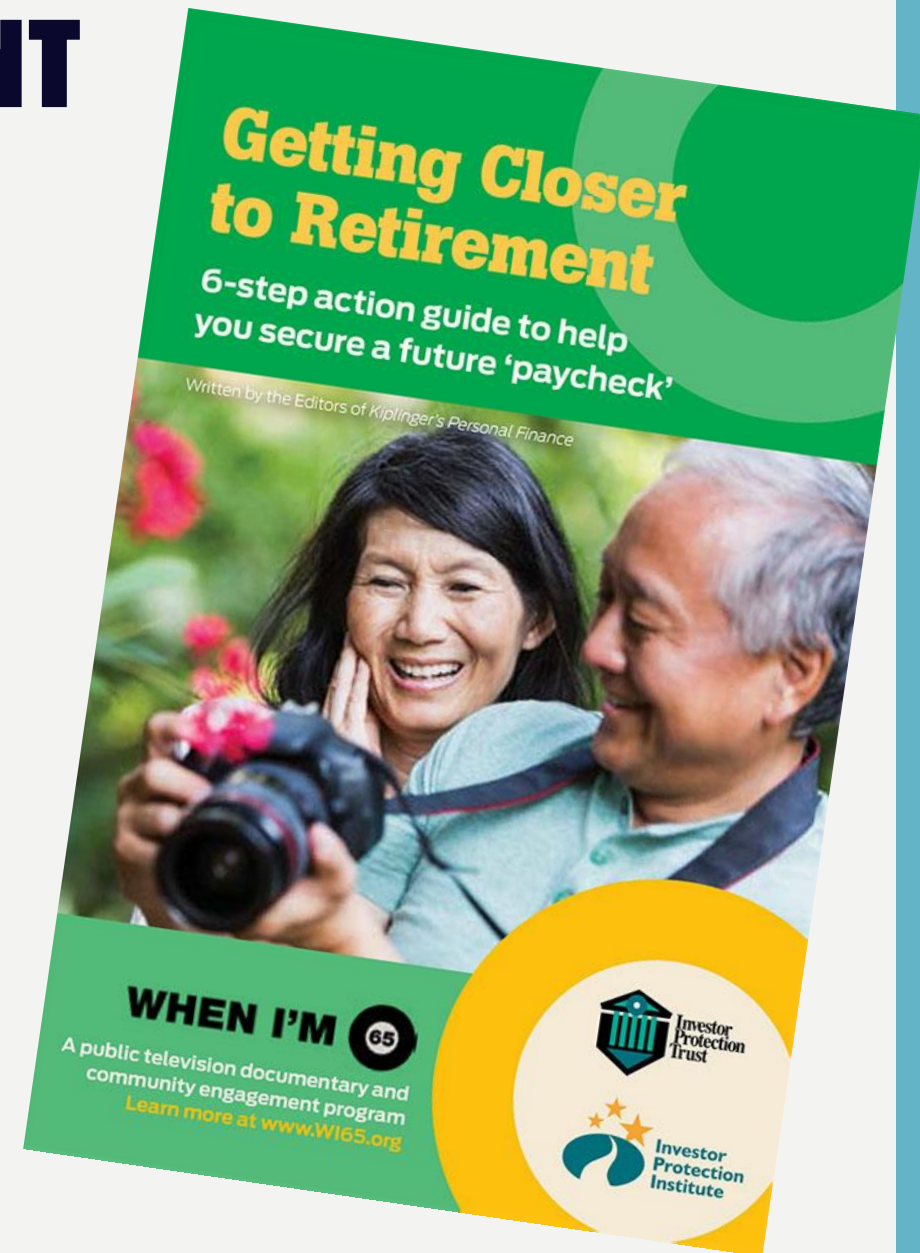
Download the action guide and facilitator guide at: www.investorprotection.org/learn-about-investing/?fa=booklets

Go to www.wi65.org/video and click on "Information for Gen X" for WI65 videos on saving and investing.

GETTING CLOSER TO RETIREMENT (AGES 55-70)

Six Steps to Take Today:

- Shift investing and withdrawal strategies.
- Get trustworthy advice to stay on track.
- Plan for Social Security and Medicare.
- Understand the pros and cons of annuities.
- Get more value from your home equity.
- Explore a phased retirement.



Download the action guide and facilitator guide at: www.investorprotection.org/learn-about-investing/?fa=booklets

Go to www.wi65.org/video and click on "Information for Baby Boomers" for WI65 videos on saving and investing.

