FREE WEBINAR WEDNESDAY 8/5

AIE
Alliance for Investor Education

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

AAII
American Association of Individual Investors®

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

@AAII

@AAII_Invest_Ed

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, AAII

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

AAII AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS®

AAII

American Association of Individual Investors

Charles Rotblut, CFA

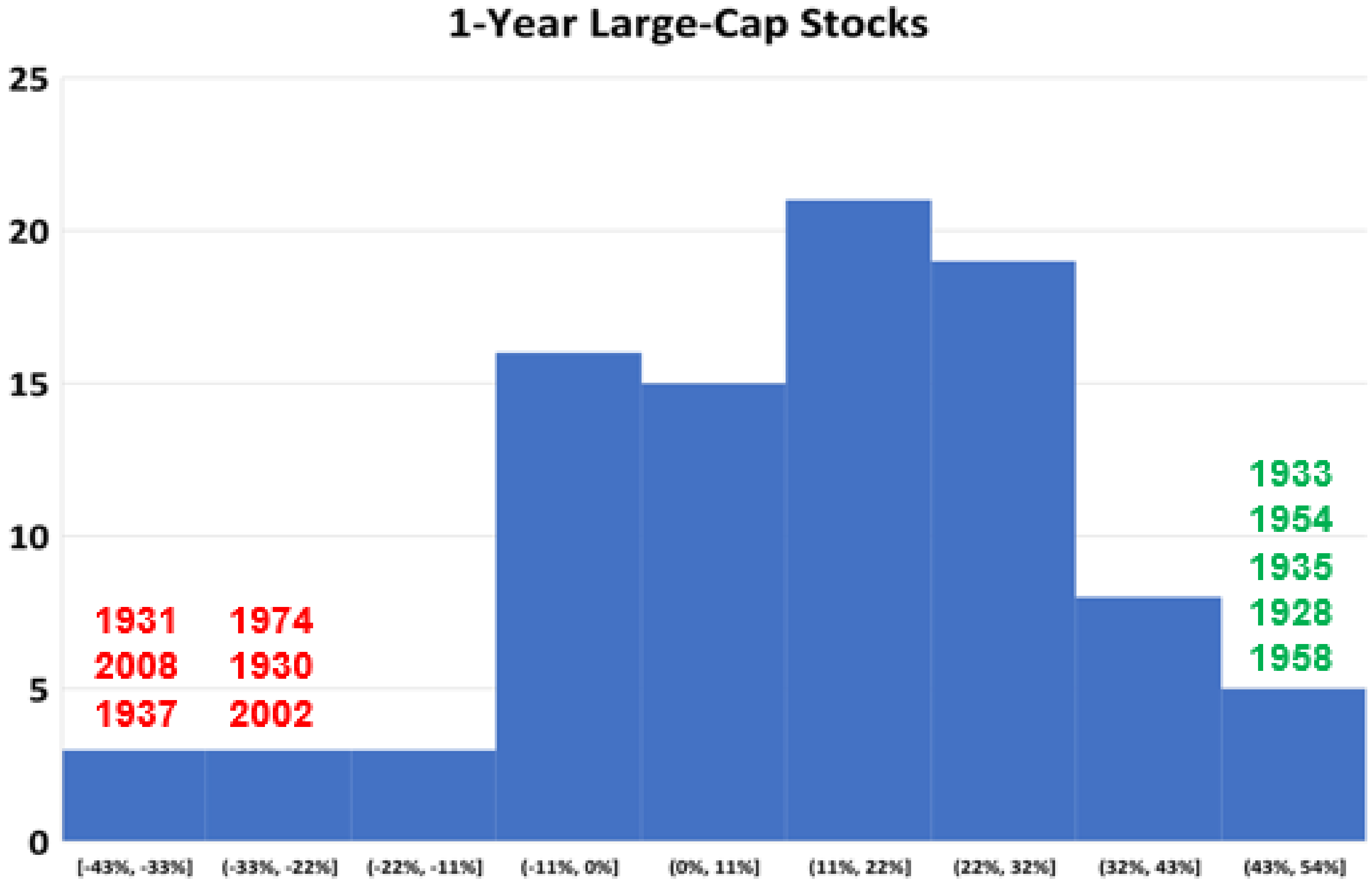
Vice President and Financial Analyst, AAII

