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[instrumental music] Welcome to the PlanVision podcast, where we share simple, straightforward investment and planning ideas for normal people. The description in this podcast is for informational purposes only. Do not construe this as personal tax, financial, or legal advice for your situation.

00:00:24,180 --> 00:03:51,360 [Speaker 1]
Hello, Mark Zoril with the PlanVision podcast, discussing bond market losses and some of the comments that I hear and how this may spill over to the stock market. So we get these comments from clients about feeling aggravation about bond market losses, and they say things like, "Well, I don't understand the bond market." And it seems understandable that that would be the case for sure for those that don't really pay too much then attention, even some that do, how the changes in interest rates up or down can produce negative returns in bond funds when they go up or excessive returns when the interest rates go down. Other comments, "I don't like bond funds," even though if they buy the bonds themselves, they own the same thing as what's in the bond fund. So they say, "I don't want to buy these things. I want out," or, "I don't want to use them." And I have told many people that there has never been a better time in my recollection in my entire career back to 1994 to buy a bond fund. At least that's what I think. So it makes me wonder about the stock market as well for some newer, younger, maybe even experienced investors. How long would the stock market have to perform poorly before they give up on their stock funds? How long until they've had enough? Now, it's one thing to have had a bad year in the stock market, 2022. Didn't really get too much from clients on that one. Now, two years, that may not be much either, but if there are two bad years in a row, the losses are going to start to build, and they're going to start to mount. And now you're probably going to be seeing quite a few people question what they're doing. Time to get out. What about three years or five years of no or flat returns? Five years, you still going to have the faith? Are you going to get tired of all those people like me saying, "This is the best time ever to buy, and you're going to benefit from so much." And the news, just look at your phone. Don't we all have our phones like everywhere with us? You take the f- your phone in the shower with you or at least have it in a place where you can hear it. It'll be all over the phone. Maybe you get notifications set up. Oh, if the S&P goes down by another 2%, send me a notification so I can feel more miserable. Now, also with this news that's happening and the markets are going down, some of the news could be legitimately scary, right? I'm not going to deny that it's not bad financial news. I don't know the future of the world and a lot of these debt issues and how it would affect the unfolding of our economies. And then you're not really going to have the courage to look at your statements. "I haven't logged into my account. I'm too afraid to see what, what it looks like." But it's your money, you know? Hopefully, you get the courage to go see what it is. I have thought to myself that one thing I have, should have told my clients to keep track of over the years would be, for example, every week, I don't think you need to do it every day, every week, every month, every quarter that they did well. Make a note of it. Like, run a log. Give yourself a happy face or something, or whatever represents good. You could see all of these over the years. Now, big, bad markets can wipe those out, but at least it reminds you. It would have been a, an exercise in reminding you of where these losses come from. They come from a lot of growth. So I think that would have been good advice. Maybe you would have inventoried your statements and just noticed them and, and really recognized what was happening. A lot of growth here. I have to remind clients sometimes, some of these people that have had huge growth in individual technology stocks, for example, here in the States, that even though they're going to pay taxes, capital gains on the sales, look at what they've made. Look at how different their life is because of that. So the bond market is struggling now. And like I say, never been a better time to buy in my life. You still get income and bonds and diversification. How will you do when the stock market takes its turn? It could be really hard. So hopefully you'll stick with it and make the best of it and keep investing. But some won't.

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