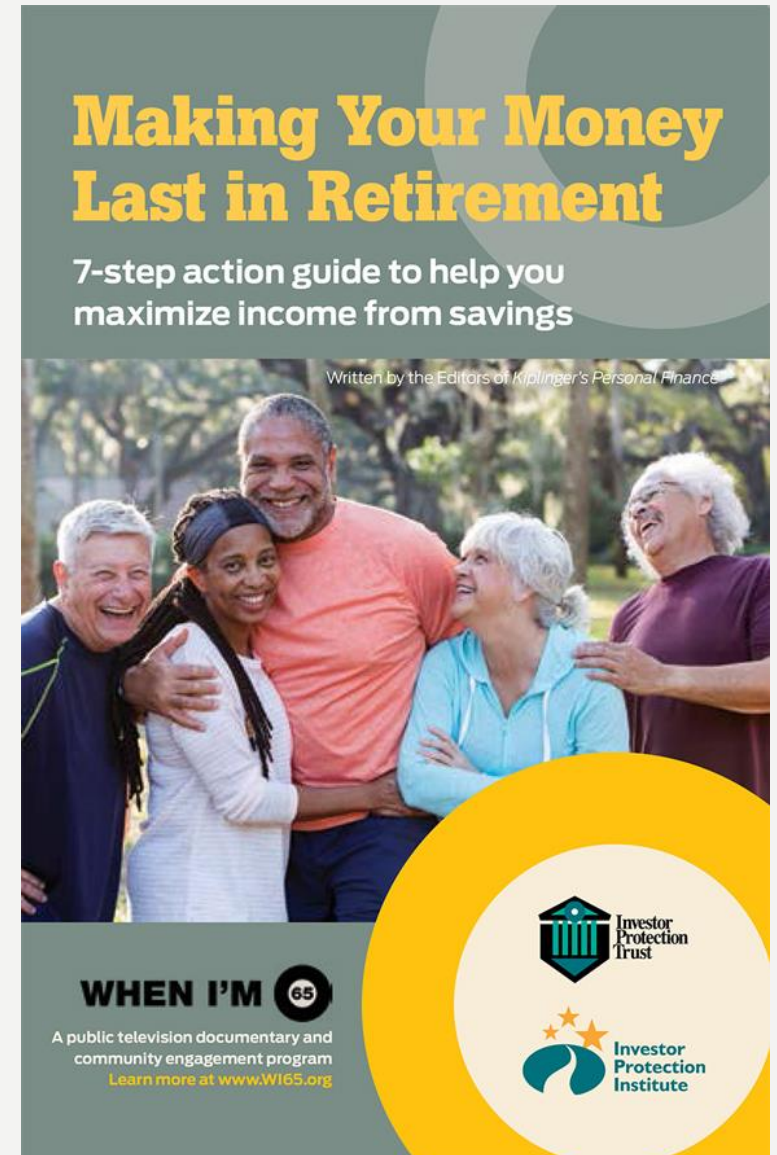
MAKING YOUR MONEY LAST IN RETIREMENT (AGES 70+)

Seven Steps to Take Today:

- Identify sources of income.
- Understand the rules for required minimum distributions (RMDs).
- Stay engaged in the workplace.
- Spend your savings safely.
- Manage Medicare wisely.
- Get trustworthy advice as you age.
- Consider your location.

Download the action guide and facilitator guide at: www.investorprotection.org/learn-about-investing/?fa=booklets

Go to www.wi65.org/video and click on “Information for Age 70+” for WI65 videos on saving and investing.



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<https://sos.ga.gov/index.php/securities>





Financial Industry Regulatory Authority



Smart Investing in Today's Environment

Alliance for Investor Education & AAI Webinar

August 5, 2020

Christine Kieffer, Senior Director, FINRA



FINRA

- Not-for-profit regulator authorized by Congress
- Mission: investor protection and market integrity



FINRA Foundation

- Research and outreach
- Financial capability for all Americans

Biases Cloud Judgment When ...



- **Complex info**



- **Risk & uncertainty**

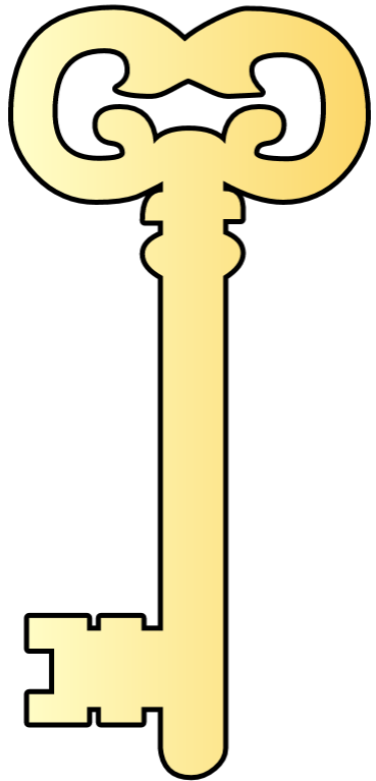


- **Desire for positive outcome**



- **Conflicting priorities**

Remember the Key to Smarter Investing

**K**

Know yourself as an investor (goals, risk tolerance)

E

Embrace diversification

Y

Years, not days or hours



How do
you feel
about
risk?



