



Where Should You Invest Your Money?

Experts say the decision to ride out the market meltdown or make a mad dash with your money all depends on your time line.

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The thought is like a double edged sword -- should you keep your money in the market, or take it out? By all indications people are making their move.

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"I don't have any losses that I'm crying over because I didn't invest in the market to the point where it made any difference," said Susan Martin.

"I have seen a substantial loss, \$8800 here, \$2200 there," said Mike McVay. □

"That's one reason why the market is dropping, is that people are pulling their money out and looking for alternatives," said Ted Bolema of Anderson Economic Group.

But is pulling out of the market the best move? Bolema says it depends on your time line.

"If someone is anticipating needing the money that they've invested in the near future, five years or less, then the stock market is a risky place to be right now, for someone with a longer term investment horizon, 10 years or longer, historically the market does come back, it may take a while," Bolema said.

The alternatives, Bolema says, are bank certificate of deposit or CD accounts at a fixed rate, a move Martin says is her safety net.

"I think the best thing to do is put it in a local bank where you have access to it, put it on a certificate of deposit with a local bank," Martin said.

Other options are hedge funds, a move that can be risky if the market comes back around, but Bolema says a new growth is being seeing in 529 prepaid college tuition plans.

"Those are a way to prepay college tuition at a guaranteed rate that is not effected by volatility in the stock market -- investments in these prepaid college tuition plans is up about 15 percent as compared to last year, so that is one place where investors are turning to," Bolema said.

Still others are waiting it out and riding the wave of hope.

"Once you're down this far, the only opportunity you have is really to ride it out if you can," said Ben Bodkin.

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