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For twenty years as a financial advisor I've heard and read reasons not to own stocks right now.

The two most common reasons may be age of the investor, and the riskiness of stocks.

In and by themselves I think both are either poor arguments for avoiding stocks or misunderstandings.

Let me address age here and get back to the riskiness argument another time.

You may have heard of a '100 minus' rule of thumb which stipulates that you subtract your age from 100 to arrive at your stock allocation in your investment portfolio.

This way, an 80 year old investor would have 20% allocated to stocks.

Oh, boy.

To me, this is far too broad. Rather than following universal rules like this I think an investor should tailor her investments to her own goals.

What if you have \$1 million paying \$20,000 in dividends per year of which you need \$10,000 to supplement your other income sources?

That means, without touching your principal, you should have more than enough to cover the taxes on the dividends and meet your goals.

Could you then not leave the entire portfolio in a diversified stock portfolio?

I believe you absolutely could.

Furthermore, if you invest all in stocks I believe you improve your chances to grow your portfolio more than inflation over the long run.

That's the thing about avoiding stocks; it may have consequences down the road such as possibly having less purchasing power.

That is, less money to cover medical bills.

Less money to pass on to the next generation.

Less money to leave a legacy with organizations you believe make this world a better place.

Some may object to an 80-year old investor having a long-term horizon.

Unless you have medical challenges that make 95 unlikely I think you should be very open to the possibility that you may live fifteen or more years.

That's long-term, to me.

In the end, I suggest you let your own circumstances rather your particular age guide your investments.

Good luck.

Jorgen Vik, CFP®

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