Top 10 Investment Mistakes Baby Boomers May Make

1 Failing to Set Clear Investment Goals

A Financial Plan should serve as a roadmap guiding the path from point A all the way to point Z. Without that clear roadmap an investor can drift away from his or her life goals and get sidetracked with the latest fads and flashiest investment strategies. We often say to our clients, "Know what you own, know why you own it."

2 Not Diversifying Enough

The old adage, "Don't put all your eggs in one basket" is particularly applicable to portfolio diversification.* By owning a diversified pool of assets an investor can reduce risk related to a specific segment of the market.

3 Focusing on Short Term

For any long term investor their investment decisions should be driven by their desired lifestyle and personal goals. Focusing on short term performance can lead to hasty, and often costly, investment decisions.

4 Not Managing Expectations

It's the job of your investment professional to help manage expectations and keep you informed to avoid surprises in a volatile market.

5 Not Having Regular Portfolio Reviews

As markets move up and down the portfolio asset allocation can significantly veer from your Financial Plan. Make it a point to schedule a regular review of the portfolio and plan.

6 Forgetting Risk

For some investors financial crises seem like distant memories. Nonetheless, many suffered a significant blow to their portfolios. Not only should you be keenly aware of risk in your portfolio, you should also quantify the level of risk that is appropriate for you. If we face another market downturn how much pain can your portfolio withstand?

7 Chasing Yesterday's Winners

Many investors make the mistake of pursuing investment strategies simply because they were previously successful. Keep in mind that past performance does not determine future results.

8 Working With the Wrong Adviser

Your investment adviser should be in your corner. Seek out an investment professional who not only assists with protecting and growing investment assets but also understands you as it relates to planning for your lifetime needs and creating a legacy.

9 Making Emotional Investment Decisions

Investing is a quantitatively driven process; nonetheless, we can't avoid attaching emotion to money. A key benefit of hiring an investment adviser is to incorporate someone into the process who provides objective recommendations and can detach from the emotional decision making.

10 Forgetting Inflation

Don't forget that the costs of groceries, gas, not to mention health care are increasing with inflation; therefore, the portfolio needs to grow in order to keep pace with the increase in living costs.

OPPENHEIMER

** Diversification does not guarantee a profit nor protect against a loss.*