Hello from the new kid on the block! Allow me to introduce myself as someone who will strive to entertain and educate you about the world of money: how to successfully grow and preserve your fortune through the world of investing. With an optimistic long-term outlook for the U.S. and world economy, I believe that economic prosperity is a key to world peace. You as a consumer of financial services deserve useful information so you can make money and save it as well. No aspect of the financial world is really that complicated, especially if it's explained in non-technical terms.

This column should enable you to implement just about every aspect of your financial program by yourself and to give you the tools to do just that. The first step in this process is financial self-awareness. Being able to accumulate and protect your assets comes from knowing your own financial strengths and weaknesses.

Readers are invited to send in questions about any area of the financial service world that may perplex, mystify, confuse, infuriate, aggravate, or otherwise titillate you. For example, what is the difference between investing in individual stocks versus mutual funds? Should investors use New Mexico tax-free bonds or U.S. Treasury bonds? When should one consider using life insurance or annuities as investing vehicles? Does everyone need a will or should a living trust be considered? What does socially responsible investing really mean? What hidden fees are paid to people in the financial service industry? Is Y2K a problem to worry about? How can investors save on taxes by using different security strategies? I'll address these topics in a way that you'll find useful in your own financial life.

In future articles, I will describe methods by which astute investors multiply their money in the markets. Keep in mind, though, that making money and *preserving* it are two distinct activities that often require different strategies. Well-focused risk taking is a necessary ingredient for making a lot of money. The hallmark of saving money, however, is patience and the spreading out of risk. This more conservative approach prevents undue losses that can result from any one piece of bad luck, misfortune, or poor judgment.

Here is a true story that illustrates one common obstacle to sound investing: lack of diversification. My daughter, Hannah, set up a lemonade stand near our home on Old Santa Fe Trail. Remember those few weeks in June when Northern New Mexico had its fleeting heat wave? Hannah and one of her friends decided to take a risk. They moved most of her bedroom furniture out onto this occasionally busy street with a colorful sign, "Lemonade/Iced Tea for Sale." Much like investors in Internet companies, they were soon riding on a wave of good fortune. Business was brisk, especially during the first weekend. Runners, dog-walkers, the postman, neighbors, friends, and even a few enemies couldn't resist two 10 year-olds under a golf umbrella, engaged in an old-fashioned entrepreneurial effort. The girls made a small fortune. Then, the work week started and the weather cooled off.

Like many stock market pundits, Hannah and her friends couldn't quite admit to themselves that they didn't understand why business had slackened. Commuters sneaking downtown by circumventing Old Pecos Trail didn't have time to stop for lemonade, especially during rush hour. The roads were deserted at lunchtime and business sharply declined. The girls decided to change locations so they moved down to the rodeo grounds in hopes of parlaying their earlier good luck into a larger fortune. Does this sound familiar?  Some investors who made quick money in hot technology stocks now are convinced that they will be able to retire soon, if only they could find the next Amazon.com.

Surveying their new market, the rodeo grounds, the girls decided to skimp on supplies and quality control.  They went for one product: store-bought tea mix rather than the homemade blend of real lemonade and suntea that had been their earlier trademark. The rodeo was dusty but the young entrepreneur's receipts continue to fall.  My daughter returned home crestfallen, abandoning her business efforts.

Once the easy double digit returns of a sustained bull market ends, I wonder how many of us will have the same experience when our own stock and bond investing goes awry.

If you have a savings plan for your children's education, an inheritance, or are counting on an investment portfolio to allow for a not too distant retirement; the first lesson of the lemonade stand is to not put all your eggs into one basket.  This is called diversification, asset allocation, modern portfolio theory, or just plain common sense.

We all hear of how some investors have made quick fortunes.  The reality is that the majority of American corporations, as well as most stock and bond investors, struggle along to make a decent, single digit rate of return on a consistent basis.  If you currently hold a hot stock or mutual fund, watch out!  As my daughter learned, conditions change constantly in all forms of economic life.  A good decision in one business climate, which is often really only disguised good luck, often only pays off for a limited amount of time.

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