AAII Way: Assessing Your Risk Tolerance

Please download this worksheet and save it your computer. Any information you enter will not be saved on AAII's servers.

Goal: ____

Contribution / Withdrawals Relative to Wealth

High — More than 25% of wealth

Moderate — 10% to 25% of wealth

Low — Less than 10% of wealth

Timing

Short-Term — Five years or less

Intermediate — Five to 10 years

Long-Term — More than 10 years

Contribution / Withdrawals Relative to Wealth	Timing: Short-Term	Intermediate	Long-Term
High			
Moderate			
Low			

(Put an "X" in the box that best describes you)

Risk Tolerance

Contribution / Withdrawals Relative to Wealth	Timing: Short-Term	Intermediate	Long-Term
High	Very Conservative	Cons. to Mod.	Mod. to Aggr.
Moderate	Conservative	Moderate	Aggressive
Low	Cons. to Moderate	Mod. to Aggr.	Aggressive

Risk Tolerance Definitions

Aggressive: Understanding of key investing concepts; ability to handle market swings without panic; no need to sell investments in the short term

Moderate: Generally understands key investing concepts; ability to withstand market drops of up to 20% to 25% without panic; will/may need to withdraw money from portfolio/savings within 10 years

Conservative: Basic understanding of key investing concepts; limited ability to withstand market drops of up to 15% without panic; will need to withdraw money from portfolio/savings in 5 years to 10 years

Very Conservative: Little to no understanding of key investing concepts; no ability to withstand market swings; will need to withdraw money from portfolio/savings in less than 5 years

Note: If investing for more than one goal, fill out a separate Risk Tolerance Worksheet for each goal.

Goals should be listed on the Identifying and Prioritizing Your Financial Goals Worksheet