**Ask an Expert**

**Answers provided by volunteers at Wells Fargo Advisors**

1. How does one efficiently invest for retirement if she is high school or college aged, or just out of college?

*High School or college-aged students can invest in a Roth IRA to the extent they have earned income.  You can invest up to $5500 per year (based on your income).  If you earned $3200 in 2015, then you can invest up to $3200 in the Roth.  If you earned $8000, you are capped at the $5500 max limit.  Otherwise, if you are just out of college and have a job your employer may offer a 401k plan that you may be able to contribute too.  The 2 retirement investments mentioned here (Roth IRA and 401k) can be invested into on a monthly basis.  This is called dollar-cost averaging and can be beneficial for investors with long term investment horizons.*

1. How does a company determine the number of shares available to the public? Is this just an arbitrary number?

*The number of shares are determined and approved by the company’s Board of Directors.  The board will approve the number of shares “authorized”, and will approve the number of shares to be “issued”.  The issued shares are the shares available to the public.  The total amount of stock issued (at par value) is typically the company’s equity; or the assets minus the liabilities.  Once the stock is issued, it is subject to the ups/downs of the market based on the company’s/economy’s performance.*

1. At what age should one start investing? If one starts investing later does that mean he should save a greater amount of his paycheck?

*I typically recommend people to start investing when they land their first job out of college, typically into a 401k plan.  It’s easier to start investing when there’s no mortgage or family to feed!  If you can’t invest until later in life, you’re exactly right; you’ll probably need to invest more to realize your retirement goals.*

1. How much should one invest when just starting out? Is there a percentage of income suggested to invest based on age?

*This will depend on your cash flow and how much you can afford to invest.  If you land a decent job out of college and can afford to invest in the company’s 401k plan, I typically recommend investing the minimum amount to qualify for the company’s matching %.  Many companies will match either 50% or 100% for the first 6% you invest out of your paycheck (in this case it would be 3% or 6% matching).  This is a nice starting point and is “free money” from the employer.  This will add up over the years and will be a key part of your retirement.*

1. What are some suggested methods for finding information on different stocks?

*A lot of information on the company itself is available at their Website,  publically traded companies issue annual reports and can be very useful ; 10K reports are also good information….the 10K is filed with SEC and may have information the annual report does not.   For information on the Stock itself,  some suggested websites would be Yahoo Finance, CNBC [stock market channel] and Wall Street Journal.[WSJ may require subscription to access.]  Each stock has a ticker symbol and you can use Google to obtain….for example ticker symbol for Ferrari is “RACE”. Any symbol can be obtained by just using Google and type the name of the company followed by “ticker symbol”*

1. Over the past 6 months what have been some of the top performing stocks? What has been the top performing sector?

*Top ten stocks for the S&P 500 so far this year include Hasbro, Time Warner, and Macy’s.  One of the best performing sectors over the last 3-6 months has been the Utility sector.  That would include companies like Xcel Energy and Wisconsin Energy.*

1. What are some examples of reliable stock that one can invest and consistently make money from? Do these exist?

*Very difficult to say, because of changes in the economy, changes in consumer habits, and technological changes. Good example is a company like McCormick [MKC], who would think that a company making spices sold in the Grocery Store would be an exciting stock? And yet it has been going up consistently for 7 years.  Polaris [PII] is another good example, from 2010 to 2015 went from $30 to $160….quite a gain but in the last 8 months down almost 40%. Utilities are regarded consistent performers and usually pay attractive cash dividends however during an extended period of rising interest rates they will underperform.*

1. What are indicators that a company is a good one to invest in?

*Good indicators are companies that grow consistently, a dividend record of not only paying dividends but raising the dividend on a regular basis. Research reports are available on many companies and the Analyst will try to predict future growth. These reports can be obtained through Brokerage firms or many websites.*

1. Why might someone choose to invest in a smaller company versus a larger company? Is the size of a company relevant when deciding whether or not to invest? Why?

