about inflation – or about any other financial issue that might be causing them undue apprehension?

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The specter of inflation, which became a growing concern for everyone as 2021 drew to a close, isn't disappearing any time soon.

That means any anxiety that investors feel about whether their returns can keep up with the rising cost of living also isn't going away any time soon. Retirees and others who may have more conservative portfolios are especially feeling the pinch and will turn to their financial professionals for inflation-battling advice, if they haven't

economic situation, some basics of investing always apply. For example, "save more" is always good advice and a good idea. Saving is the most fundamental and important component of successful investing. Aggressive saving allows individuals to take advantage of compound interest, and the best thing any of us can do for our future and our family's future is to save more. Diversifying also is good advice that doesn't age. In general, the greater a portfolio's diversification, the lower its riskiness.

- **Offer problem-solving solutions.** All of us feel better when we can take some action to address whatever is causing us anxiety. So offer your clients solutions that put at least a portion of their financial fates in their own hands. For example, recommend they jettison some credit card debt. Explain that one way the Federal Reserve plans to fight inflation is to raise interest rates, and when those rates go up, consumers are going to see their credit-card interest rates following close behind. If they carry a large balance on those cards they will be especially hurt by higher monthly payments to the credit-card companies, but they can head that off by paying down some of that debt posthaste.
- **Provide a safe, judgment-free space for money talk.** Inflation is real and so are the concerns your clients have about it, so acknowledge those concerns and don't downplay them. But at the same time, discuss the investment opportunities that are out there. For example, rising interest rates could offer more alternatives for investors, particularly in bonds. Also, equities are still a good investment even in inflationary times, and can still provide a better return than many other investment alternatives. Plus, if inflation comes down more quickly than expected, that could be good news for stock markets, due to a decrease in the cost of goods and potential increase in consumer spending.

Finally, it's always important to remind investors that investment decisions based strictly on emotion are never a good idea. Markets will continue to battle significant headwinds as this year progresses, but opportunities will be there for those who are

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