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%

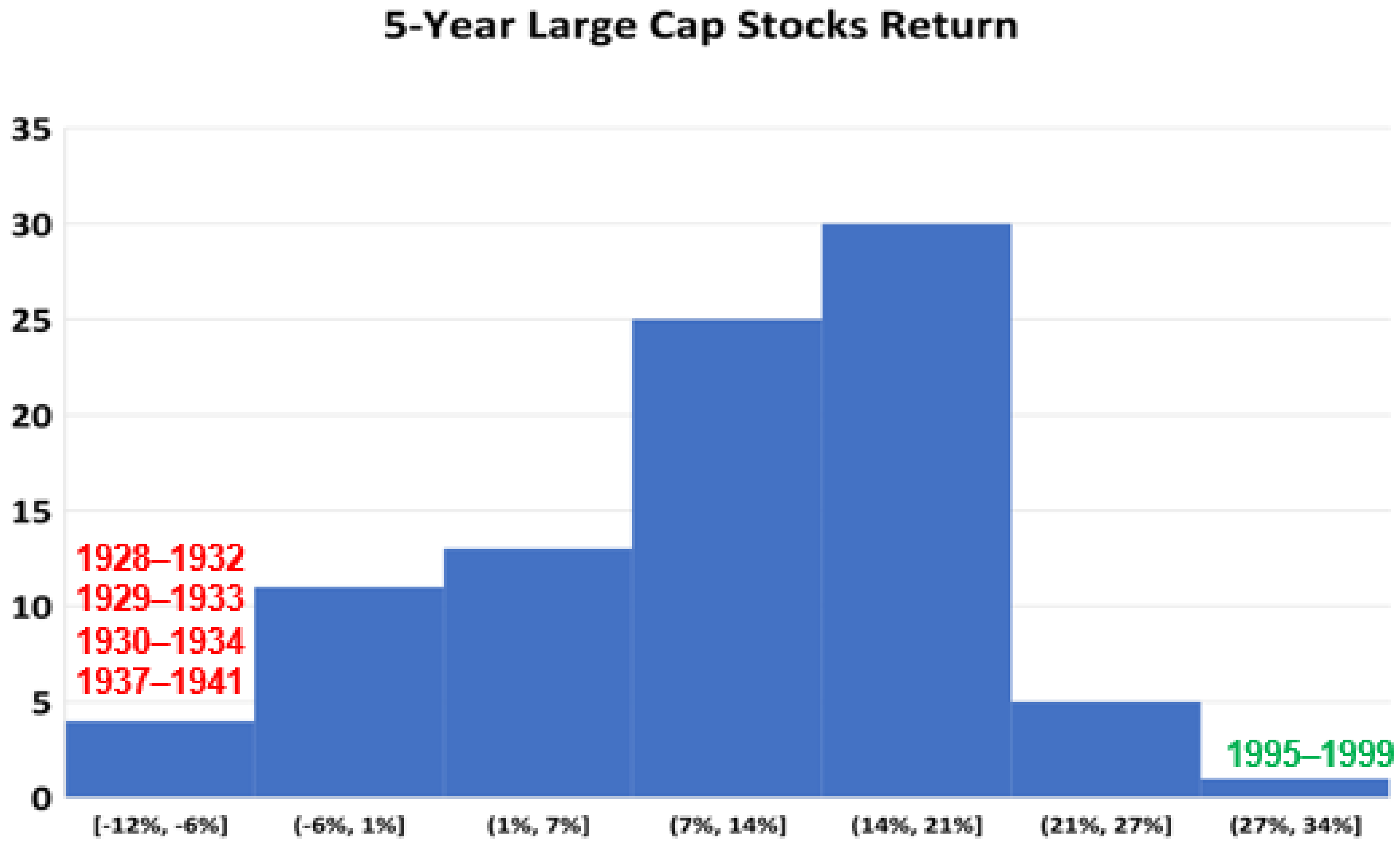
Source: Roger G. Ibbotson and Duff & Phelps, “2019 Stocks, Bonds, Bills, and Inflation Yearbook” (Duff & Phelps, 2018). Data from 1926 through 2018.

One-Year Range of Stock Prices



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



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

AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS®

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

AAII 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 retirment, 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, *AAII Journal*, July 2020.