How do
you really
feel about
risk?

Navigating Today's Markets

- ✓ Revisit financial goals and plans
- ✓ Reevaluate your emergency fund
- ✓ Check emotion at the door
- ✓ Be honest about your risk tolerance
 - Liquidity?
 - Margin?
- ✓ Protect your money
 - Estate plan, wills, beneficiaries
 - Trusted contact(s)
 - Be alert to the red flags of fraud



Social Isolation Increases Fraud Risk

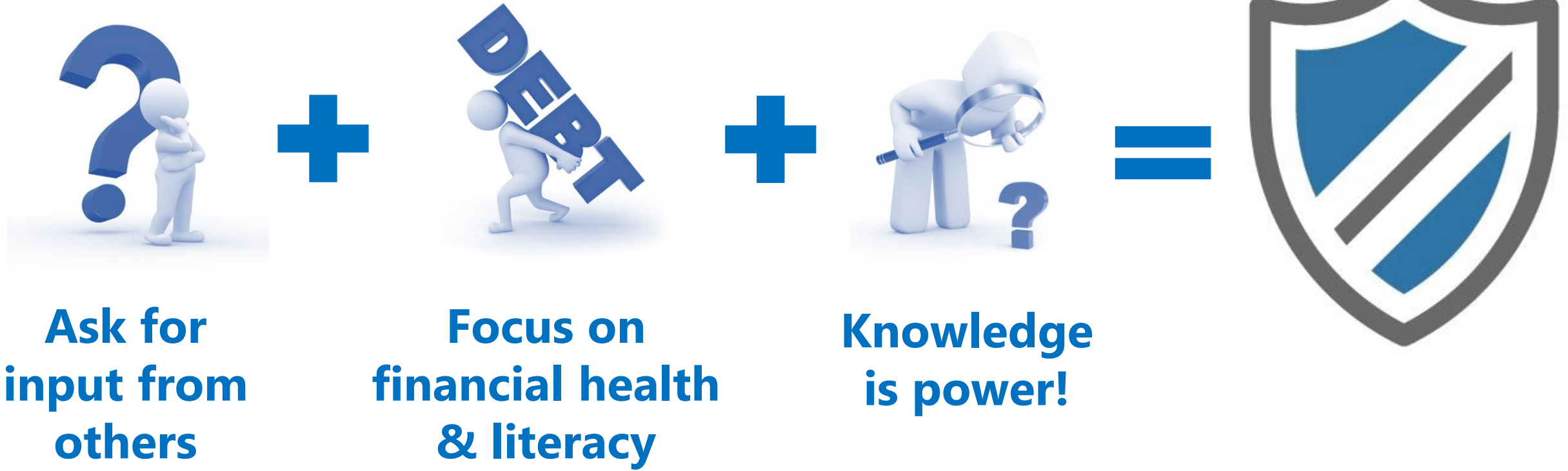
Among respondents who engaged...

- Those who ***did not have anyone available*** to discuss it with were more likely to lose money.
- Those who ***chose not*** to discuss the solicitation with anyone while it was happening were more likely to lose money.

“I talked to my kids and they said they were pretty sure it was a scam.”

Source: *Exposed to Scams: What Separates Victims from Non-Victims?* FINRA Foundation, BBB Institute for Marketplace Trust, Stanford Center on Longevity (September 2019)

Formula for Fraud Prevention



Source: *Exposed to Scams: What Separates Victims from Non-Victims?* FINRA Foundation, BBB Institute for Marketplace Trust, Stanford Center on Longevity (September 2019)

FINRA Rules to Prevent Exploitation



Trusted Contact

Requires firms
to attempt to collect
alternate contacts
for investors



Pause on Disbursements

Allows firms to place
temporary hold on
disbursements when
fraud is suspected

Trusted Contact $\neq$ POA or Beneficiary

FINRA.org/Investors

For Investors

Investor Insights

Tools & Calculators

› Personal Finance

› Learn to Invest

› Protect Your Money

› Have a Problem?

🔍 Search For Investors

FINRA is your resource at every step, so you can feel confident about participating in financial markets.

