



Staten Island Advance

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Don't panic, experts counsel amid financial turmoil

Advance asks professionals for advice in economics, financial planning and real estate

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STATEN ISLAND, N.Y. -- Staten Islanders have no choice but to ride out the Wall Street crisis.

Experts say retirees may be the hardest hit as pension funds lose value. Homeowners might consider the benefits of refinancing, but first-time buyers may find it rough going. For those on The Street who have lost their jobs, it may be a time -- or an opportunity -- to reinvent yourself. The watchwords? Use common sense and don't panic.

That's the message for Islanders worried about how -- and if -- the Wall Street meltdown will affect their bottom line.

"My advice is to be cautious and to be prudent," said Jonathan Peters, an associate professor of finance at the College of Staten Island. "When the market is bad, good planning and good portfolio management can get you through the whole thing."

The Advance spoke to experts in the fields of economics, financial planning and real estate about what the fallout means for you -- though most agreed it's too soon to make grim predictions. And some see a silver lining in the bankruptcy of Lehman Brothers, the fire sale of Merrill Lynch and the struggles of AIG.

RETIREMENT ACCOUNTS

One word: Diversify.

Most efficiently run 401(k) plans have several well-diversified options from different investment asset classes, including stocks, bonds, real estate and commodities to choose from.

Larry Herold, president of Bernard Herold & Co., a brokerage firm with offices in Grasmere and Manhattan, offered a look at his own retirement plan: A quarter each in a bond fund, a balance fund, a large-cap value fund and a mid-cap value fund.

"If your allocations are in the realm of what I just suggested, you should muddle through this just fine," he said. "Once the market settles down, you should have nice growth."

Eric Storberg, a certified financial planner with Ameriprise Financial, Castleton Corners, said the market's volatility could help in the long run....

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