



Nick Murray Interactive

SAMPLE ISSUE 2021

To the Prospective Subscriber

Nick Murray Interactive, now in its twenty-first year, offers multiple complementary resources:

- *An eight-page newsletter*, published on the last business day of each month, containing essays *for advisors only* such as you see here, on the economy, markets, practice management and financial planning. *The emphasis is always on giving you actionable real-life scripts*—what to say, not just what to think.
- *A Q&A/objections handling clinic (Ask Nick)*. Subscribers may email me directly with client/prospect issues they're encountering, and I'll formulate a response, usually within two business days. Selected exchanges are (anonymously) reprinted in the newsletter.
- The *Greatest Hits Reading List*, roughly 40 essays drawn from past newsletters that, taken together, offer a virtually complete primer on my planning/behavioral philosophy and practices.
- Most months, *a Client's Corner essay* for transmittal (subject to your own compliance procedures) to clients and prospects, *only by email or snail-mail of the pdf we provide*.
- *Full access to the entire newsletter archive* (now over 2,000 pages and counting), together with a search function which can help guide you to specific subjects.

My goal is simple and straightforward: that every subscriber find in every monthly issue one idea, one script, one tactic, or one book or article review *which instantly repays the entire cost of their annual subscription*. I invite you to read the testimonials on the newsletter's home page, to see how well our subscribers think we're doing in this regard.

I love producing this resource for its growing roster of subscribers, and would welcome the opportunity to do so for you, too.

Nick Murray

“How many times does the end of the world as we know it need to arrive before we realize that it's not the end of the world as we know it?”

—Michael Lewis

A Draft Letter to Clients

October 2020

I SUGGESTED LAST MONTH THAT, UPON THE COMPLETION of the Great Round Trip of 2020, you might want to write an interim bulletin to clients, perhaps making in a different, shorter and above all more personal format the points in September's *Clients' Corner*. Between then and now, I decided that I probably ought to go ahead and draft one for you to be sending sometime this month—not least of all because, almost as a footnote, it gives us one last shot at moderating election hysteria.

As always when I do these drafts, what follows is yours to edit as you choose—or as your compliance function requires—and is to be sent out over your own signature, without reference to, or further permission from, me.

Dear client,

The coronavirus is still very much with us, as is much of the economic dislocation occasioned by the resulting lockdowns. Granted, we are evidently closing in rapidly on a vaccine—indeed, a number of vaccines. But it may be quite some time yet before most of us will get access to a vaccine, and frustration may abound. Moreover, in the coming weeks we will have to go through a hyperpartisan presidential election, with a variety of voting issues we've never had to deal with before.

So before we're further engulfed by these multiple unknowns, I want to take a moment to review what we as investors should have learned—or relearned—since the onset of the great market panic that began in February/March. And that ended when the S&P 500 Index regained its pre-crisis highs in mid-August.

The lessons, it seems to me, are:

- No amount of study—of economic commentary and market forecasting—ever prepares us for really dramatic events, which always seem to come at us out of deep left field. Thus, trying to make investment strategy out of “expert” prognostication—much less financial journalism—always sets investors up to fail. Instead, having a long-term plan, and working that plan through all the fears (and fads) of an investing lifetime, tends to keep us on the straight and narrow, and helps us to avoid sudden emotional decisions.

- The equity market went down 34% in 33 days. None of us have ever seen that precipitous a decline before—but with respect to its depth, it was just about average. That is, the S&P Index has declined by about a third on an average of every five years or so since the end of WWII. But in those 75 years, the S&P Index has gone from about 15 to where it is now. The lesson is that, at least historically, the declines haven't lasted, and long-term progress has always reasserted itself.

