

Why Would Anyone Stay Invested in Equities During a Pandemic?

In my thirty years in this business, I have seen almost everything that markets, management and office technology can throw my way. Until tomorrow, when I am sure something wholly unexpected will happen-- maybe I will have a Zoom call where no one will ask me to turn off the video! With that experience, there are some inevitable client conversations that occur after any shocks such as the ones that occurred due to the pandemic – and these conversations are healthy. Clients need reassurance and by challenging me and my assumptions, I often learn something as well or at a minimum, I get an opportunity to return to my mentors and re-read their thoughts.

Why Stay Invested in Equities:

- As the Nobel Prize winner in economics, Richard Thaler has pointed out that equities outperform government T-Bills by 6% per year over time. So, it is not 6% every year, but if you have a 5 year+ time horizon, equities should be for you.
- A one-time \$10,000 investment in the S&P 500 index 50 years ago is now worth over \$317,000. Not bad for doing nothing (and yes this far outstrips bond returns).
- No investing list is complete without a quote from Warren Buffett. This is a comment on market timing since there is always some people who wish to exit the stock market until things settle down. "After nearly 50 years in this business, (yes, I am much younger than Mr. Buffett) I don't know anybody who has done it successfully and consistently. I don't even know anybody that knows anybody that has."

I look forward to seeing (or at least chatting) with everyone soon.

Have a great day!

Wes