



I Can't Invest Because...

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There are many reasons people give for why they aren't investing, but the truth is anybody can get started. So why do people feel they can't? Usually it's because they are afraid to ask questions or are simply not exposed to the answers they need. So, let's look at some of the reasons people feel they can't invest and discuss a bit.

I Can't Invest Because...



I'm Not Rich

There seems to be a myth going around that says that you have to be rich to invest. Some people think you need to own a home first, or have \$100,000 in your bank account, or be swimming in a pool of gold coins like Scrooge McDuck.

As someone who has more than 1 investment account and approximately ZERO private jets I can confirm you don't need wealth to invest.

The point of investing is to *build* your wealth! Remember a few years ago when we wrote about how a dollar can grow? (See www.insightfa.com/the-loop/ for A Dollar A Day) In that exercise we discovered that just \$1 per day could grow to \$155,732 at retirement!

Bottom line, you invest to grow your money and it doesn't take a lot to get started.

I Missed My Chance

There is no right time to invest... Ok, except maybe on the day you are born, but most of us don't have our own money yet (come-on Mom and Dad!).





If you try to time the market and wait for the perfect price to buy-in I promise you'll never find it. The day you finally decide "I'll put my money in tomorrow" the market will shoot up with one of its greatest single day gains in history and you'll miss your chance.

Here's the thing, while the stock market is volatile, meaning day to day the prices can jump around, the market overall has continuously gained value since its creation.

While I can't tell you when the best time to put your money in the market will be, I can guarantee you won't make any money in the stock market if you never get in.

I'll Lose All My Money

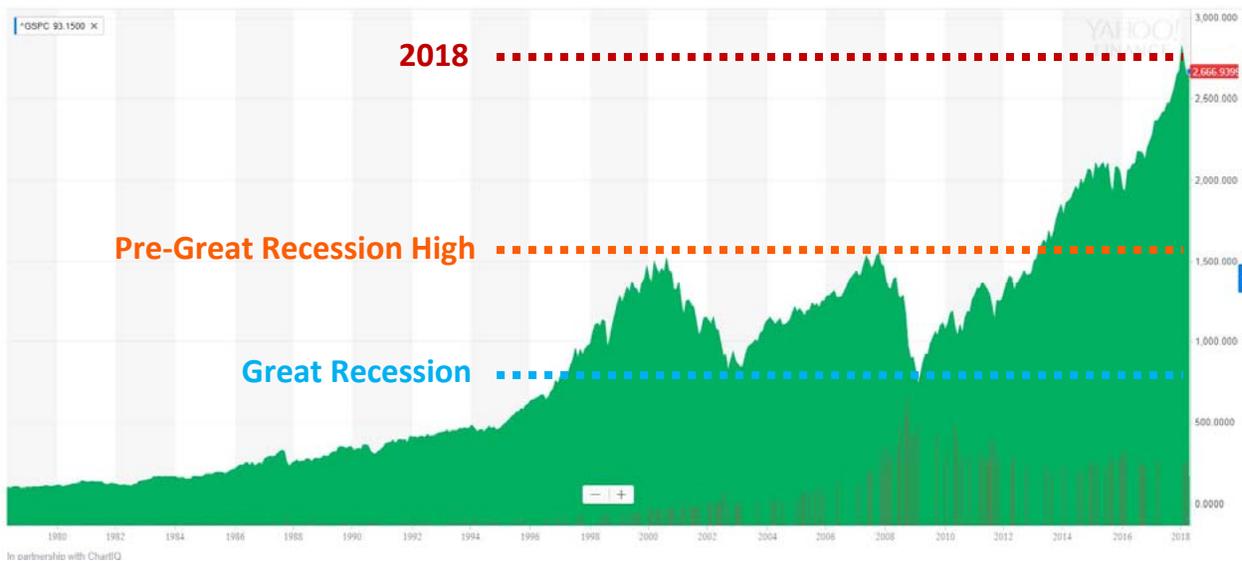
I don't have a crystal ball so I can't promise the stock market won't one day lose value, but I can tell you that the stock market is made up of real companies including Microsoft, Google (Alphabet), Disney, Coca Cola, etc. Do you foresee Disney going out of business any time soon? I always like to joke that after the apocalypse happens, Cinderella will claw her way out of the rubble and rebuild.



However, how risky you perceive the market to be is important because it can scare you into errors that will cause you to lose money.

When the markets are jumping around its common for people to panic and take their money out of the market to protect from "loosing" more, but pulling your money out of the market is actually locking in your loss. This happened to many people during the Great Recession of '08, and yes they lost a lot of money. However, those investors that were able to keep their money invested through the Great Recession are likely much better off today than they were before.

Once again, the important thing to remember is that the stock market overall has continued to grow over the long term.



S&P 500 Index Apr 1978 – Apr 2018, Source Yahoo Finance

I gave you a “guarantee” before, so I’ll give you one here too - I can almost guarantee the market will drop at least 200 points the day after you put your money in, just like I can guarantee it will rain the day after you wash your car. But it’s ok, we care about what the account looks like 10 years from now, not tomorrow.

It Won’t Make Me a Billionaire

Investing has nothing to do with beating your neighbor or making a billion dollars, it’s simply about reaching your goals.

“...but my goal IS to make a billion dollars.”

... Touché!

I mean your real goals – I want to own my home at retirement, I want to travel the world, I want to live comfortably, etc. The amount of money each person needs to reach their goals is as unique to them.





So when your snotty co-worker is talking about the 28% returns he got in his IRA last year (first of all, he's lying!) you can simply think "that's nice for him" and have peace that you are on track to reach your goal.

I Don't Know How to Get Started

One of the easiest ways to get started investing is through an employer 401(k) Plan. If your employer offers a 401(k) take advantage! With little rules concerning how much you can invest (you could defer the equivalent of \$1 per day) and deferrals made directly from your paycheck, it works like a set-it and forget-it investment system. You don't have to worry about not having enough money to open an account or when to put your money in the market.

As a bonus some employers offer Matches, Safe Harbor, and/or Profit Sharing Contributions which means they will put money into your account for you. Maybe you won't end up with enough employer money to be a billionaire, but I can guarantee if your employer puts money in your account you will have more money than if only you put money in your account.



Of course, that's not the only way to invest. If you cannot use an employer sponsored 401(k) Plan, or want to expand to the other investment account types like IRAs, Individual, or Trust accounts you can always call our office for a bit of guidance.

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