Things You Can Do: Have an Allocation Strategy

Aggressive

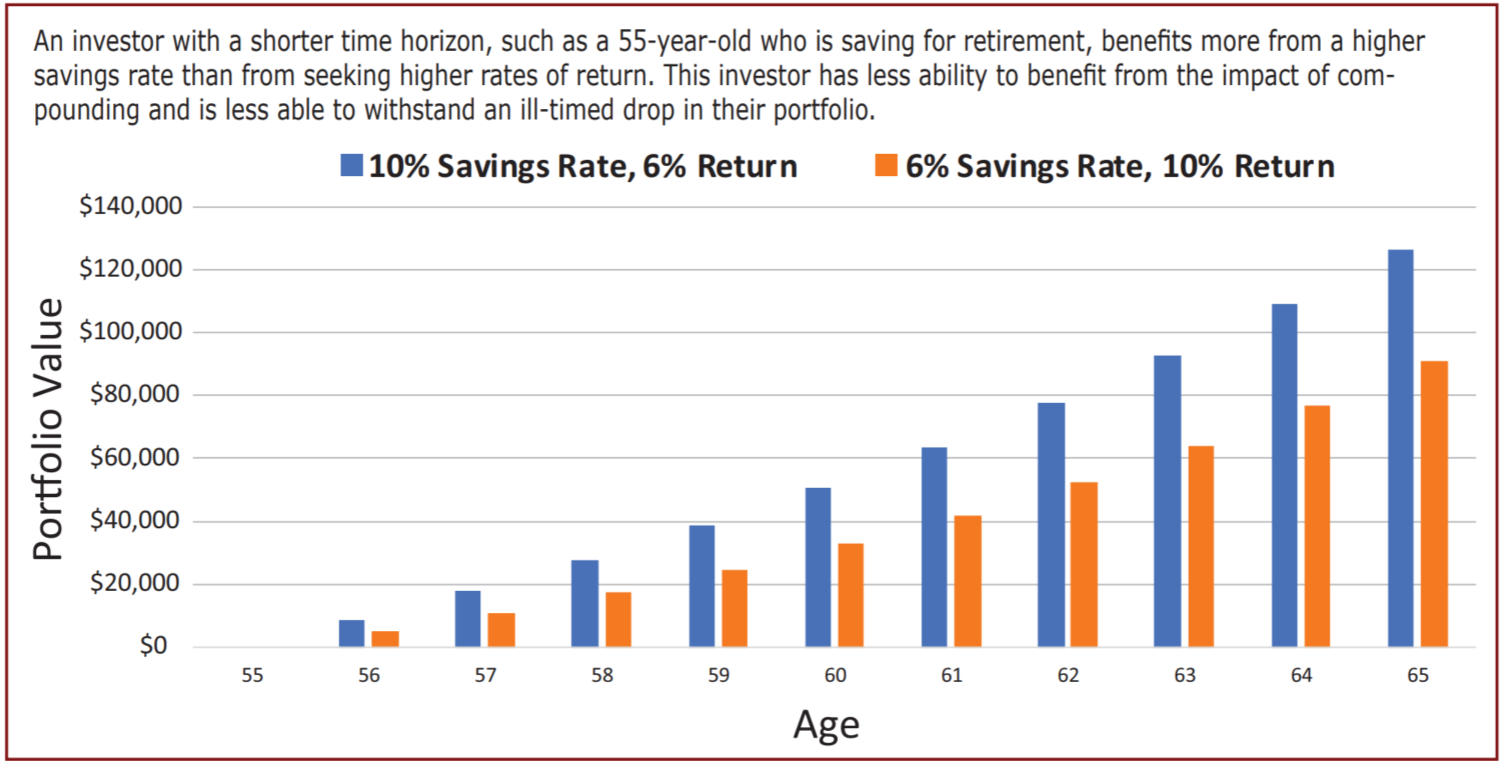
Revised	
Weight	**Category**
20%	Large-Cap Stocks
20%	Mid-Cap Stocks
20%	Small-Cap Stocks
20%	International Stocks
10%	Emerging Markets Stocks
10%	Intermediate Bonds
0%	Short-Term Bonds
6.9%	Annualized Return
17.1%	Standard Deviation

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, AAII Investor Update, July 9, 2020.

Things You Can Do: Save More

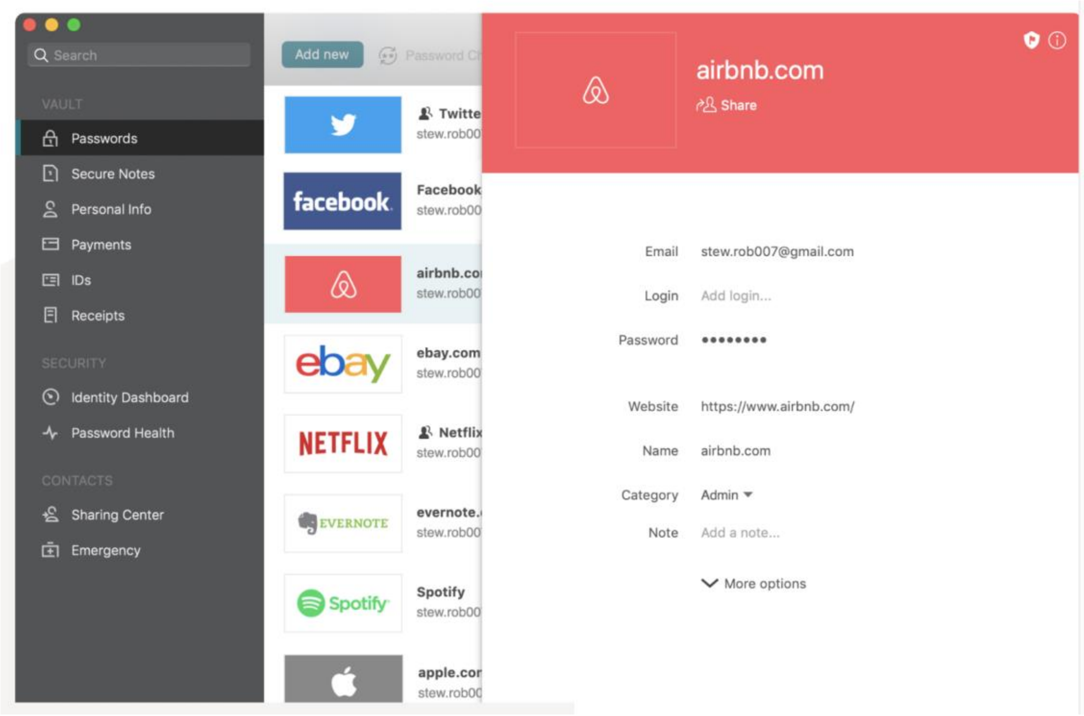


Source: "The Impact of Saving Versus Return on Wealth," by Craig L. Israelsen, Ph.D., *AAII Journal*, May 2018.

