

Worksheet: Assessing Your Investment Risk Tolerance

1. Personal Information

- **Age:** _____
- **Marital Status:** _____
- **Number of Dependents:** _____
- **Employment Status:** _____
- **Time Horizon for Investing:** _____

_____ (e.g., 5 years, 10 years, retirement)

2. Financial Situation

- **Annual Income:** _____
- **Monthly Expenses:** _____
- **Emergency Fund:** _____ (Number of months of living expenses covered)
- **Debt Levels:**
 - Credit Card Debt: _____
 - Student Loans: _____
 - Mortgage/Rent: _____
 - Other Debt: _____
- **Net Worth:** _____

3. Investment Goals

- **Short-Term Goals (1-3 years):** _____
- **Long-Term Goals (5+ years):** _____

4. Risk Tolerance Questionnaire

- **Please answer the following questions honestly:**
 - How would you feel if your investments experienced a 10% decline in value?
 - a) Very Concerned
 - b) Somewhat Concerned
 - c) Not Very Concerned
 - d) Not Concerned at All

- How important is it to you to preserve your initial investment?
 - a) Extremely Important
 - b) Very Important
 - c) Somewhat Important
 - d) Not Very Important

- How comfortable are you with the possibility of experiencing periods of market volatility?
 - a) Very Uncomfortable
 - b) Somewhat Uncomfortable
 - c) Somewhat Comfortable
 - d) Very Comfortable

- How important is it to you to achieve high investment returns?
 - a) Extremely Important
 - b) Very Important
 - c) Somewhat Important
 - d) Not Very Important

- How long are you willing to wait to recover from a potential investment loss?
 - a) Less than 1 year
 - b) 1-3 years
 - c) 3-5 years
 - d) More than 5 years

5. "Sleep-at-Night" Test

- **Imagine your investments experienced a 20% decline. How would this impact your sleep and overall well-being?**

- _____
- _____
- _____
- _____
- _____

6. Portfolio Stress Test

- **Imagine a hypothetical market downturn. How would you react?**

- _____
- _____
- _____
- _____
- _____

7. Overall Risk Tolerance

- **Based on your answers, how would you describe your overall risk tolerance?**

- Low
- Moderate
- High
- _____ (Other)

8. Next Steps

- **Consult with a Financial Advisor:** _____ (Yes/No)
- **Develop your own Financial Plan: (See our how to article and worksheet)**
- **Review and Adjust Regularly:** _____ (Frequency)

Notes:

- _____
- _____
- _____
- _____
- _____
- _____