



# Investment Newbie

*Dear Dr. Per Cap:*

*I've just been appointed to my tribal investment committee and I'm pretty clueless. Do you have any advice for an inexperienced investor?*

*Signed,*

*Overwhelmed*

Dear Overwhelmed

Many who serve in Indian Country find themselves thrust into positions of leadership without a lot of experience. For better or worse most tribes have a shortage of members willing or able to sit on various boards, committees, task forces, and other roles that add up to a lot of late evenings and missed family dinners. Trial by fire is more often the norm than the exception.

Acknowledging your lack of experience is a good thing and might actually mean you're more capable than you think. Here's why.

Do you know what type of investor is most likely to take on too much risk or fall for an investment scam? The answer is an experienced one.

That's right. Many experienced investors are over confident and think they're too smart to make a mistake or get conned. This means they can be prone to bad investment decisions.

As an inexperienced investor you have an opportunity to pay extra close attention and think very carefully before making decisions that impact your tribe's financial future. Sure, you've got a little catching up to do but you'll learn fast.

Start by making a point to read one finance article a day. Any article that pertains to the stock market, overall economy, or business in general is a worthwhile read. The internet is loaded with great finance websites so pick a few and dig in. You'll learn enough to talk some shop and ask the right questions in no time.

I served on my tribe's investment committee for several years and learned a lot from the experience. One thing to remember is that when managing money the same principles apply whether it's an

individual investing a few thousand bucks in a 401k or a tribal government investing millions on behalf of a community. It all starts with three simple questions.

What do we need?

When do we need it?

How will we achieve it?

Once a committee answers these questions overseeing an investment plan to achieve a community's goals is not as hard as you might think. Stay focused, don't be afraid to ask tough questions, and remember - humility is not a weakness, it's a strength.

***Ask Dr. Per Cap*** is a program funded by First Nations Development Institute with assistance from the FINRA Investor Education Foundation. For more information, visit [www.firstnations.org](http://www.firstnations.org). To send a question to Dr. Per Cap, email [askdrpercap@firstnations.org](mailto:askdrpercap@firstnations.org).