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 65

AAII AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS®

FINANCIAL SECURITY STRATEGIES FOR YOUR LIFE

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

ALLIANCE FOR INVESTOR EDUCATION WEBINAR
AUGUST 05, 2020

Investor Protection Trust

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

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WHEN I'M 65

SHE LEADS
Women's Investment and Financial Empowerment

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

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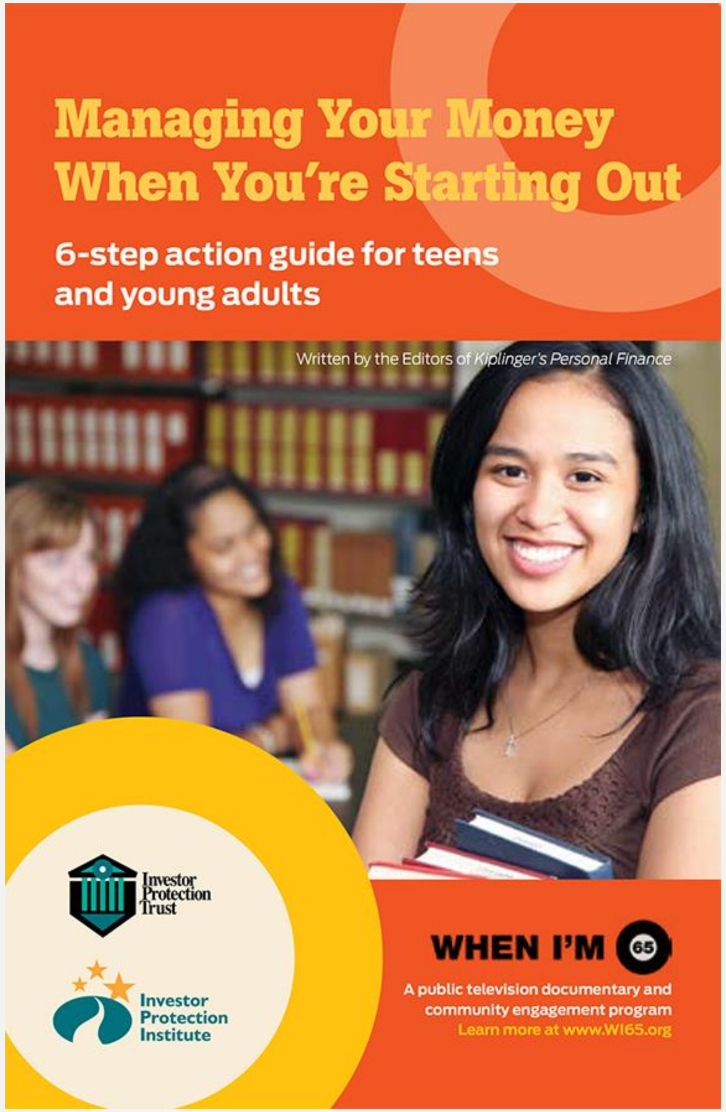
WHEN I'M 65

SHE LEADS
Women's Investment and Financial Empowerment

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

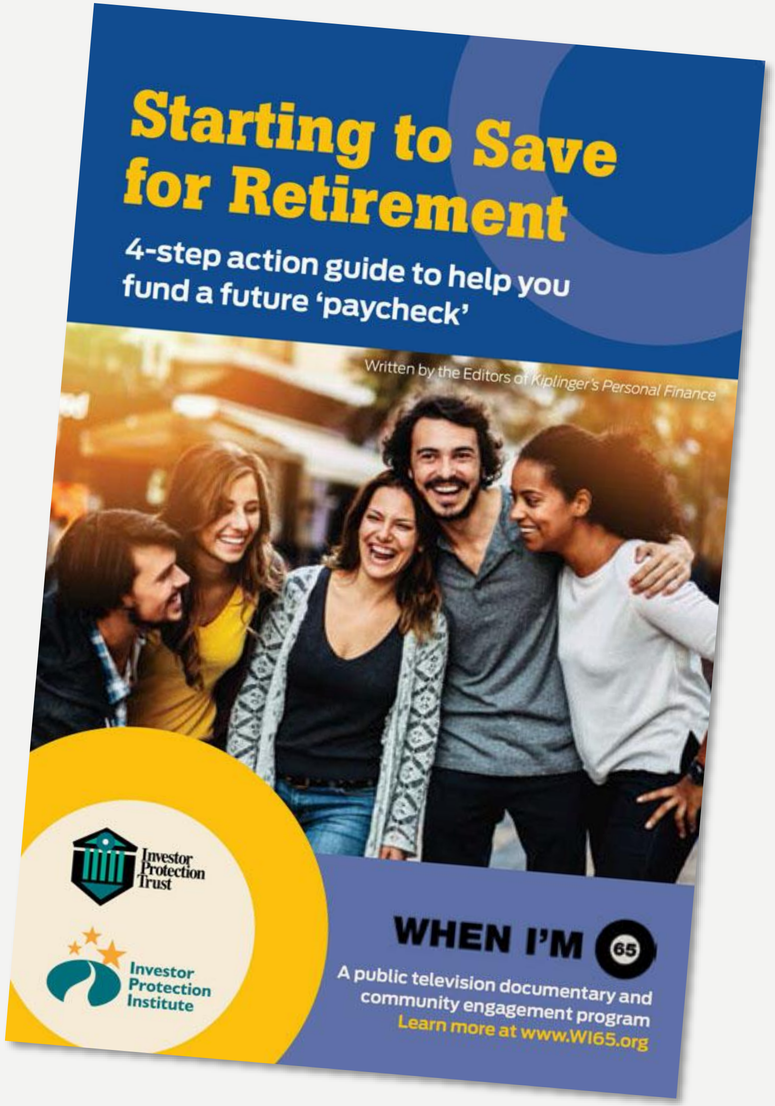
Go to www.wi65.org/video and click on "Information for Teens and Young Adults" for WI65 videos on saving and investing.