- Almost as suddenly as the market crashed, it completely

recovered, surmounting its February 19 all-time high on August 18. Note that the news concerning the virus and the economy continued to be dreadful, even as the market came all the way back. I think there are actually two great lessons here. (1) The speed and trajectory of a major market recovery very often mirror the violence and depth of the preceding decline. (2) The equity market most often resumes its advance, and may even go into new high ground, considerably before the economic picture clears. If we wait to invest before we see unambiguously favorable economic trends, history tells us that we may have missed a very significant part of the market advance.

- The overarching lesson of this year's swift decline and rapid recovery is, of course, that the market can't be timed—that the long-term, goal-focused equity investor is best advised to just ride it out.

- These are the investment policies you and I have been following all along, and if anything, our experience this year has validated this approach even further.

A word now—really just a repetition of what I've said to you before—about the election. Simply stated: it's unwise in the extreme to exit the quality equity investments you've been accumulating for your most cherished lifetime financial goals because of the uncertainties surrounding the election.

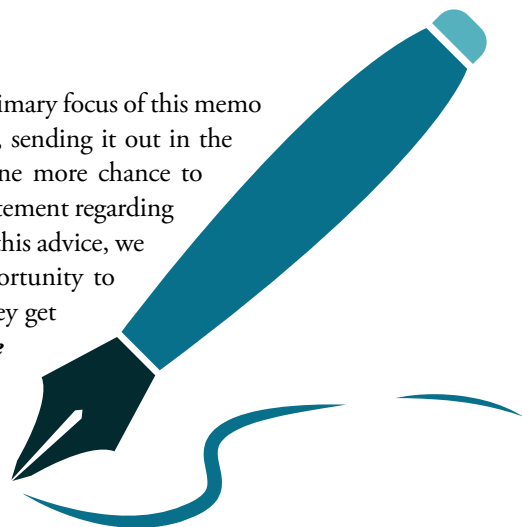
Aside from the self-inflicted wound of incurring capital gains taxes, your chances of getting out and then back in advantageously are historically very poor, nor can I possibly be helpful to you in attempting to do so. As I have all year—and as I do every election year—I urge you to just stay the course.

As always, I'm here to talk any and all of these issues through with you; that's my job.

Thank you, as always, for being my clients. It is a privilege to serve you.

Sincerely,

Clearly, although the primary focus of this memo is on what just happened, sending it out in the coming days gives you one more chance to make your “stand fast” statement regarding the election. In repeating this advice, we must never miss the opportunity to make the point that, if they get out, *we will not be able to advise them on the timing of getting back in.*



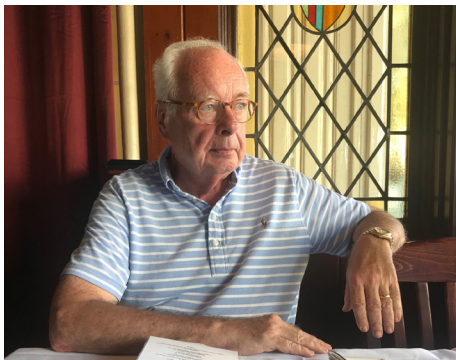
Resources

1 In the great tradition of Matt Ridley's *Rational Optimist* and the late, great Hans Rosling's *Factfulness* comes a book of the year—if not **the** book of the year—*Ten Global Trends Every Smart Person Should Know* by Ronald Bailey and Marian Tupy. I really have no words to express how important, accessible and simply beautiful this book is, but I made a stab at it in *Financial Advisor's* [online edition](#). You'll never find between the covers of one book a more complete (yet user-friendly) demonstration of the truth that optimism is the only realism.

2 I've previously expressed a dim view of "sustainable" investing, regarding it as little more than virtue signaling. I was therefore predictably delighted to read Burton Malkiel's op-ed in the weekend *WSJ* of September 19–20, titled "[Sustainable Investing Is a Self-Defeating Strategy](#)." Professor Malkiel finds not only that "No credible studies show that ESG investing offers consistently

higher long-term returns," but that "ESG investing is inherently at odds with the goal of earning higher returns." You will want to keep this essay where you can find it, to respond to client inquiries on the subject, which seem to be mounting rather ominously.

