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[Mark]

Hey there, it's Mark Sorrell back with another episode of the PlanVision podcast. I want to talk about whether or not investors can be conservative or cautious at any age, presumably referring to younger investors. Came up in a review of investments with some current clients, couple situation, and they have different approaches to investing. One is aggressive and one is conservative. One is really conservative. And there are many years from retirement.

Here's something to know about investors. There are some people who cannot wrap their head around investing. They don't get it. They don't understand why stocks do what they do, the idea of the stock market makes no sense to them. They're befuddled by it. They don't know why it goes up and down. The terms that are used in the investment industry sound like another language, like those that speak it are from another planet.

Now, for some people, they can have an investment in the stock market that goes up for two years in a row. Then it goes down for two weeks or a month, guess what they think? It might go to zero. And it's a bad investment and they want answers. They want to know what's going on. And they're not sure and they don't really trust well anyone when it comes to this stuff.

Well, are these people rational? Are they making wise investment decisions? What should they invest in? If they're investing conservatively, for example in bank savings accounts or stable value funds or anything else that simply pays interest, should they change to something that's more aggressive? Before I answer the question, I'll make this qualifying statement. I think it's wise for those investing for the long run to have a well diversified stock portfolio so they can provide a good quality of life for their future. Whatever their future happens to be. But I also think it's important that they have a very basic fundamental understanding of this. And it can be very basic. For example, it can be knowing that I, or the investor, invest in something that goes up and down, not sure why, but likely means I'm doing this to make more money in the future. I just have to stick with it. And so I think with that fundamental understanding it is a good idea for younger people to invest more aggressively.

But back to those questions, rational, wise, what should they invest in? Yes, they are rational and even wise if they invest in conservative investments at any age. I think one of the worst things people can do with their investments is invest in things they do not fundamentally understand and are suspicious of. This is toxic. And I think the chance of success is low. They may end up just being unhappy and then angry and then they're going to bail out of their investments, which is not good for them, and it's not good for anybody that convinces them to put their money in those investments. I think it's excellent to help investors become better informed of their options. Whether you're a professional firm, like PlanVision, which is what we do, or if you're simply trying to counsel somebody you know. By doing this, hopefully, they can choose investments that are prudent for their future. But I think it's perfectly okay for some younger investors to invest cautiously if it helps them save money and stick with their plan.

[Outro]

Thank you for listening to the PlanVision podcast. Let us know if you have any questions or comments on the topics covered.