WHEN I'M 65

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.



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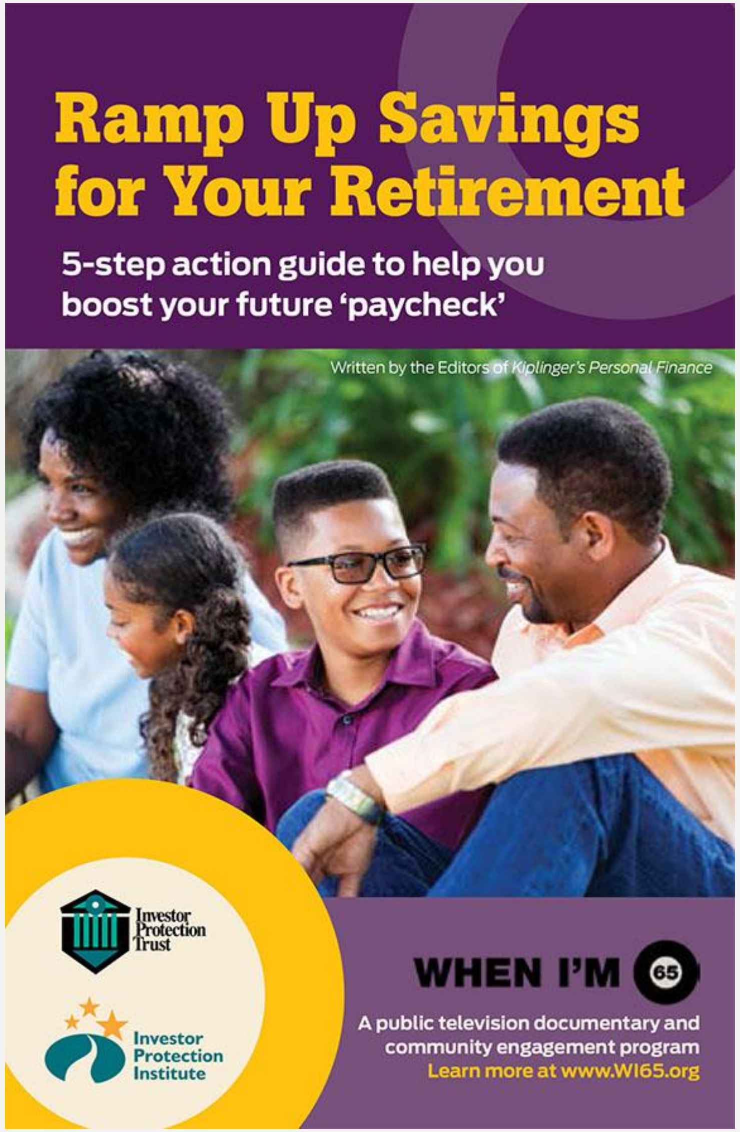
Go to www.wi65.org/video and click on "Information for Millennials" for WI65 videos on saving and investing.

WHEN I'M 65

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.

WHEN I'M 65

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

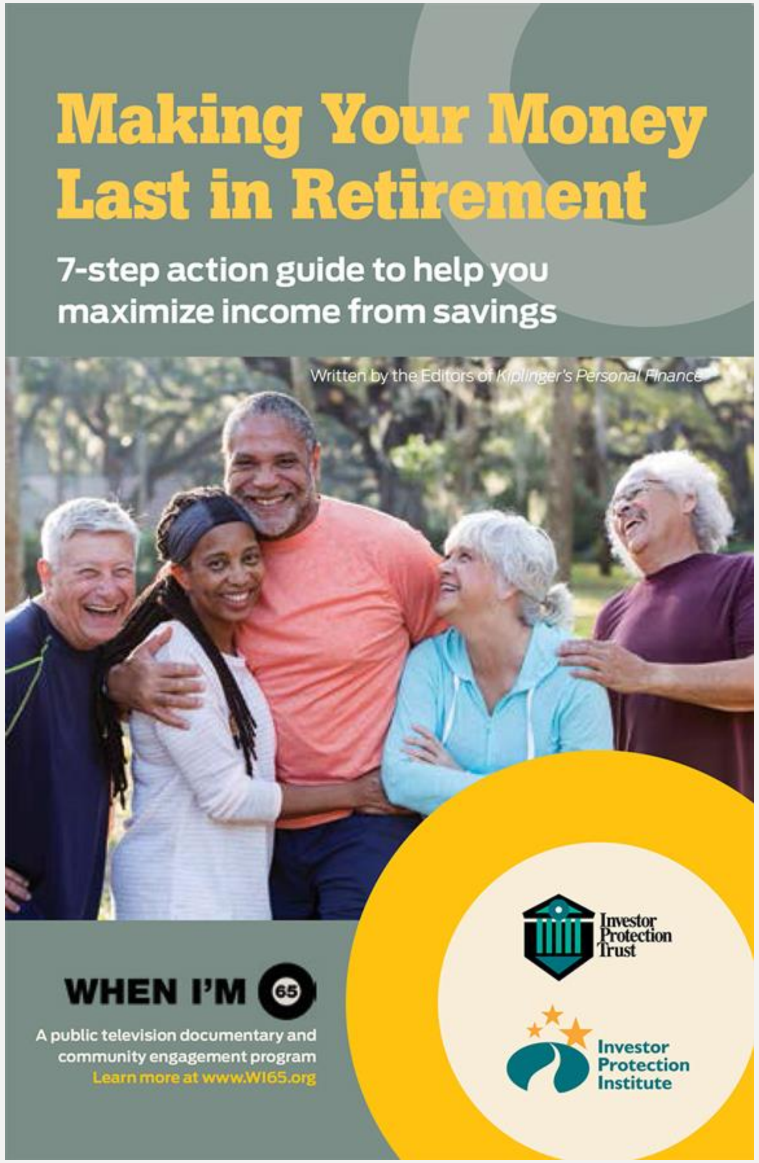
Go to www.wi65.org/video and click on "Information for Baby Boomers" for WI65 videos on saving and investing.