*Generally speaking, the smaller the company, the greater the risk/reward potential, and the larger and more established a company is, the more stable and conservative the investment will be. A more aggressive investor would choose a smaller company to invest in when they see growth opportunity. Generally the smaller the firm, the more opportunity there is for growth because a relatively small change in their business can have amplified impact on their revenue. An example of this would be an addition of a successful product to a product line. If a smaller company goes from offering 2 products, to offering 3 products, it could result in a 50% increase in their revenue. In contrast, if a larger company goes from offering 300 products, to 301 products, they may see less than 1% increase in their revenue. A more conservative investor may choose to invest in the larger company, because they are afraid the small company’s new product offering may fail to produce any revenue, and the negative impact on the small company could be amplified, and could put the small company out of business altogether. If the new product line failed for the larger company, the impact on revenue would not be as great because the other 300 products offered are still generating revenue.*

1. Do people usually gain or lose money in the Stock Market in the short term (< 5 years) vs. the long term (> 20 years)?

*In the short term, the stock market can be very unpredictable. Anything can happen in a month, or in a year, that could result in an investor both gaining and losing money in the short term. As history has shown, long term averages work to the investor’s advantage, so the likelihood of gaining money increases as time goes on, assuming the investor is appropriately diversified.*

1. Is a stock that offers dividends normally more consistent than one that doesn't?

*In the case of blue chip stock, or a very large established multinational company, yes. Generally companies that offer dividends are companies that have grown so large that their growth ambitions have somewhat leveled off, and their focus moves to adding value to their existing business structure. Since they are not saving their money to build cash to pay for future growth ambitions, they will return some of that money to investors in the form of a dividend.*

1. What are some methods or things to take into account when deciding which mutual funds to invest in and which ones not to?

*First and foremost the investor needs to determine their investment objective, risk tolerance, and time horizon. Do they want to grow the money for a long period of time? Are they ok with wild fluctuations in the value of their mutual funds during the time frame in which they are invested, in hopes for greater returns? Or is the investor retired, and hoping to draw income in the form of mutual fund dividend payments starting tomorrow? The answers to these questions will be the start to your mutual fund selection. From there, you narrow down your search to the asset class (large company vs. small company, international vs. domestic, bond vs. stock, etc.), and find good mutual fund research providers (i.e. Morningstar) who will provide an expert opinion on the quality of the options available to you. When you pair all this down into a few options that fit your investment style, you then would choose to purchase the ‘5 Star’, highly rated mutual fund, over the ‘2 Star’, not-so-highly rated mutual fund, based on the results of the expert research. More specifically, your focus as a new investor should be on established mutual fund companies, that have long histories (>10 yrs.) of good performance.*

1. What are the differences in IRAs? Generally speaking who should invest in which one?

*There are two general types of Individual Retirement Arrangements (IRA’s), Traditional IRA’s and Roth IRA’s. Traditional IRA’s offer tax-deferred earnings and contributions that may be tax-deductible subject to income limits. Roth IRA’s offers Tax-deferred earnings and Tax-free qualified distributions. Generally speaking I find that having a balance of Tax-deferred Vs. Tax-Free accounts important – have both.*

1. How does a bond work? Are they solid investments?

*Bonds or Fixed income are debt issued by a Corporation/Government/City or State. Think of Bonds like an IOU. If I lend you $100 for 5 years paying me 5% a year, you would pay me $5 a year for five years. At the end of five years you would pay me my $100 back. Bonds or Fixed Income are IOU’s and stock or equities are ownership. Bonds tend to be safer or less risky than stock. If a stock goes out of business you lose all of your money, vs if you owned a bond of a company that goes out of business it’s likely you will get some or all of your money back. In this case you are not an owner of the company or stock, you just lent them money (IOU) and want it back.*

1. When is the best time to buy a house, car, or stock? Are houses, cars and other things viewed as investments just like stocks?