3 First Trust's Bob Carey has been doing yeoman service to the advisor community throughout this year with his "[Snapshot of Growth vs. Value Investing](#)" postings, the most recent of which appeared on October 26. He cites a BofA finding that "since the end of the financial crisis (2008–2009), the valuation dispersion between growth and value stocks reached its highest level at the end of September 2020. **Historically, when the valuation dispersion has been this high or higher, value stocks have outperformed growth stocks 95% of the time over the subsequent 12 months, by an average of 24 percentage points** (emphasis added)." Rebalancing, anyone?



Ask Nick

September 2020

WHEN THE PRODIGAL RETURNS

Q I have a client who instructed us to go to cash on June 29. They've been with us less than four years but did have a well diversified portfolio and a solid financial plan. They regularly heard our message about expecting downturns and sticking with the plan. Nevertheless, they said that things weren't "rational" and they wanted to go to cash for a while (whatever that means; I didn't even ask). They are

a relatively young couple, so this makes even less sense to me. I've told them it has to be their decision if they ever get back in. My question is, what do I say to them if they do ask to reinvest? Do they have to acknowledge their mistake and pledge never to ignore our advice again?

A Before addressing your question(s), please permit me to deal as gently and respectfully as possible with your key premise, which—it is my sad duty to report—is an absurdity on its face. I refer, of course, to the sentence "They regularly heard our message about expecting downturns and sticking with the plan." As should be perfectly obvious, they did nothing of the kind. Not once. Not ever. You may ritually have said this from time to time, and they may not have actively dissented. But they never heard you, and you defaulted to the groundless assumption that they had.

Thus, as is true in every case where a longtime subscriber to this resource has a "client" bolt during a market decline, the first realization you have to embrace is that you failed. Job One is not figuring out what to say if/when they come back. It is examining how you allowed this to happen, so

that you never allow it to happen again. I leave you to those deliberations. (My guess is that you glancingly referred to the intellectual fact that about every five years a third of one's capital appears to disappear, they nodded, you mentally checked that box and continued on. Empty calories.)

Now to your narrow inquiry. (1) First and foremost, you never contact them. They must initiate any further interaction, which one clearly hopes they won't, because the "relationship" is already broken. (2) If approached, you don't make them confess their heresy so that their sinful souls can be cleansed. You simply say, "You had an excellent plan and a lovely portfolio. I thought it was perfect for you on June 29, and I continue to think so. I recommend that you pick it up and move forward. Call it a great lesson, learned the hard way." (3) If/when they ask for advice on timing their re-entry, you say, "I can't time exits from and entrances to equities. No one can. I recommend you reacquire the same lovely long-term portfolio you sold on June 29, and I recommend you do so by nightfall."

If they so much as twitch, as Scott Glenn so memorably says in *The Hunt for Red October*, you blow them to Mars.

A Fourth-Quarter Word to the Wise

October 2020

It's always been axiomatic that the preponderance of what happens to our advisory practice in any calendar year is a direct function of the effort we put into it—particularly as respects our client acquisition discipline—in the fourth quarter of the prior year. I should think we're about to experience that phenomenon on steroids.

At some point in the next few months,

we will almost certainly know who the next president will be. There will most probably be important progress toward a vaccine (or vaccines), and we will begin to get an idea how long it will be before vaccination becomes readily available. Based on the path of that progress, we'll have a much better sense of the trajectory of economic recovery, and therefore some materially enhanced ability to make credible earnings projections. Any

and all of these developments will tend to be supportive—and perhaps strongly supportive—of progress in the equity market.

Thus the ideal time to be aggressively offering a second opinion to everyone in your universe (including people who've even turned you down) is now, and in these next 90 days.

This window has all but certainly begun to close, even as we speak.

