

Risk Tolerance Worksheet

The following worksheet may help you assess your ability to take on investment risk in pursuit of long-term goals. Answer each question, then tally your results at the end.

1. When making a long-term investment, I plan to hold the investment for:
 - a. 1 to 2 years (1 point)
 - b. 3 to 4 years (2 points)
 - c. 5 to 6 years (3 points)
 - d. 7 to 8 years (4 points)
 - e. 9 to 10+ years (5 points)

Points _____

2. If you owned an investment that fell 20% over a short period of time, what would you do?
 - a. Sell all of the investment (1 point)
 - b. Sell a portion of the investment (2 points)
 - c. Sell nothing (3 points)
 - d. Buy more of the investment (4 points)

Points _____

3. Generally, I prefer an investment with little or no fluctuation in value, and I am willing to accept the lower return associated with these investments.
 - a. I strongly agree (1 point)
 - b. I agree (2 points)
 - c. I disagree (3 points)
 - d. I strongly disagree (4 points)

Points _____

4. When it comes to investing in stocks and bonds, I would describe myself as a:
 - a. Very inexperienced investor (1 point)
 - b. Somewhat inexperienced investor (2 points)
 - c. Somewhat experienced investor (3 points)
 - d. Experienced investor (4 points)
 - e. Very experienced investor (5 points)

Points _____

5. How optimistic are you about the long-term prospects of the economy?
 - a. Pessimistic (1 point)
 - b. Unsure (2 points)
 - c. Somewhat optimistic (3 points)
 - d. Optimistic (4 points)

Points _____

6. What do you hope your portfolio value will be 10 years from now?
 - a. A little higher than it is today (1 point)
 - b. Moderately higher than it is today (2 points)
 - c. Substantially higher than it is today (3 points)

Points _____

Score	Investor Type	Description
6-12	Conservative	In general, a conservative portfolio will invest heavily in bonds and stable value/cash alternatives. The primary goal is to preserve principal.
13-18	Moderate	A moderate portfolio will generally attempt to balance income and growth by allocating significant investment dollars to both stocks and bonds.
19+	Aggressive	An aggressive portfolio will typically tend to concentrate heavily in stocks, focusing on potential growth.