*I would first address the topic of timing for a house and a car. I would say that the best time to purchase a home or car is when it is the most difficult to sell. When a product is difficult to sell, the seller may have to reduce the price. The season could offer a good time to buy a home or car. The winter season typically offers a concession or discount for homes or cars. The demand for homes and cars are low in the winter, therefore the seller may have to reduce the price. I have found with high quality large companies, that the best time to buy these kinds of stocks is when everyone else is selling. You are able to buy the stock on sale.*

1. How has China’s economic slowdown affected the rest of the world? Should someone be hesitant to invest with this happening?

*In 2015 the economy of China became the second largest economy in the World, surpassing Japan and trailing the United States. More than 500 million people have been lifted out of poverty since China's economic reforms began in 1978. Since the Chinese have opened their markets to the world back in the 1980’s, manufacturing companies have raced to that country for inexpensive labor. In this Global economy (we purchase products and services from many countries), any time you have the second largest economy face a slowdown; this will have an impact across the globe.*

1. I keep hearing about the drop of oil prices. How does that affect the entire stock market? If one talks about buying low and selling high, would now be a good time to invest in oil?

*Historically, there is very little correlation between oil prices and the U.S. stock market. In the last year, however, there has been almost a 100% correlation. The reason is that lower oil prices may be indicating a weaker economy leading to lower company earnings and a weaker stock market. Buying low and selling high is one of those things that is easy to say and hard to do. Analysts are mixed on oil prices in the near future and most energy stocks have already recovered some. There are many components to oil prices including the relative value of the dollar in the world. Energy stocks have a place in a diversified portfolio but many times a beaten down sector takes longer to recover than expected.*

1. Should one invest in stocks that are doing well, even though they are high right now?

*As always, it depends on your time frame. The answer is yes if one is younger and saving for retirement. Historically, a diversified portfolio of stocks has been a good investment. The idea of “waiting for a pullback” means guessing where the market is going and that is speculating and not investing.*

1. How much private equity should one hold?

*It can have a place in a properly allocated investment portfolio but it generally requires a significant investment (in the hundreds of thousands of dollars) and offers no liquidity. Many times holding periods are 5 – 10 years.*

1. How might one decide when it is a good time to sell a stock? Are there different methods to this?

*I believe the hardest decision in investing is deciding when or if to sell a stock. It is much more difficult than deciding which stock to purchase. Yes, there are many different methods. Some investors never sell. They keep them all their life, collect the dividends, and let their beneficiaries inherit them. They end up with some that work and some that don’t and hope the gains are larger than the losses. Many investors use charts and moving averages and let the movement of the stock price indicate the point to sell. Other investors use company fundamentals and will sell if the numbers change for the worst. Others use momentum calculations and attempt to buy when a stock is moving up and sell when it stops. There is no one right strategy or one that works all the time.*

1. What are other ways to invest other than stocks and bonds?

*There are many different ways to invest, including via funds which are organized by an investment manager.  In this case the investment manager will choose which stocks and/or bonds to invest in and put them in his/her fund, so that you don’t have to spend time doing research, or can leverage their experience to gain access to investments you wouldn’t otherwise know about.  Funds come in several types but, in most cases, you will pay a small fee for the services of the manager.*

*You can also invest in things like commodities (iron ore, copper, oil, corn, beef, etc.), or real estate (residential housing or commercial office, etc.) or property such as ranchland.  You can even invest in a Broadway show, as an “angel” investor who finances new productions.*

1. Are there exceptions to the saying "Buy low, sell high"?

*Not really but, remember, although it sounds like an easy concept it can be a very difficult strategy to implement.  Typically we only know if the timing of an investment was “good” quite a long time afterwards (maybe months or even years).  What looks cheap today can looker cheaper still in six months and leave us feeling disappointed.  The only time you would do the reverse (Sell High, Buy Low) is if you think the stock is going DOWN, and you are hoping to profit from the price falling.  This is called selling short.*

1. Is it possible for today's world to survive without a stock market? What are the benefits of the stock market existing?