Client's Corner

Every Four Years, “This Time It’s Different”

[This essay is typical of the pieces I make available to newsletter subscribers most months, in pdf format, for direct transmittal to clients, though not in newsletters or any websites, which would open these essays up to the non-subscribing world. I retain the copyright, which must be cited. PLEASE NOTE THAT THE INCLUSION OF THIS ESSAY IN THIS SAMPLE ISSUE IS FOR ILLUSTRATIVE PURPOSES ONLY; NON-SUBSCRIBERS MAY NOT SEND IT ON TO ANYONE, WHICH WOULD CONSTITUTE COPYRIGHT INFRINGEMENT.]

October 2020

“If you mix politics with your investment decisions, you’re making a big mistake.” —Warren Buffett

AFTER MORE THAN 50 YEARS AS AN INVESTMENT PROFESSIONAL—encompassing 13 presidential elections, not counting this next one—I have some deeply felt personal advice for the American investor. First and foremost:

Calm down. Think it through.

I’m regularly in touch through my newsletter with a very large network of financial advisors. They report that they have never had even remotely as many clients very worried about a presidential election as they do this time.

Indeed, one of my most thoughtful subscribers—who joined the profession in the late 1990s, and who is not given to hyperbole—says that he’s encountering more intense client angst this time around than he did in his first five elections *combined*.

I get that. I understand that this election seems to be freighted

with extraordinarily high levels of investor anxiety. And it isn’t just the usual “If so-and-so gets elected/re-elected, I’m moving to Canada” stuff, which is normal. This one feels rather more existential—more like “If so-and-so gets elected/re-elected, that’s the end of American democracy.” That being the case, here’s some more advice:

Take your political convictions completely out of your investment decision-making.

I know that’s hard. That’s why it’s essential. Don’t take it from me; take it from America’s most admired, least imitated investor, quoted above. (In that same interview, Buffett pointed out that for about half his career as an epically successful investor, the president has been the guy he voted *against*.)

The mistake a lot of investors seem hell bent on making these days is thinking that the person and policies of the president are importantly correlated to the stock market. There is zero basis in fact for this conviction, but at times like this, facts go out the

CONTINUED ON PAGE 9

Let's Stop Trying to Convince Anybody of Anything

December 2020

FACT: THERE ARE ABOUT 10,000 PEOPLE RETIRING IN THIS country every day, including Saturdays and Sundays. This number will persist at least through 2029, when the last Baby Boomer (born in 1964) turns 65.

Fact: In big round numbers, there are 40 million people in this country on any given day who are between their 50th birthdays and their retirement dates. Drop off the bottom half of that number, assuming that those people will live in retirement relying preponderantly if not totally on Social Security. The top half are our prospective clients.

Wait; before we try to draw any conclusions from these overwhelming data, let's remember a couple of other things:

(1) Every household that's seriously accumulating assets for retirement has a number—that is, a sum of invested capital which, at retirement, will allow it to begin withdrawing something in the neighborhood of 4.00%–4.50%, and escalating that withdrawal at trendline inflation—with little or no danger of exhausting their capital. ***No one knows what that number is, nor how to calculate it.*** But we do, and that alone makes us effectively invaluable.

(2) The huge preponderance of those households is planning to go into retirement with a predominately fixed income portfolio, because nobody told them that the essential financial problem of retirement has nothing to do with principal. The enemy is **erosion of purchasing power**: the fact that, at trendline inflation, living costs over a 30-year, two-person retirement will go up somewhere between 2.25 and 2.4 times, overwhelming a fixed income and exhausting their capital. Again, ***they don't know that, and will not realize it until it's too late.*** But we **do** know it; moreover, we know how to solve the problem (with equities, of course). Again, this alone makes us effectively invaluable.

Which should lead us, finally, to ask ourselves a critically important question: ***why do we feel the need to convince anybody of anything?***

One answer—and it's not a bad one at all—is that that's how we were trained. We were taught to discover a need in a prospective client, craft a solution which meets that need, and commence “selling” it to them, regardless of how strongly they resist it. In this “sales” paradigm, getting people to do what they needed to do instead of what they wanted to do was seen as a process of overcoming objections. In a commission-based business, that was the only way we could get paid.