FINRA is here to guide you through the investment process so you can make smart financial decisions. We offer tips to help you manage your personal finances and set sound financial goals—and we explain in plain language key investing concepts, different types of investments and investment professionals, and questions to ask

BrokerCheck
by FINRA

Check the background of an investment professional or firm.

Individual



Name or CRD#



Investor Tools @ FINRA.org/Investors

FINRA®



- **Fund Analyzer**
 - **Professional Designations Database**
 - **401K Save the Max Calculator**
 - **Retirement Calculator**
 - **Risk & Scam Meter**
 - **Investor Knowledge Quiz**
- And More!

Professional Designations

Use this tool to decode the letters that sometimes follow a financial professional's name. You can also see whether the issuing organization requires continuing education, takes complaints or has a way for you to confirm who holds the credential.

3 (1) | A (22) | B (7) | C (121) | D (3) | E (3) | F (12) | G (1) | I (1) | L (2) | M (5) | N (1) | P (4) | Q (2) | R (27) | W (3)

Filters

Designation	Acronym
3 Dimensional Wealth Practitioner	C3DWP
Accredited Adviser in Insurance	AAI
Accredited Asset Management Specialist	AAMS
Accredited Domestic Partnership Advisor	ADPA
Accredited Estate Planner	AEP

Scam Meter

Start Questions Results

We've all heard the timeless warning "If it sounds too good to be true, it probably is." It's great advice, but the trick is figuring out when "good" becomes "too good." And if you have a good salesperson—or worse, a dishonest one—it gets really hard.

While there's no clear way to know, in just four questions our Scam Meter will help you tell if an investment you are thinking about might be a scam.

IS THE INVESTMENT A SCAM? CHECK HERE.

More Resources from FINRA

FINRA®



FINRA Securities Helpline for Seniors™

A toll-free number that senior investors can call to get assistance from the Financial Industry Regulatory Authority (FINRA) or raise concerns about issues with brokerage accounts and investments.

**Call 844-57-HELPS
(844-574-3577)
Monday – Friday
9 a.m. – 5 p.m. Eastern Time**

Are you a senior investor with questions about your brokerage account statement or an investment in a brokerage account? Are you concerned that your account may have been mishandled by a broker? To help you with these and other investment-related questions, FINRA provides the Securities Helpline for Seniors.



(844) 57-HELPS
(844-574-3577)

*Monday to Friday
9 am – 5 pm (Eastern)*



INVESTORINFO

How to Find and Work with an Investment Professional

Are you approaching retirement, or recently retired? Have you experienced a major point in your life that has changed your financial situation? Are you just beginning to invest? These and other situations might have made you think about contacting an investment professional. Maybe one has recently contacted you, if so, this resource is for you.

INVESTORALERT

How to Avoid Investment Scams

Investment scams can take many forms—and fraudsters can turn on a dime when it comes to developing new pitches for the latest scam. But while the wrapper or hook might change, the most common securities frauds tend to fall into the following general schemes.

- **PONZI SCHEMES:** A central fraudster or "hub" collects money from new investors and uses it to pay purported returns to earlier-stage investors—rather than investing or managing the money as promised. Ponzi schemes require a steady stream of incoming cash to stay afloat.
- **PUMP-AND-DUMP:** A fraudster deliberately buys shares of a very low-priced stock of a small, thinly traded company and then spreads false information to drum up interest in the stock and increase its price. The fraudster then dumps his shares at the high price and vanishes, leaving many people caught with worthless or near worthless shares of stock.
- **ADVANCE FEE FRAUD:** Generally starts with an offer to pay you an enticingly high price for worthless stock in your portfolio. To take the deal, you must pay some sort of fee in advance. But if you do so, you never see that money—or any of the money from the deal—again.
- **PYRAMID SCHEMES:** Fraudsters claim that they can turn a small investment into large profits within a short period of time—but in reality, participants make money solely by recruiting new participants into the program. The fraudsters behind these schemes typically go to great lengths to make their programs appear to be legitimate multi-level marketing schemes.
- **PROMISSORY NOTE FRAUD:** A promissory note is a form of debt that companies sometimes use, like loans, to raise money. When sold fraudulently, scammers make false claims about the company, and the terms of the promissory note. Look out for deceptive statements, such as: investors will receive very high, double-digit returns; returns are guaranteed; and, the notes are backed by collateral to guarantee them.

WHO IS FINRA?

FINRA oversees the professionals and firms that sell stocks, bonds, mutual funds and other securities products. As regulators, we can't recommend any particular firm, individual or type of investment professional. Our goal is to equip—and empower—you to weigh your options.

www.finra.org/investors



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

COVID-19 & INVESTOR PROTECTION

Lynne Egan, Montana Deputy Securities Commissioner

BE ON THE LOOKOUT

Not unusual for unscrupulous promoters to exploit current events for fraudulent purposes.

