

## INVESTOR SAFEGUARDS AND STRATEGIES COURSE HANDOUT

The primary regulatory agencies for the U.S. stock market:

- Securities and Exchanges Commission (**SEC**)
- Financial Industry Regulatory Authority (**FINRA**)

Protecting yourself as an investor:

- Diversification
- Due diligence: thorough research
- Skepticism
- Record keeping
- Seek clarification

Pay yourself first:

- Set up automatic transfers from your checking account to simplify the process of saving and investing and ensure consistency.
- **Dollar-cost averaging:** Invest regularly in high quality growth companies, regardless of the price of the stock. You end up with a lower average purchase price and higher overall return.
- **Dividend reinvestment:** Reinvest dividends and other earnings into quality growth stocks to compound your long-term returns.

A “buy and hold” strategy:

- Less stress about short-term market fluctuations
- Minimal transaction costs and tax liabilities

Day trading and short-term strategies:

- Resemble gambling
- Increase the chance of losses and financial ruin
- Fees and transaction costs reduce your potential returns
- They’re taxed at higher rates