Thus I was trained in securities sales—not in holistic financial planning, which didn't exist at the time—and am very glad I was. It's not just a manner of discourse, it's a way of looking at



A doctor doesn't sell. She diagnoses, then prescribes. That's the limit of her responsibility.

the world. There is a level of confidence that comes over a long period of time from knowing that there can be no valid objection when what you're presenting is right. And at that point you know how to respond to any objection correctly, compellingly—***and without thinking.***

And then at some point you grow out of it. It is that point to which I seek to bring you in this essay—to the extent you're not already there. (And many of this newsletter's readers are—but many

CONTINUED ON PAGE 8

SIX MONTHS LESS ONE DAY

The Tragedy Is Complete

September 2020

*“And every time, again and again,
I make my lament against destruction.”*

—Yevgeny Yevtushenko, from his poem “People”

ON FEBRUARY 19, THE BROAD EQUITY MARKET IN THE UNITED STATES made a new all-time closing high at 3,386.15 on the S&P 500 Index. Six months less one day later, on August 18, it recorded its next new closing high at 3,389.78.

If you apprehended nothing but these data, you would probably conclude that, in the intervening half year, nothing much happened. In fact, for the U.S. economy and for the equity market which reflects it, these were the most dramatic six months ever.

The facts may be briefly stated.

- After a novel coronavirus emerged, the U.S. locked down its economy; this led to an epic decline in GDP and a concomitantly catastrophic spike in unemployment.
- In response, the equity market went down farther and faster than it had since the onset of the Great Depression.
- On March 23, the Federal Reserve took the historic step of announcing that there would be no dollar limit on its willingness and ability to support the economy through the credit function.
- Almost to the hour of that announcement, the equity market sharply reversed course, reeling off its best 50 days of all time and its best 100 days since 1933, resulting in a new all-time high. In this it was reflecting—and indeed forecasting—the economy.
- That economy, by many important measures including per-

sonal income and retail sales, recovered more broadly and robustly than anyone had reason to hope; even without further fiscal “stimulus,” it continues to do so.

- That the equity market completely recovered long before the economy is merely par for the course; that is its well documented historical function as a leading indicator.

- The quest for a vaccine is progressing on a number of fronts at a record pace; history will see this as the current generation’s Manhattan Project on a global scale. The advances in research, the streamlining of the approval process and the great leaps in treatment protocols will almost certainly benefit mankind far into the future.

Those are the facts of these past six months as we find them. The human tragedy—quite apart from the loss of life in the pandemic—is that, in investor decision-making, the facts have nothing to do with the case.

The equity market’s February 19–March 23 panic attack was historic by a number of measures, other than just its speed and violence. One very significant milestone was that in five weeks it set off an orgy of equity mutual fund/ETF net liquidations roughly equal to what we saw at the nadir of the 2007–09 bear market.

The latter, you’ll remember, took 17 months to run from peak to trough; its pure panic phase—from the Lehman bankruptcy on September 15, 2008 to the March 9, 2009 bottom—continued for a week shy of six months. The total decline was 57%. ***This year, we recorded about the same levels of terror-driven capitulation in 33 days, in a decline nowhere near as deep.*** Almost inevitably, the VIX—as reliable a gauge of fear as we have ever had—blew through

The Mind-Numbing Stupidity of Gold

August 2020

One takes note of the recent pandemic-driven flareup in gold prices, and the existential horror that seems to have provoked in the unwashed, concerning the possible cratering of the dollar and of meaningfully increasing inflation, due presumably to the tsunami of monetary and fiscal stimulus.

Allow me to restate my fundamental thesis. First, gold would be the stupidest investment known to mankind, but for the fact that it isn’t an investment at all.