WHEN I'M 65

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.

WHEN I'M 65

CONTACT

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www.investorprotection.org
https://sos.ga.gov/index.php/securities

FINRA®

Financial Industry Regulatory Authority

FINRA

Smart Investing in Today’s Environment

Alliance for Investor Education & AAII Webinar

August 5, 2020

Christine Kieffer, Senior Director, FINRA

FINRA

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

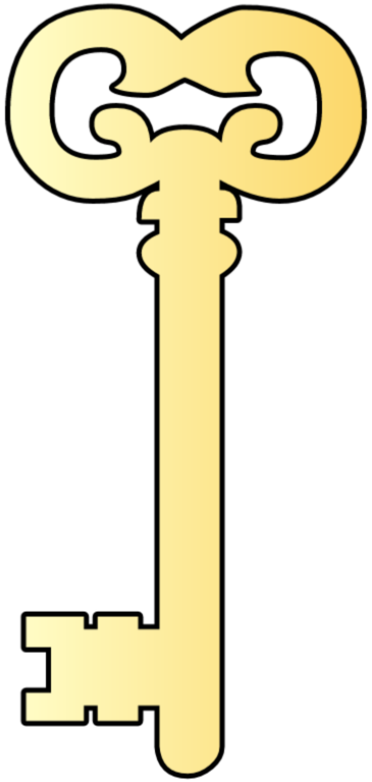
FINRA Foundation

- 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

+

+

=

Ask for input from others

Focus on financial health & literacy

Knowledge is power!

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

FINRA Investor Education FOUNDATION

BBB INSTITUTE for MARKETPLACE TRUST

STANFORD CENTER ON LONGEVITY

FINRA Rules to Prevent Exploitation

Trusted Contact

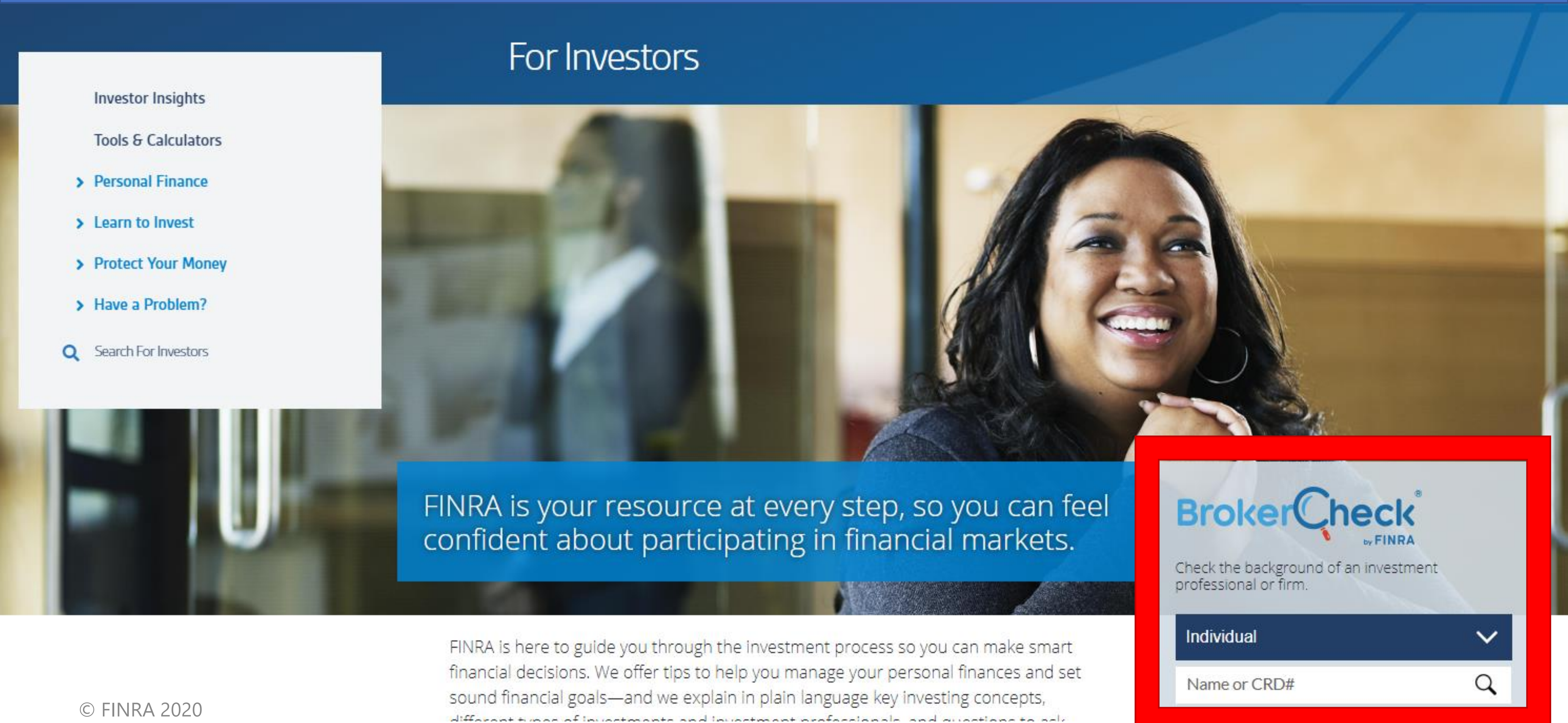
Requires firms
to attempt to collect
alternate contacts
for investors

