



A Short Webinar Series Presented By

SageRitty
And Company, Inc.

House Keeping Tele(k):

1) Gambling vs. Investing

- a) When you gamble you place a random bet that is entirely based on chance. The saying “the house always wins” is a saying for a reason. The odds of winning are significantly stacked against you. The odds of winning are less than 50% and the longer you play the worse your odds get. Just playing four rounds of roulette brings your odds of winning to 5.6%.
- b) When you invest your money in stocks, you receive something in return, partial ownership of a company. Historically, the odds of success are also in your favor. Over one-year periods, 75% of the time the stock market generated a positive return. The longer you stay invested, the better the odds get. There has never been a 16-year period that did not have a positive return. Remember, even if you were to retire today you have another twenty plus years to live??, you will need the money to last you. Make sure your investments line up with your time horizon.

2) The Reopening of the Economy

- a) No one knows how the stock market will react to the economy reopening on a short-term basis.
- b) Currently unemployment is high, profits are down, and there is uncertainty about when and how to best reopen. If the economy opens too fast will we see a resurgence of the virus? Will we have to revert to quarantine if we do not reopen safely? The market does not react well to uncertainty.
- c) There are plenty of positives. As we start to reopen profits should start to increase again. The stimulus bills passed by Congress have provided safety nets for businesses and individuals alike. With more employees working from home it could lead to businesses saving money on overhead expenses. It is also important to remember that this high unemployment is temporary. These are all positive signs for the stock market and your 401(k)s.

3) Automation and De-automation

- a) With everything going on in the world we can quickly become overwhelmed. It is important to remain focused on what we can control. The best way to help reduce the stress from all the decision making is to make all your good decisions easy.
- b) Automating good actions in life will reduce stress, save time, and increase your likelihood of doing the action. One way you are already successfully doing that is through your 401(k) by automatically saving a percentage of your pay every paycheck without having to think about it. A few other beneficial things you can automate with your savings are annual increases to your savings rate and periodic rebalancing of your investments to stay on track and grow your retirement savings.
- c) Your 401(k) is not the only place where automation can come in handy. You can automate overpayment on your mortgage, set reminders to exercise, and set recurring calendar appointments for those tasks you seem to forget about or never get around to.
- d) We also want to de-automate, or make it more difficult, to do the things that we do not want to spend our money and time on. One of the reasons companies like Netflix do so well is they make it as easy as possible for you to pay your bill and difficult to cancel. Try things like deleting saved credit card info from your Internet browser so you must enter it each time you go to purchase something. Another example is to removing shopping apps from your phone. Doing small things like this can help to keep your hard-earned dollars in your pocket

