

Lesson 1

Video Handout

Learning objectives

- Discuss the difference between getting advice and investing yourself.
- Define the terms, such as DIY investing, portfolio, discount brokerage and financial advisor.

DIY investing

DIY investing stands for _____ - _____ - _____. It's a strategy in which investors choose their _____ investments and build and manage their own _____.

Portfolio

A portfolio is a collection of _____ such as stocks, mutual funds or even _____. Each person's portfolio is _____ based on their _____ horizon, _____ tolerance, _____ preferences and _____ knowledge.

Discount brokerages

These are _____ platforms where you can create an account to _____ and _____ investments and exchange _____ (also called ETFs). You can also use tools like _____ and financial _____ sites to help make informed decisions.

Pros/advantages of DIY investing

1. You have more direct _____ over your investments.
2. You can potentially _____ money by avoiding _____ fees.
3. You have the _____ to change your _____ at any time.

Cons/challenges of DIY investing

1. You must commit more time to _____ and _____ your investments.
2. All the _____ is on you as the investor.
3. There is a learning _____: understanding markets and strategies can take time.
4. More control can also mean a higher potential for _____, especially if you're less experienced.
5. Individual investors may face emotional and psychological _____.

Definition: Financial advisor

Offers _____ guidance based on your financial goals and risk tolerance. A financial advisor can

- help you learn about investment _____
- guide you through _____ financial decisions
- help you build and monitor your _____
- keep you _____ during market ups and downs

Cons of working with an advisor

1. Personalized guidance comes with a _____.
2. You'll have _____ control over your investments.
3. You need to find someone _____ and qualified.

Choosing between DIY investing and using a financial advisor depends on your

- personal _____
- level of _____
- financial _____

Answer key

DIY investing

DIY investing stands for **do-it-yourself investing**. It's a strategy in which investors choose their **own** investments and build and manage their own **portfolios**.

Portfolio

A portfolio is a **collection** of investments such as stocks, mutual funds or even **bonds**. Each person's portfolio is **different** based on their **time** horizon, **risk** tolerance, **investment** preferences and **financial** knowledge.

Discount brokerages

These are online platforms where you can create an account to buy and sell **stocks**, **bonds** and exchange-traded **funds** (also called ETFs). You can also use tools like **stock screeners** and financial **news** sites to help make informed decisions.

Pros/advantages of DIY investing

- You have more direct **control** over your investments.
- You can potentially **save** money by avoiding **management** fees.
- You have the **flexibility** to change your strategy at any time.

Cons/challenges of DIY investing

- You must commit more **time** to researching and monitoring your investments.
- All the **responsibility** is on you as the investor.

- There is a learning **curve**: understanding markets and strategies can take time.
- More control can also mean a higher potential for **mistakes**, especially if you're less experienced.
- Individual investors may face emotional and psychological **stress**.

Definition: Financial advisor

Offers **personalized** guidance based on your financial goals and risk tolerance. A financial advisor can

- help you learn about investment **principles**
- guide you through **complex** financial decisions
- help you build and monitor your **portfolio**
- keep you **focused** during market ups and downs

Cons of working with an advisor

- Personalized guidance comes with a **cost**.
- You'll have **less** control over your investments.
- You need to find someone **trustworthy** and qualified.

Choosing between DIY investing and using a financial advisor depends on your

- personal **preferences**
- level of **experience**
- financial **goals**