*The stock market is a mechanism for exchanging goods (hence “Stock Exchange”), usually shares for money, and sometimes shares for shares.  Unless we were to go back to an agrarian economy in which we live off the land, we will always need a market in which to exchange things we have too much of, for something we need (supply and demand).  The stock market is just one of many markets which we use to exchange goods.  It may change its character (for instance, electronic trading as opposed to traders shouting at each other on a trading floor), but I think it will still need to exist for a long time to come.*

1. What does one generally look for as indicators that a stock is likely to go up or down?

*There are two types of indicators: fundamental (actual facts and activities that pertain to the behavior and character of a company) and technical (movements on a chart which follow certain patterns which might be repeated in future).  This is a big subject which has occupied many great minds for many years.  However, some things to look for are:*

*Increasing/decreasing earnings per share*

*Expanding production (as long as there is demand for the products)*

*Change of management (new direction)*

*New strategic plan for the future (or failing strategic plan from the past)*

*Cheap/expensive stock price as a ratio of earnings (P/E ratio)*

*Share price to Book value (lower is usually better)*

*Increasing/deceasing dividend payouts*

1. How does inflation affect the stock market and the global economy?

*Ex: If inflation goes from 1% annually to let’s say 5% over a short period of time, one year, then the stock market can see this rise as either positive or negative depending on what sector-business they are in. if they are in the public utilities they can use this as an excuse to raise electrical rates. If they sell automobiles they can use this as a way to raise the price of a car/truck/motorcycle. If people continue to purchase a car and they pay more for it than one would last year then the car company may become more profitable and their price of their stock could go up - if they can keep wages and healthcare price and the cost of doing business down. If inflation goes up too fast and they cannot keep up they may not be more profitable.*

*If the cost of living goes up too fast because of inflation but their employees’ wages don’t go up as fast then the employee cannot buy as many ‘goods and services’ with the same amount of money they make so if they bought a burger at McDonald’s last year for $2.00 and the price of burger went up to $2.25 now they cannot buy as many burgers and McDonalds share price may drop.*

1. What are some risks associated with investment? What is the best way to lower the risk of investing?

*If investing in publically traded corporations, i.e. common stocks, the risk is how and who is running that corporation. There are risks in where they get their earnings. Do they do a lot of business outside the USA? Then there is a geopolitical risk of that country and the value of the US dollar against their currency. How stable is their country? Is it a democracy? Do they have elections? Are they a corrupt country? What are their regulations compared to ours in their industries. Are they regulated as ours are? What type of quality controls do they have in place.*

*The best way to lower the risk of investing is to first define risk. Everyone has an opinion on what risk is. I have always said that if the investments you have keep you up at night you should not be in those types of investments. The safest are certificates of deposit that are FDIC insured. Then there are US Treasury bills-bonds-notes, corporate bonds, Municipal bonds, USA equities and foreign equities of emerging markets. These are a few ideas going from low risk to higher risk. You can diversify by investing in some of each….depending on how you define risk.*

1. I always hear about investing for college and retirement. What are other things one invests for? Can I invest to build my own home or go on vacation? Or does one just save for those things?

