



Understanding Your Investment Temperament

Investment professionals call this risk tolerance. If you have to check the investment performance of your portfolio daily or weekly, it's time to check your investment temperament. Many investment professionals will assess your tolerance to risk before they invest your money. If you can't sleep at night worrying about your investments, changes need to be made.

The psychology of investing can be the greatest hindrance to growing your money. It's easy to give advice to someone else about what to do with THEIR money, but when it's YOUR money, emotions get crazy and logic gets thrown out the window! Following the emotional hype to dive into the stock market when it is high and jump out when it takes a dive is the second biggest hurdle to successful investing. The #1 hurdle is not making monthly deposits into your account over your working lifetime. The Bible tells us in Ecclesiastes there will be good times and bad, and this is the norm. Taking courage to stay invested during the bad times is where understanding your risk tolerance comes into play.

Money in your account is yours to steward. Using your risk tolerance to make investments you can stick with over the long-haul will enable you to reach your goal. Your investment temperament is part of how God made you. Adjusting your investment portfolio or asset allocation between owning and lending (stocks and bonds) will help you reach your goal successfully if you stick with it.

Dr. Ruth Lytton at Virginia Tech and Dr. John Grable at Kansas State University, "Investment Risk Tolerance Quiz", Thrivent Financial, Accessed September 10, 2020
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Austin Pryor, "The 9 Essential Investing Principles for Getting Started", Sound Mind Investing, Accessed September 10, 2020,
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