Pause on Disbursements

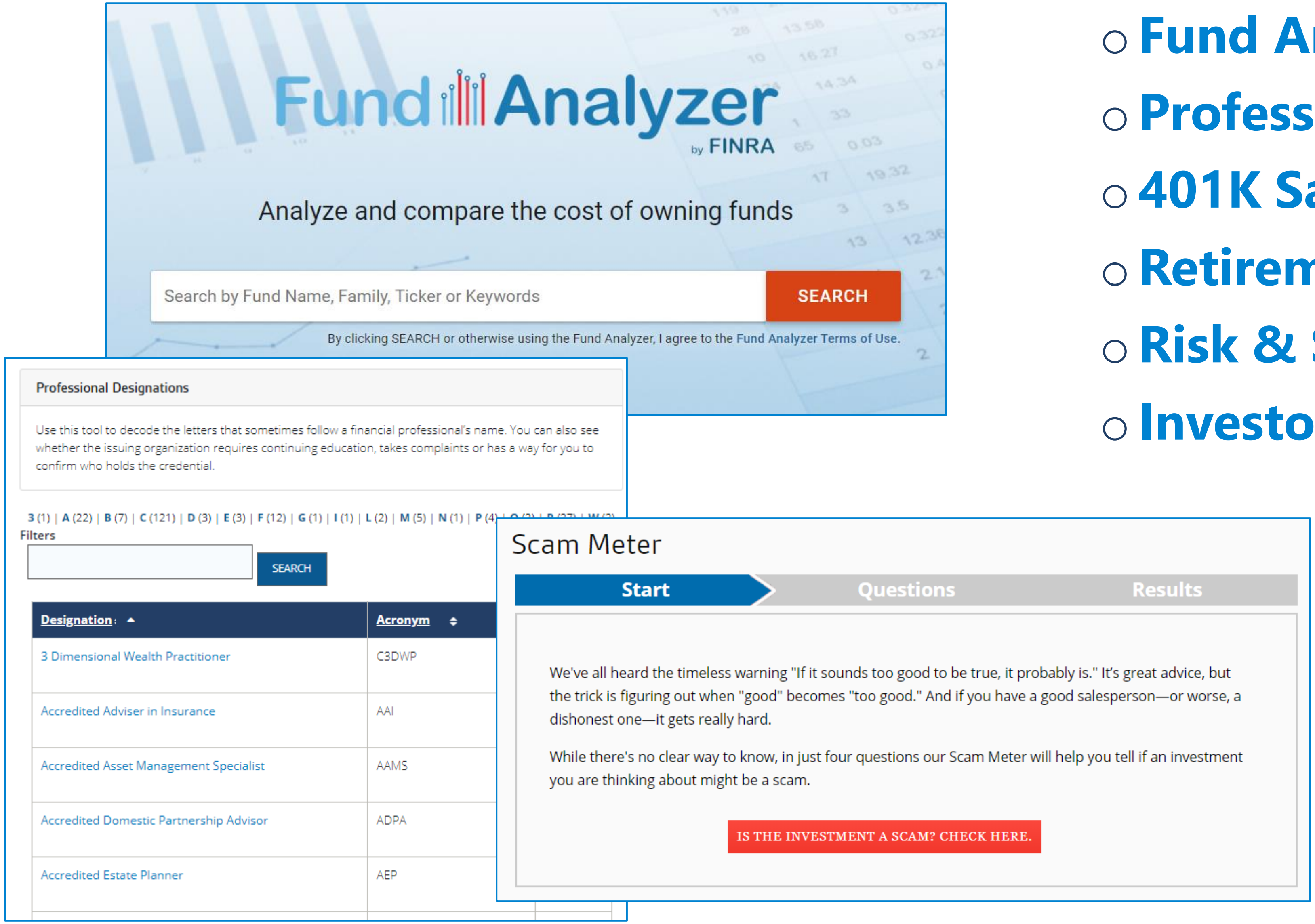
Allows firms to place
temporary hold on
disbursements when
fraud is suspected

Trusted Contact $\neq$ POA or Beneficiary

FINRA.org/Investors



Investor Tools @ FINRA.org/Investors



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

And More!