*You can invest for longer term dreams….building a new house, vacations, a cabin up north, that classis 1955 ford fair-lane crown victoria. As long as you know the risks involved in the type of investments you have. And as you get closer to the date or time you think you are going to need that money you may want to begin to liquidate it and get it into cash so you don’t lose what you have grown.*

1. When did the Stock Market first start? What type of people invested in the market?

*The Dutch East India Company (founded in 1602) was the first joint-stock company to get a fixed capital stock and as a result, continuous trade in company stock occurred on the Amsterdam Exchange.*

*People who invested in the markets that had discretionary money and owners of small and large corporations that had profits after paying their expenses and some that were able to borrow against their hard assets….homes, farms, companies. Sometimes their word and or work ethic in other words their reputations.*

1. When one is losing a lot of money in his portfolio, what should he do first? What about after he does this?

*The key consideration when the stock market is declining is to review  investments to be certain that you are well diversified among various sectors of the economy—such as technology, transportation, healthcare, utilities, consumer staples (think food) and consumer discretionary (think Disney).  In addition one might want to consider selling those investments that have a negative outlook and re-deploy those dollars to other quality holdings that you already own or new investors in sectors not already owned.  (so hold the strongest companies)*

1. When the stock market is going down what are good places to look for investment value?

*When going down, the stock market may be one of the best places to look for investments—seeking companies that represent good long term value—especially if the investor has a long-term horizon.  These company’s stocks may just have declined as a result of market action and not because anything fundamentally has changed about their current or forward looking business prospects.  So you might think of these kinds of downward actions in stocks of some companies as being punished undeservedly.*

1. In what ways does the presidential election affect the stock market?

*Presidential elections can affect the markets in several ways.  For example, if the economy is doing well, the party in power may get the credit and be favored to win in the elections.  Right now, another example is the health care industry: It is being discussed by Presidential candidates in debates and other public meetings –many comments are unfavorable (such as high cost of medications and access to good health care in general.) These comments are often magnified in the media and can cause the stocks of companies in that industry to be under pressure and lose value –again even though nothing has really changed with those companies.  Because the market is a leading indicator, investors are uncertain who will be elected and if there may be some new regulation have a negative effect on health care companies in general.  So investors might be inclined to sell those stocks prior to the actual election.*

1. Why might someone want to invest in a mutual fund versus a single stock? What about vice versa?

*Someone chooses a mutual fund because a fund holds stocks of many companies and is often broadly diversified among sectors of the economy.  Therefore, the mutual fund is perceived as having less risk than owning a single stock. So one can invest in many companies and assume a lower risk profile.  On the other hand, someone would choose to invest in a single stock if that person feels comfortable with the risk level (which is a variable, depending on the stock, the industry, and the risk tolerance of the investor herself.) However, the rewards for that risk are several:  No cost to hold a single stock vs paying management and other fees for the fund.  If the stock pays a dividend, the investor gets to keep it all (in a mutual fund it is shared with all the other investors in the fund) If the stock should rise in value, you get to keep all the gain (vs sharing in the mutual fund).  The reverse, of course, is true if the stock loses value, the individual investor bears all the loss)*

1. Are there formulas the pros use to buy stocks?

*Yes, there are many different methodologies to buying stocks.  Some portfolio managers like to look for increasing growth in revenue and net income (growth managers) and some prefer to look at the earnings of a company in comparison to the current stock price (value managers).  Others will look for specific sectors that they predict will do well and then buy the leaders in those sectors.*

1. As someone who deals with other peoples’ money, how do you develop a plan for investing what’s not yours? It seems scary. What if your plan doesn’t work?

*Our strategy for selecting a client’s investment portfolio is specific to the client’s needs and goals.  We are very conservative for the portion of a client’s investments that may need to be utilized for income or purchases in the short term.  When doing so, we are giving up higher possible rates of returns in exchange for safety, generally resulting in much lower returns on investments.  For our clients’ long term goals, we are more comfortable with greater degrees of risk in a well-diversified portfolio.  Having exposure to many different stocks, in different sectors, generally spreads out the risk amongst a large field.  This decreases the impact of any one single company (or few companies) underperforming and largely affecting the value of the overall investments.  When investing in stocks, time in the market is much more important than trying to “time” the market.*

1. What is a preferred stock? How common or uncommon is it for people to buy preferred stocks and what are some examples?

