# The Experts on Investing – Part 5

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By Jonathan DeYoe

{This is Part 5 of a 5-Part series. Check out the other Parts ***here*****.** Please note that all information on YoProWealth.com is for informational purposes only. See a full disclaimer *here*.}
**The wealthy do something well** that the majority of the Middle Class do not do so well… they **invest**. Investing is hard, scary, and complex. Many don't know what to do, nor do many even know where to start. So, to help you master this touchy subject, I asked a bunch of experts for some helpful **investing advice.** Their responses follow.

### *Grant A. Webster, CFP®,* AKT Wealth Advisors LP

The best investment advice I have ever received is to **never let emotions lead you to make dumb investment moves**.
As a young financial planner and investor, there are many times when the markets have made me feel uncomfortable and nervous-but in reality, **the short term bumps in the market are meaningless**. **Don't make irrational investment choices** like selling when the stock market dips, buying the "hot stock" of the week, or thinking of investments as a "get rich quick" vehicle.
**Start a long term plan and stick with it**. When you look back at your investments 30 years from now, you will likely wish you had stuck to a more disciplined investment strategy and spent less time following the ups and downs of the market.

### Gary Lee*, Serial Entrepreneur*

The best advice I was ever given was do **not look to invest in anything short term** unless it is real estate that you want to buy and flip. Gold, Silver and Real Estate over a 10 year period have never gone down in value. Trying to make a quick buck now is like going to the casino and betting on red, **you have no idea because the markets are so volatile**.

### *Jonathan K. Duong, CFA, CFP®, President of [Wealth Engineers]*

As a financial planner and investment advisor, I've heard a lot of "advice" about investing. **Everyone has an opinion and everyone thinks they are right**. The trouble is that the advice from one supposedly genius guru is often in direct conflict with another supposedly genius guru. Worse, a lot of so-called advice simply doesn't stack up in the face of basic arithmetic.. As a result, there's a **lot of noise and nonsense for the average investor to wade through** in trying to develop their game plan. Thus, I'd like to share a couple pieces of advice from John Bogle, an investment giant who has been fighting for individual investors foe decades.

The best investment advice I ever received:

John Bogle: "**Time is your friend, impulse is your enemy.**"

Bogle's point is very simple, but is the most powerful concept in all of investing. **Compound interest is the single greatest tool that most young investors have on their side**. **Investors who develop a plan and stick to it are highly likely to be successful. Investors who let emotion drive their decisions become their own worst enemy** by buying high and selling low, therefore greatly hindering the power of compounding.

John Bogle: "**Forget the needle, buy the haystack**."

Throughout history, very few individuals have demonstrated the ability to pick stocks that consistently outperform the market after adjusting for risk, costs, and taxes. Thus, **rather than attempting to find the next Apple, just buy the entire market using a low-cost index fund or ETF**. By doing so, you guarantee yourself the market return (less a small amount in fees and taxes), which has historically delivered performance that surpasses the majority of other investors.

### *Jonathan DeYoe, President, [DeYoe Wealth Management] and Blogger, [Happiness Dividend]*

The single best piece of advice, which I received early in my career and have given hundreds if not thousands of times in the last 20 years, is a combo of planning and investment advice… **Before you invest you have to know what you are investing for**.

"Making more money" is NOT an investment goal. "Beating the market" is NOT an investment goal. "Beating your neighbor" is NOT an investment goal. Each of these is a setup. The things that you might do to produce or accomplish each of these things (and hundreds of similar things) are often the very same behaviors that **ultimately produce smaller and worse returns** over your entire investing experience.

This is because the human mind is naturally a speculator (not that it is good at it, but that is the natural tendency). **Humans tend to equate price (what everyone seems to be willing to pay for an investment) with value** (the intrinsic, even if only projected, real future cash flows available from the investment). By equating them, we are attracted to higher priced investments and we are afraid of lower priced investments. Note: this is, I hope obviously, exactly backwards.

Nothing we can do about our human proclivities or about the volatility of markets, but **knowing where we are going before we start and understanding the likely outcomes on the path keeps us from making stupid, but very human, errors along the way**.

### *Joseph Neibich, Touring Comedian, Writer*

The best investment advice I was ever given was to always **put aside 10% of the money you make for retirement**. I've been in the real world for now close to 20years and I have almost $1,000,000 saved up. No matter what I did for a living, no matter how little or how much I made as an artist, I always saved that 10%. And I never spent it. **If my wallet is empty, I consider myself broke** regardless of the money I have set aside for retirement.

### *Shanna Tingom, Financial Advisor*

Years ago, a woman much older and wiser than me told me to "**follow my checkbook**" **when investing**.

What she meant by that was to **invest in products and companies that I use and love**. I still use this advice today, and I often tell my clients the same thing! Think of your favorite grocery items, your mobile phone, your computer. **If you love them, it's likely others to do!** Do some research and find investments that may have those companies in them, or in the company themselves.

If you're not confident enough to go it on your own, hire a Financial Advisor and talk your ideas over with them. Soon, you'll be seeing investment opportunities everywhere. Not all of them will be good, but some of them will, and your advisor can help you decide. And, **by buying companies that you know, like and trust you'll be more "invested" in the process…and pay more attention.**

In summary:

- **Emotions can cause major havoc to your investment plans**. Avoid making emotional investment decisions.
- The best way to do that is to **have a plan**, and avoid the day-to-day drama of the stock market.
- **You can't predict the stock market**, so have a **big picture** view and a long-term horizon.
- Everyone has an opinion, but **opinions on the stock market are merely guesses**. Avoid them at all costs.
- The **greatest asset is time!**
- A good diversification strategy is to avoid the risk of trying to pick the next great stock and **buy a basket of stocks via an index fund**.
- If you don't have a **reason why you're investing**, you rely on luck to get you there (which isn't a good plan). **Know why you're investing and stay focused on that**. It'll help you avoid the impulse (see: poor) decisions.
- A good plan is to have **10% or more of your earnings go toward your retirement**… and never pull from your retirement accounts unless you absolutely must!
- When investing, **look at where your money is going**. What things do you enjoy buying? Others likely have the same opinion. **This may be a good place to find companies to invest in**.

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*Jonathan K. DeYoe, AIF and CPWA, is the founder and President of DeYoe Wealth Management in Berkeley, CA and blogs at The Happiness Dividend Blog. Follow Happiness Dividend on* Facebook *at* www.facebook.com/DeYoeWealth *or* *Twitter at* @HappinessDiv.



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