More Resources from FINRA


FINRA
Financial Industry Regulatory Authority

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)

www.finra.org/investors

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.

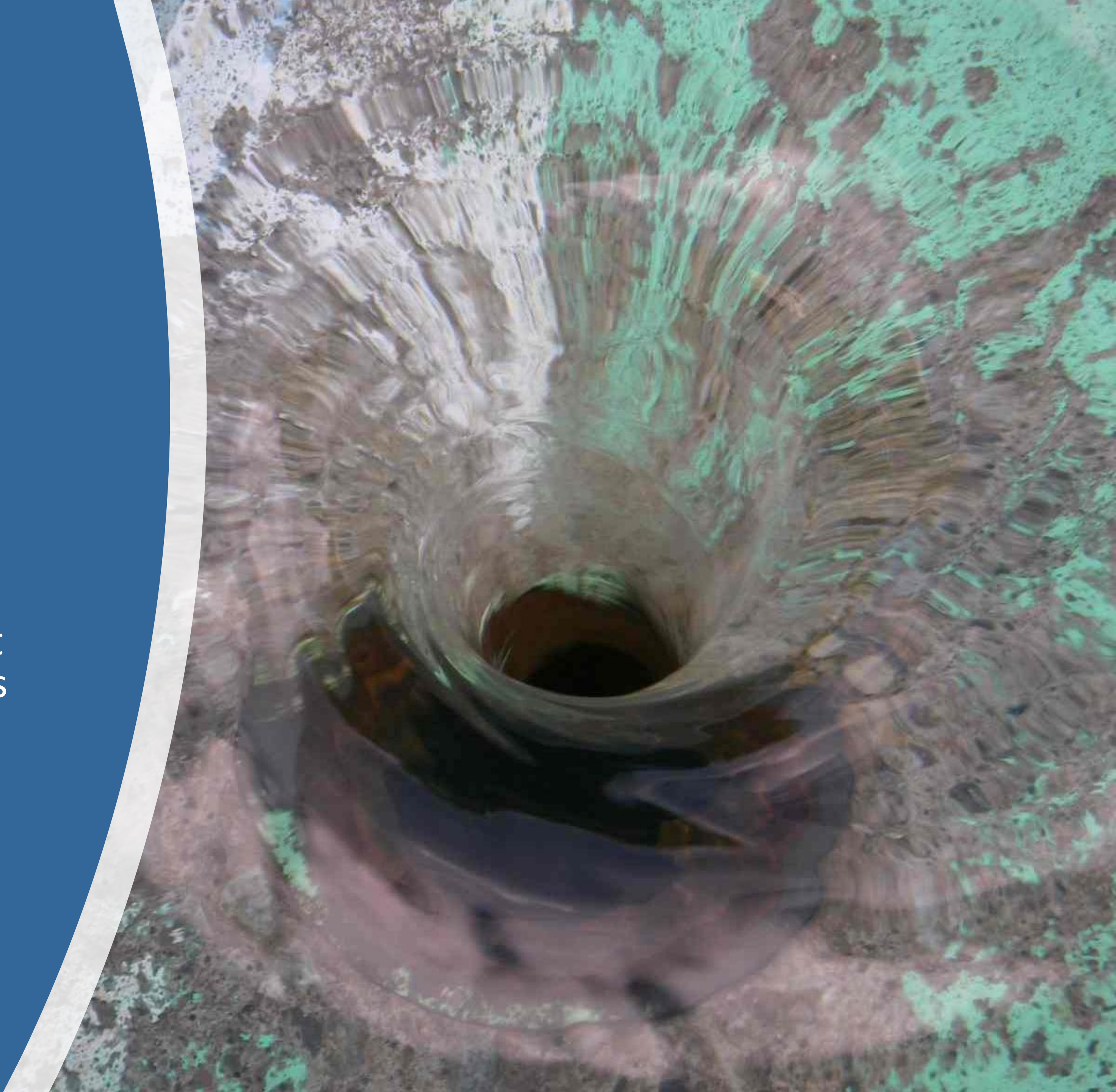
Remember: con artists follow the headlines, too!

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.

NASAA
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

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.

NASAA
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

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.

NASAA
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

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.

NASAA
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

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."

NASAA
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

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

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

Question & Answer Session

AIE

ALLIANCE FOR INVESTOR EDUCATION

www.investoreducation.org

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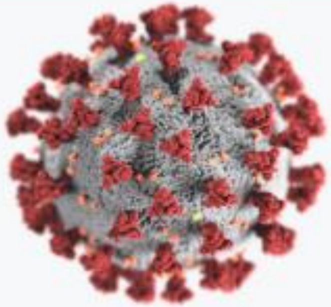
AIE

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

American Association of Individual Investors

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Alliance for Investor Education

Understanding Expenses and Fees

What is the true cost of investing?

10 BEST RESOURCES FOR CONSUMERS

TO PREVENT SURPRISES THAT COULD SHRINK THE BOTTOM LINE

READ THE FULL POST AT:
http://www.investoreducation.org/expensesandfees

AAII

American Association of Individual Investors

Upcoming Webinars

Register at www.aaii.com/webinars

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 AAII's Platinum Service
Wednesday, August 19, 2020, 7:30 p.m. CDT

Charles Rotblut on The AAII 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.