*Preferred stocks are a hybrid investment that is similar to a bond or CD in nature, but trades much more like a common stock.  Preferred stocks usually yield a higher rate than a company’s corporate bonds.  However, they are considered subordinate in structure to the company’s bond debt. Meaning, if the company were to declare bankruptcy and sell all of the assets, the bond holders would get paid first and the preferred stock shareholders only after the bond holders were made whole.  This makes the preferred stock a riskier investment, requiring a higher rate of compensation for the investor.  A preferred stock is generally issued at specific par values ($25, $50 and $100 per share).  The company issues the preferred shares for a long period of time (ex. 30 – 50 years), with the company’s option of redeeming the shares at par value sometime in the intermediate future (usually 5 years from issue).  In the meantime, the investor expects to get paid a dividend for holding the preferred stock shares.  Most investors buy preferred shares for income, as capital appreciation above the par value is generally not expected.*

1. What are some good books you suggest for someone interested in learning more about stocks/investing/capital markets? –

*I will offer up three great starter books:*

* + - 1. *History of Wall Street by Charles Geisst*

*This book will help you build a better understanding for how Wall Street really works. It offers you a great foundation for the history of the stock market for the last 100+ years.*

* + - 1. *The Boglehead’ Guide to Investing by Taylor Larimore*

*Strange title but well worth the time. Simple ideas like “keep costs low”, “keep it simple” and “stay the course” are the focus of this book.*

 *3. A Random Walk Down Wall Street by Burton Malkiel*

 *A classic book for anyone looking for a long term strategy for the markets, one of my personal favorites. Burton spends some time explaining how the global economy has an impact on our markets.*

1. I just watched a movie called “The Big Short” that was about the housing crisis a few years back. What all happened after the stock market crashed, and what caused the market to recover?

*Home buyers rushed into the housing market, confident that prices would keep going up and up. Meanwhile, lenders became convinced that home prices would stay on the escalator up, and they thought the risk of a major housing downturn was remote. Mortgages became easier and easier to get, and the terms became more and more generous.*

*During the financial crisis of 2007–09, the Federal Reserve took extraordinary steps to stem financial panic. Since then, the Fed has also taken extraordinary action to boost economic growth. The Fed continues to do its level best to achieve its goals of maximum employment and controlled inflation. By keeping interest rates low, this would create economic growth because the cost of credit was/is so inexpensive. When rates are low, businesses and individuals can get approved for a higher loan amount. Companies like 3M are more likely to expand when credit is cheap, they can expand their campus in Minnesota when rates are low. A housing speculator may find interest in buying up properties because the bank approves him/her for a rental loan.*

*Ultimately keeping rates low does artificially create an economic stimulus. Typically as the economy goes the stock market goes. The economy had looked a lot better than expected over the last few years therefore, pushing the market higher and higher.*

1. What does your average day look like? Do you research stock all day, or meet with investors, or what? What are the skills one needs to get a position like yours?

*One of the advantages of being a financial advisor is that you determine your own hours in or out of the office. Many spend significant parts of a day visiting client or prospects at their home or work. I generally arrive at the office at 8:30 AM when the stock market opens. The first 30 minutes or so is spent reviewing various notices about accounts; address changes, check writing over drafts, bond and CD maturities, etc. I will then prepare for a client meeting if we have one scheduled. That can take at least a couple of hours plus the meeting which runs at least an hour. There are days when I rarely look at what the markets are doing. I do manage stock portfolios and will check them regularly to see if changes are in order but I try to keep changes to a minimum. The skills one needs include sales and marketing, an ability to have positive relationships with people, and if one is involved in portfolio management, some economic and market operation knowledge.*

1. How does one get to be in the position you are in? I am sure there are many ways, but what might one study in college and what jobs might one take out of college? –

*You have to find an investment firm to hire you and allow you to get licensed. One needs several licenses to be able to sell and or manage investment products. After that if you are not going to work as an individual, you have to find an existing team that manages significant assets that will take a new person on to do marketing or operations while they learn the business. You can study accounting and finance but many successful financial advisors have degrees in other areas; science, psychology, math, or English. Many firms prefer new advisors that have worked in other industries for a few years before they hire them. The experience and knowledge of oneself and the workplace seems to be an asset.*

1. What are ways one can invest in emerging economies, or developing countries? Why might one want to do this? Why might one want to stay away from this?