Watch for schemes tied to companies promising new medical technology or healthcare products that can detect, treat, or cure the coronavirus.

Remember: con artists follow the headlines, too!



RETIREMENT DRAINING

CARES Act of 2020 provides significant relief for businesses and individuals affected by the COVID-19 pandemic.

Unscrupulous promoters are targeting retirement accounts by using CARES Act benefits to encourage early withdrawals from 401(k)s or IRAs.

Encouraging investors to buy high-risk, high-fee investments and other inappropriate products.



SENIORS, COVID-19 & SOCIAL ISOLATION

Heightened isolation and loneliness during the COVID-19 pandemic create a **perfect storm** for senior financial exploitation.

People are more likely to be **victimized** if they are **isolated** and do not have anyone to discuss an investment proposal with.



SENIORS, COVID-19 & SOCIAL ISOLATION

HOW YOU CAN HELP

CONTACT: Keep in touch with older family members.

INFORM: Tell older family members that fraudsters are exploiting the pandemic.

ACT: Report suspicions of investment fraud to your state securities regulator.



FLIGHT TO SAFETY: NOT ALWAYS A SMOOTH LANDING

“Flight to safety” is a financial term to describe when investors sell what they perceive to be higher-risk investments and purchase safer investments.

COVID-related market volatility is causing some investors to seek safety elsewhere.



FLIGHT TO SAFETY: NOT ALWAYS A SMOOTH LANDING

Some investors seek safety in gold and other precious metals.

Precious metals scams are on the rise.



WHAT WE'RE SEEING

NASAA formed a **COVID-19 Enforcement Task Force** to detect and disrupt scams related to the pandemic.

More than **100 investigators** in 44 jurisdictions participating.

More than **200 distinct actions** taken so far.

WHAT WE'RE SEEING

Many cases involve **cryptocurrencies** or **private offerings** outside of the stock market.

Other products:

- oil and gas ventures,
- real estate,
- penny stocks,
- precious metals, and
- investments in the foreign exchange markets.

WHAT WE'RE SEEING

Many scams being marketing through social media, email and online sales sites.

A real pitch from an action by the Texas State Securities Board:

"The stock market is crumbling . . . Profit off the coronavirus with forex."

WHERE TO TURN FOR HELP

If you suspect fraud or think you may be a victim, contact your state securities regulator.

Contact information is available on NASAA's website: www.nasaa.org



Question & Answer Session



www.investoreducation.org

*Use the hashtag **#AIETownhall** when posting about tonight's webinar*



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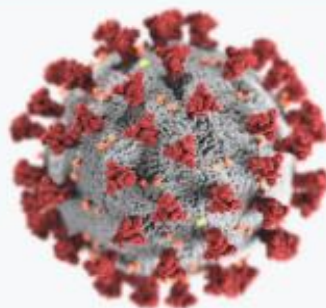
[@AIENews](https://www.twitter.com/AIENews)



AIE

INVESTING DURING A PANDEMIC

ALLIANCE FOR
INVESTOR
EDUCATION



10 BEST RESOURCES

To Assist Investors
In Navigating the
Current Crisis Environment

<http://www.investoreducation.org/COVID-19>

AIE

ALLIANCE FOR
INVESTOR
EDUCATION

What is the
true cost of
investing?



UNDERSTANDING
EXPENSES AND FEES

10 BEST RESOURCES FOR
CONSUMERS

TO PREVENT SURPRISES
THAT COULD SHRINK THE
BOTTOM LINE

READ THE FULL POST AT:

[http://www.investoreducation.org/
expensesandfees](http://www.investoreducation.org/expensesandfees)



American
Association of
Individual
Investors

Wayne Thorp on Investing Like a Stock Superstar: A Contrarian Approach to Seeking Fundamental Growth

Wednesday, August 12, 2020, 7:30 p.m. CDT

Unveiling AAI's Platinum Service

Wednesday, August 19, 2020, 7:30 p.m. CDT

Charles Rotblut on The AAI Way: Setting Your Asset Allocation

Wednesday, August 26, 2020, 7:30 p.m. CDT

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We make no representations or warranties that any investor will, or is likely to, achieve profits similar to those shown, because past, hypothetical or simulated performance is not necessarily indicative of future results. Before making an investment decision, you should consider your circumstances and whether the information on our content is applicable to your situation.

Investment information provided may not be appropriate for all investors. Investment information is provided without consideration of your financial sophistication, financial situation, investing time horizon or risk tolerance.