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South Shore Insider: Tim Shanahan

President of Compass Capital Corp. in Braintree kicked off his career in finances in a rather unusual manner

Photo by Greg Derr/The Patriot Ledger



Timothy Shanahan is president of Compass Capital Corp. in Braintree

By LANA LAGOMARSINI

The past two years have been a wild ride for stock investors, but Tim Shanahan believes that investors who work with financial advisers can reap more benefits than those who try to go it alone.

Shanahan, the president and chief investment strategist at Compass Capital Corp. in Braintree, began his financial advisory firm in 1984 and has been working in finance ever since.

Shanahan, 56, likes to say he became a financial planner “through the locker room door” – that is, by meeting his first employer at a gym where he worked during high school and college. After working at two firms, Shanahan decided it was time for him to open a business of his own, and Compass was born.

A resident of Canton, Shanahan employs about 15 financial advisers at his investment firm.

How did you first get involved in financial services?

In high school and college, I worked at the gym and I met a guy who had a financial planning investment business and he interviewed me, hired me, and that’s kind of what I’ve been doing ever since.

Do you think many average investors are still averse to investing in stocks because of the crash of 2008, despite the upturn in 2009?

I think (2008 to 2009) was a major shock to people. Those people who have advice, like clients of ours, pretty much stayed the course because we were driving the ship. Unadvised investors would tend to go to cash, so they make the wrong move at the wrong time. Once you go to cash, you tend to get paralyzed and get scared to go in (to the stock market) again until it’s too late. So you go out at the wrong time and in at the wrong time. It’s exactly the opposite of what you should be doing.

If you look at what happened last March, we had a major economic comeback and people were just sitting on the sidelines.

Do you think a person with an average income can make a great deal of money by using a financial planner?

I think if you save early and save often, invest early and invest often, it will make a big difference. Over time, sure, that can be a lot of money. The only way you can retire is if you do it for yourself.

What is the outlook for the stock market in the coming year?

It may be hard to believe, but I think it's reasonably good. Money goes to where it's treated the best.

Which kinds of stocks will perform well in the coming year and which are overvalued?

Emerging markets and non-U.S. stocks (will be good performers this year), rather than domestic stocks.

Do you have any advice for those looking to invest?

If I had to give a person a single piece of planning advice, it would be to live below your means.

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