Volatility is not the same as Risk

By Team Multi-Act

In this article:

Why do people equate volatility with risk? Volatility is NOT the same as risk. Risk is defined as the chance of losing some or all of your investment. The path that the price of the stock takes between when you buy it and when you sell it shouldn't matter, at least from a financial point of view. In fact, in many cases higher volatility equals LESS risk

The psychological impact of the price changes can convince you to make non-optimal choices with your money. Read this article to find out how volatility and risk are related in an investment scenario and learn how you can minimize investment risk.

Read the original article here

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http://www.themoneycommando.com/volatility-not-risk/