

Financial Focus: Are you an "environmentally conscious" investor?

Written by Betsy Blevins
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April 21, 2011 - On April 22, the 41st anniversary of Earth Day will be celebrated by millions of people around the world. As a global citizen, you may wish to commemorate this event by thinking of ways you can help the environment, such as boosting your recycling efforts and cutting back on your energy consumption. But you can also contribute to a "greener" world through your investment activities.

Specifically, you can take action in two related areas: reducing your paperwork and consolidating your accounts. Let's take a look at both of these possibilities.

First, if you want to decrease your investment-related paperwork, you need to take advantage of all the paperless options that have probably been made available to you by those financial services companies with which you work. So, for example, you may want to choose to receive online statements, rather than paper ones. And when you make transactions, you may also be able to receive online confirmations.

Not only will online documents help save paper, but it can also help protect you from identity theft. The more paper statements, confirmations and similar items lying around, the greater the possibility of their being exposed to prying eyes. (In fact, if you do still receive paper documents, you may want to shred them soon after you've reviewed the information.)

If you think you may need to produce this investment-related information, possibly to give to your tax advisor, you can always go back to your financial service provider's web site, access the documents you need, and print them. Most companies make this information readily accessible to their clients for months, or even years, after it is initially generated.

Now, let's move to another environmentally conscious aspect of investing: consolidating your accounts. Start by listing all your financial assets, such as your bank accounts, investments, IRAs and employer-sponsored retirement plans, such as a 401(k), if you worked for a private employer, a 457(b), if you worked for a state or local government, or a 403(b), if you worked for a school or other tax-exempt organization. By consolidating as many of these accounts as possible with one financial services provider, you can significantly reduce the number of statements you receive and the paperwork you generate.

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But the reduction of paperwork is only one benefit you'll receive from consolidating accounts. You might also be able to lower the amount of fees you pay. And even more importantly, by placing all your financial assets with one financial-services provider, you will be better able to follow a single, unified investment strategy. If you work with a financial advisor, he or she will find it much easier to identify your strengths and weaknesses and help you allocate your investment dollars in a way that's appropriate for your retirement goals, risk tolerance and time horizon.

Earth Day only happens once a year. So take this opportunity to think about how you can do your part, through a few simple actions tied to your investments, to help improve the environment we all share.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.