

Members Holding Portfolios Steady or Buying Stocks

January's **Asset Allocation Survey** special question asked AAI members what, if any, allocation changes they plan to make this year. Nearly one-third of all respondents (32%) said they either are not intending to make any changes or will rebalance their portfolios as necessary. Many of these respondents indicated that they are following long-term strategies. Slightly more than a quarter of all respondents (26%) said that they intend to buy stocks, particularly if prices fall to low enough levels. About 11% said that they are raising cash. Several of these respondents said they are selling stocks to do so. Approximately 10% of respondents intend to buy bonds. Some of these respondents listed their upcoming retirement as the reason for doing so. Finally, 5% of respondents either explicitly expressed their intention to invest more conservatively or stated their intention to allocate more to dividend-paying stocks.

Here is a sampling of the responses:

- “None, my plan doesn’t change because of the market’s gyrations.”
- “Move to cash—bonds are risky, stocks have no growth and the outlook is dim.”
- “As some of the best stocks go down, I will use some of my cash to invest in quality and high-dividend stocks.”
- “I plan to invest gradually as the market drops.”
- “Potentially increasing my allocation to fixed income in light of being only four to six years away from retirement.”
- “May use cash to buy some stocks if prices fall significantly.”
- “None at this time, but, obviously, that’s subject to change.”

Want to weigh in? Take the survey yourself and see results online at

<http://www.aai.com/assetallocationsurvey>.

If you want to become an effective manager of your own assets and achieve your financial goals, consider a **risk-free 30-day Trial AAI Membership**.