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skv three things

1 In a recent survey by Allianz Life, they found "*3 out of 4 Americans say it is **not** a good time to invest*." And, "*are keeping more money than they should out of the market out of fear of investment losses*." The survey was taken in **July**. You can't make this stuff up. Yes, **July-**- which turned out to be one of the best months in stock market history, with the S&P 500 Index growing by nearly 10%. And at this writing, August has been rolling along nicely too…. D'oh! Market timers stepped on a rake. Again! The two "big mistakes" *supposed* long-term investors make all the time….(1) getting out of a well-diversified portfolio during a market decline, and it's ugly cousin—(2) holding back cash hoping to catch a bottom. *Noooooooooo!*

2 The S&P 500 index fell 34% in just 33 days in February and March of 2020 at the outset of the pandemic. After recovering in August of that year, we find ourselves in the teeth of another "bear" just a few years later. Historically rare—market "bears" usually "hibernate" for 6-7 years between visits. (ba-dum-tsss!) Horrible time to be an investor, right? Not so fast….assume you were an unlucky investor and pushed your money into the S&P 500 on February 19th, 2020 at 3386 –the pre-pandemic peak. Despite all the volatility, you listened to SKV--dug in, didn't sell…"stayed the course. Today the S&P 500 is about 4300. Check my math, but despite all the tumult, the return would be a still sparkling +25% cumulatively…strong, particularly when compared to bonds paying around 1-2% a year over this time frame. ("But bonds are safe Mike!?!) Hmmmm…..now, imagine if you pushed more money into the market during some of those declines along the way…..hmmmmm…if you want to discuss the difference between volatility and risk, give me a call!

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3 It was a little over 40 years ago this month that Business Week ran one of its most famous—*or infamous*—covers: "***The Death of Equities. How Inflation Is Destroying The Stock Market***" (sound familiar?) The S&P 500 was around 100 when this magazine hit newsstands in August 1979. *"Financial media exists for one reason and one reason only—to sell advertising. Their advertising revenues are inextricably linked to clicks. And clicks are an absolute function of the extent to which media can trap readers in a vicious cycle of fear and regret. In one sentence: financial media exists to help investors fail,"* Nick Murray, Interactive. Remember to view financial media more as entertainment and less as advice…with a rampant tendency to extrapolate and catastrophize. The content is more often better suited for traders, not long-term investors like you.

Bonus Existential dread isn't an investment policy. Or as we say around here, **scared money don't make none!**

As always, I'm honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***

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