00:00:09:18 - 00:00:37:13

Speaker 1

Welcome, my name is Andrew Baron and this is, Well… It Depends! The podcast where I discuss different financial decisions that can't be answered with a simple yes or no. In this episode, I asked the question, is it okay to change my investment priorities? But before we begin a short disclaimer, this is being recorded on June 23rd, 2023.

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The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. It is important to consult with a professional before making any financial decisions, as the strategies discussed may not be suitable for you specifically.

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Getting into it. Is it okay to change my investment priorities? Well… It Depends! The first things that you'll need to consider are, where you are at in your stage of life and what your financial goals are. For example, if you're just starting out and beginning your career, you may be inclined to be more aggressive. On the flip side, if you're nearing retirement, capital preservation may be at the forefront of your strategy. As you transition between these stages of life, it's only natural for your investment priorities to change, to match your growing and evolving needs.

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Second, consider the state of the economy. A booming economy may embolden you to take a more aggressive stance, while a market downturn may cause you to take a more conservative approach. Changing your investment priorities due to economic conditions can be a sound strategy. However, it is crucial to avoid reactionary decision making. Patience and discipline often win the day.

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Next, personal circumstances may also play a role. Perhaps you're looking to buy a house, start a business, or fund a child's education. These major life events may necessitate a change in your investment priorities.

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Last, we need to discuss risk tolerance. This is a personal matter and may evolve over time depending on your financial knowledge, your experiences, as well as your financial situation. If your ability or willingness to handle market volatility has changed, this may be a sign you need to amend your investment priorities.

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It should be noted that changing your investment priorities is not a whimsical decision. It is essential to understand all of the implications, including any tax consequences, transaction costs, as well as the risk of veering off of your long term financial plan.

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To recap, changes in your life stage, economic conditions, personal circumstances, or your risk tolerance can warrant a change in your investment priorities. Decisions to change this should come after careful review, ideally with a trusted advisor who understands you and your unique situation.

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Speaker 1

So to answer the question, is it okay to change my investment priorities? Well… It Depends!

Speaker 1: Andrew Baron, CFP®, EA