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## Complacency and the Investor

There's a curious tendency among individuals to be relatively complacent about their ability to retire financially secure right up until they top age 60. Then the worries take over. Do they have enough saved up? Is there enough in cash to weather a down market? Why haven't their assets grown more over the last 20 years? Should they have saved more?

At 60, time is running out to accumulate the assets you might need for retirement. The problem is that 60 always seems a long time away, right up until it's on the doorstep.

Overcoming complacency and building net worth needs more short-term goals. When you are 35, it seems that there's lots of time for a bull market to propel your portfolio higher. If the market has been relatively flat, expectations for better days are always there. Even a bear market doesn't seem that bad. After all, the media assures us that with buy-and-hold, we will be back in the positive in another 3-5 years. At 50, portfolio growth may take on a bit more priority, but with the kids out of college you are going to be saving a lot more. And then comes 60...

To overcome complacency -

1. **Set shorter time frames for your financial goals.** Look at cumulative five-year goals. If you are not meeting those goals, you are not likely to meet your long-term goals.
2. **Find the right help.** As Warren Buffett said, "Investing is simple, but not easy." Not everyone is a good investor, much less a great investor. If investing is not your forte, find a qualified adviser to professionally manage your assets.
3. **Don't accept big losses.** Over the long run, the financial markets have lost around 30% every five years. Recovering that loss takes a 43% gain and that's just to get back to breakeven. If your adviser doesn't have a plan to minimize losses in major downturns, find a new one.
4. **Monitor your investments.** If your investments are not meeting performance expectations, consider replacing them or your investment manager. There is no room for loyalty to underperformers when it comes to building net worth.

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