*It is easy using either ETF’s (exchange traded funds) or traditional mutual funds. One does it to take advantage of greater growth prospects that may exist around the globe than what is forecast in the US. One may stay away because emerging markets are extremely volatile and contain many moving parts including currency fluctuations, potential conflicts, trade negotiations, and politics in general.*

1. What, in your opinion, is a good strategy for developing a portfolio over time? For the “average investor.”

*Don’t be too complicated.  If you are starting out with a few hundred or thousand dollars, it can be expensive to buy and sell stocks, so you want to buy 3-4 companies that you can keep for a long time, preferably those that interest you and that you think will continue to grow and have good earnings.  For greater diversification, you could buy 3-4 funds covering Growth, Balanced and International, and then contribute small amounts to them regularly.  This is known as “Dollar Cost Averaging” and it helps to even out your cost basis by buying more shares when the price is lower, less when it is higher.  Don’t have too many stocks or funds to begin with (or ever, maybe!), as they become too hard to follow closely.*

1. Who, in your opinion, are the 3 greatest investors of all time and why?

*When I think about who may among the three greatest investors of all time, the first name that obviously comes to mind is Warren Buffett.  Clearly he has become one of the richest people in the world, and is among the very few that amasses such a fortune primarily through his stock investments.  His formula is fairly simple, buying what he feels are great businesses when their stocks are historically cheap, and holding them for the very long term.  Many, many people admire the success he has had, and suggest he would be the one to imitate, but when he is actually buying, few have the courage to follow him, for he makes his purchases when most are afraid to do so….when markets have been horrible, prices are plunging, and there is lots of uncertainty.  So he is one of the few buying when prices are at historic lows, and by buying great businesses, he has tremendous long-term returns as conditions improve and confidence returns.  Similarly, John Templeton was a great long-term investor, whose specialty was seeking out bargains globally, buying very cheap, neglected stocks, often in parts of the world that few were interested in at the time.  He, too, was a long-term investor, willing to be patient as those companies grew, holding them until many others recognized the value, and the stock prices had moved up substantially.  Finally, I would probably mention Peter Lynch, who, once again, followed many of the same concepts of buying exceptional companies and being willing to hold them for the very long-term.*

1. How do you determine if you have done a good job, or what is the measurement of success in your industry? How do you celebrate when you do a good job?

*My business has very many metrics that could be used to measure success.  One could measure simply by the amount of assets in dollars entrusted to you to manage by your clients, implying that the best advisors might attract the most assets.  The firms could judge you by the amount of production you do, in terms of fees and commissions, implying the largest earners might be the advisors attracting the most clients.  Or one could look at the growth rate an advisor is achieving in asset and/or production levels.  There are many measurements of actual account and/or investment performance, comparing the actual returns an account generates vs. a relevant index has returned.  Success can also be measured through such methods as client satisfaction surveys.  I believe there is no one perfect way to measure success, as all of these methods have their strengths and weaknesses.  Every day presents new challenges, and success is somewhat subjective.  I think one simply tries to do their very best very day, and never gets too excited about short-term success….there is always more to do tomorrow.*

1. If you could give one piece of advice to an investor just beginning in high school, what would that advice be?

*Read.  Read a lot.  There are no shortcuts to experience and knowledge.  I would suggest “Buffett: The Making of an American Capitalist,” by Roger Lowenstein, and “One Up on Wall Street,” by Peter Lynch.  To become a truly successful investor, it is important to know how some of the most successful investors in history have done it.*