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EXPERTS: STAY CALM & STAY DIVERSIFIED

By TODD VENEZIA

March 15, 2008 -- With the market tanking and powerful banks taking a dive, personal finance gurus have one message for the average investor - don't panic!

"I strongly discourage people to react to short-term events in the market," said Robert Wander of Wander Financial Services. "Usually you end up hurting yourself."

One bit of advice from the experts was: Don't sell, even if your investments have begun to sink. If you already have a properly diversified portfolio of investments, you should be able to weather this downturn.

"My advice and counsel is to stay the course," said Bernard Kiely of Kiely Capital Management. "If you lose money you lose it for two reasons: one, you weren't diversified, and two, you got out."

To get a proper mix, Kiely said to get into large-cap stocks - Fortune 500 companies - riskier small-cap stocks from up-and-coming companies and a combo of bonds.

You don't need to buy all these kinds of investments on your own. You can have your money spread out through all these avenues by putting it in a mix of IRA, 401(k) and brokerage accounts.

Neil George, editor of Personal Finance, said that a good way for individual investors to weather hard times is to buy stock in companies with a lot of cash that pay high dividends.

He suggested a company like Macquarie Infrastructure Group, an Australian company that builds toll roads. It's stable and pays a 7.5 percent dividend.

"People may think that [dividends] are for little old ladies on a pension," he said. "But dividends can get the average investor though these tough times."

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