It’s an inert metal which produces nothing, yields nothing, and is entirely without intrinsic value. Its putative value exists only by common consent, to the effect that it is allegedly an inflation hedge. That is, gold doesn’t really “go up;” the value of the dollar just goes down.

As to the current situation, one notes the following, in no particular order:

- The dollar—far from cratering—is simply retreating back to its average zone. It shot up wildly during the pandemic’s

moment of maximum panic; all it’s doing now, at about 94 as I write, is settling back toward long-term norms.

- It is narrowly correct, as the headlines shriek, that gold—pushing toward \$2,000—has recently made new all-time highs. Its last all-time high, set in August 2011 at the height of ***that*** apocalypse, was \$1,850. That is to say, gold has essentially been dead money for nine years.

- At the risk of piling on, the day gold hit \$1,850 (8/11/11, if I’m reading the chart

its Global Financial Crisis peak and spiked to levels never seen before. Hence, the eternal tragedy of immutable human nature.

What more complete and perfect an education in the true work of wealth management could a financial advisor hope for? And now, having experienced the entire curriculum in a mere half year, what further education could he/she need or want? In the nearby *Client's Corner*, I say to the clients, "You've just seen the whole movie." To you I say, "You've just learned everything you'll ever need to know."

The cycle of investor emotion you've seen since Groundhog Day is the same one—albeit on different trajectories—you'll be dealing with for the rest of your career. To wit: Euphoria. Panic. Regret. Repeat. This is not simply the single greatest challenge a career wealth manager faces. It is larger than all the other challenges put together.

(To those of you whose divorce from reality may be so complete that you are prompted to plead, "But my clients didn't panic," let me just remind you of what you already know: **they didn't have time**. If they'd been given four more weeks and another 10% down, do you really believe they'd all have remained stoical? Spare me. Moreover, you already know who was out there on that ledge, getting ready to jump. What are you doing about him/her/them?)

Those who jumped, despite your advice, have placed themselves beyond the pale. In some cases, they have damaged their retirement plans irreparably; at this point they will never catch up. You may have no contact with them other than that which they initiate. If they do call—see the nearby *Ask Nick*—and request guidance on getting back into the market, the extent of your permissible response is the single word "nightfall."

The cycle of investor emotion you've seen since Groundhog Day is the same one—albeit on different trajectories—you'll be dealing with for the rest of your career. To wit: Euphoria. Panic.

I'll assume you who have teams are meeting with them, to make sure everyone is on the same page as to "what have we learned" as well as "what might we do better next time."

I'll assume further that you now have everybody out of cash, or at the very least have a specific plan agreed upon with each client for getting out of investable cash over the next block of time. (If we do not have said plan, why don't we?)

Finally, I'll hope that you plan to mark the occasion of the market's having made up all its "losses" by writing some sort of "what have we learned" letter to the clients, reiterating that (a) the market can never be timed, (b) declines of this size—if not of this speed—are as common as dirt, (c) you can never know how market crises will end, but you can be sure **that** they will end, (d) equities remain the only way most of us are ever going to achieve our goals, and (e) optimism remains the only realism.

An incalculable amount of good can come out of this, not just for your practice but for your life, and the life of your family. Don't let this crisis go to waste.

right), the S&P 500 closed at 1,173. As I write it's 3,200. How appallingly stupid would you have been to sell stocks and buy gold then? And is your thesis that this time it's different?

• At its great blowoff top during the Carter era's global inflation panic (January 1980), gold traded briefly above \$800. Thus it has basically gone up from \$800 to \$2,000 in 40 years, up 2.5 times. The Consumer Price Index over the same span of time went up 3.3 times. This is an inflation

hedge? Better you should have bought vintage Batman comics.

• Again piling gleefully on, in January 1980 the S&P 500 was 111. At 3,200, it's up 29 times vs. gold's 2.5 times. Are you beginning to see a pattern here?

