

THIS WAY FORWARD

YOUR WEALTH



Computers: Potential Weapons of Your Financial Destruction

>>> *Beware before you log on.* By Ken Kamen

As a result of the stock market tsunami, investors have lost staggering amounts of money, but that's not all. The most devastating legacy from this period might turn out to be the loss of trust they now have in financial services professionals. As a result, when the stock market eventually rebounds and goes on to achieve new highs, they may not be positioned to benefit.

In a desperate attempt to regain what they've lost, feeling let down by the "system" they had relied on, many will turn to the Internet in search of do-it-yourself strategies and "independent" advice, oblivious to the dangers they face going down this path.

With the assistance of your computer, you can gather enormous quantities of information and trade instantly on just about any financial market on Earth. As the E*trade commercial points out, even a baby can do it. What do you make of the fact that, immediately after the baby boasts about

executing a trade, he throws up?

In fact, it's possible to blow your retirement savings with the misguided click of a mouse, which is a pretty frightening thought. So what's the best way to protect yourself when you're trying to find your own financial way?

Start by being aware that the manner in which you ask a question in large measure determines the answer you will receive. If you are contemplating investing in gold, and you type, "Is gold a good buy?" the search engine will most likely direct you to web sites

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that promote the virtues of owning gold. If, however, you recast that same basic question in another way and ask, "Is gold likely to move lower?" you are likely to be directed to web sites populated by the gold bears who believe the precious metal is a terrible buy. Here's the lesson: Doing research on the Internet means searching multiple permutations of the core questions for which you're seeking answers.

Further, you must realize there is a huge group of specialists whose efforts are devoted to influencing the results delivered from Internet searches. Their work is called web optimization. What seems like unbiased search results often are anything but. While search engines such as Google clearly label sponsored links – the ads at the very top of search page results— it is more than likely that other, presumably neutral sites that come up on the first page have paid big marketing dollars to "optimize" their position in the top 10 or 20 results. Many times you won't find the disinterested, academic, "non-optimized" answers you are seeking until you go to the fourth, fifth or sixth page. Hence, lesson two: Being alert to the possibility that the site you are researching has a particular agenda is a key to financial survival on the web.

While your computer can be an excellent resource for doing homework and implementing investment strategies, investors would be well advised to place a warning sign above their monitors as a reminder: **HANDLE WITH CARE; POTENTIAL WEAPON OF FINANCIAL DESTRUCTION.** *NJB*

About the Author

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