

Life Cycle Investing Profiles

Your personal needs and the criteria for choosing investments change over time. As this profile changes, your investments will also need to change. The table below shows how the investment profile of a “typical” person can change.

“Typical” person’s investment profile

(Stage) →	Early Career	Middle Career	Late Career	Early Retirement	Late Retirement
Risk Tolerance	High	High	Moderate	Moderate	Low
Return Needs	Growth	Growth	Growth	Growth/Income	Income
Time Horizon	Long	Long	Long	Short/Long	Short
Tax Bracket	Low/Moderate	Higher	Higher	Lower	Lower

However, in reality very few people are “typical!” Take a few minutes to think about your personal situation. Start where you are today. Based on your age, career or work, child rearing, family or health status, create your own profile in the table below by filling in terms that best describe your current and anticipated stages and investment characteristics. Here are some words that may be useful to you.

- Column headings:** Career/retirement, age, child rearing, family, time or health stages
Risk terms: Low, moderate, high
Growth terms: Growth, income, growth/income, cash management
Time horizon terms: Long, medium, short; short/long
Tax bracket: Low, lower, moderate, high, higher

Your Personal Investment Profile

(Stage) →					
Risk Tolerance					
Return Needs					
Time Horizon					
Tax Bracket					

Adapted with permission from Scott, Maria Crawford (ed). Investing Basics: How to approach investing without getting lost in the details. American Association of Individual Investors, 635 N. Michigan Ave., Chicago, IL 60611. 1994.