• Conclusion: gold is stupid. But selling stocks to buy gold is beyond stupid; it's historically insane. **By far the greatest long-term inflation hedge ever crafted by the hand of man has been mainstream U.S. equities.** This time is not different.

• I can hold in my head the possibility that massive fiscal and monetary stimulus may, in the near to intermediate term, touch off a palpable uptick in inflation. Alternatively, I can hold in my head the facts that the 10-year U.S. Treasury note currently yields six tenths of one percent, and that the 30-year bond yields one and one quarter percent. I continue to be unable to hold both these ideas in my head at the same time.

• Suggested readings: **Nick Murray's Scripts # 50, # 51 and #52.**

New Year's Resolution

CONTINUED FROM PAGE 5

more could be.) Simply stated, it is the transition from a sales paradigm—even when you're "selling," say, *retirement planning*—to the paradigm of medicine.

A doctor does not sell. A doctor performs two functions: diagnosis and prescription. *A doctor diagnoses; based on the diagnosis, she prescribes.* Beyond that—and this is critical—she assumes no responsibility.

Will the doctor encourage a patient to follow a healthier lifestyle, to get more exercise, to drink more water—if necessary to take the medications she prescribes, and even to have the surgical procedure she recommends? Of course. And she may go on to describe the benefits that accrue to her prescribed course of action. But that's as far as it goes. She cannot prove an outcome, nor will she try. At the end of the day, *the doctor cannot want for her patient more than he wants for himself.*

We know from bitter experience that we can talk just about anybody into just about anything we want him to do—that we are highly skilled "salespeople," even if we no longer think of ourselves in those terms. Come to discover that "he convinced against his will is of the same opinion still." Having bought equities against all his instincts because we convinced him there was no other way, he abandons them the first time they go down by a third (within five years, on average), and blames us.

(Viewed properly, that's the great benefit to the advisor of those moronic "risk tolerance questionnaires." When we see how the self-styled "conservative" investor filled his out, we perceive that though he said he understood the need for equities—because we left him no choice—he didn't at all. *Walk away.*)

Why, then, do we persist in trying to do more good for people than they have any intention of letting us do? Yes, the basic instinct is a healthy and even a humane one: like the doctor, we want our "patient" to live, and live well. But we can't make him take the medication. And on those rare occasions when we

We have another nine years until the Baby Boom retirement tsunami even begins to crest. This is the greatest prospecting opportunity for financial advisors there ever was, and most probably ever will be.

can, we have every reason to know it will one day come back to haunt us.

As always, I believe we engage in the futile act of trying to make someone a successful investor who shows no evidence of wanting to be one because he's the only prospect we have right now, and we're not sure when we'll get a crack at the next one. In other words, it all tracks back to the decay of our client acquisition discipline. We're simply not talking to enough new people.

And yet: look at all the new people there are to talk to. Ten thousand new retirees a day? Twenty million, let's say, in that golden period where they're putting away the most money for retirement, but have no plan because they don't know what their number is?

I suggested in the virtual Behavioral Strategies Conference we held in October that the wise advisor will think of himself as a doctor, sitting in his office interviewing a fatally ill patient, while 20 million other similarly afflicted people are outside in his waiting room. He questions, he examines, and then he formulates a diagnosis. He communicates that diagnosis to the patient, along with the course of treatment which has proved most effective in the past. *And there's an end to it.*

If the patient agrees, then together they start the treatment. If he demurs, the doctor says, in effect, "Nurse, please send in the next patient." There are too many desperately ill patients out there, eager to take whatever medicine is authoritatively prescribed *if only an empathetic doctor will tell them what their malady is.* We are that doctor. You are, I am, every reader of this newsletter is. It's just a

matter of getting a reasonable number of people into our waiting room—out of the millions who are ill—so that we can dismiss any recalcitrant without anxiety, and without self-recrimination.

How does one do that, even from a standing start? I devoted almost the entire month of November (from the 6th through the 30th) in *Around the Year* to this topic—even outlining a seminar that's potentially powerful yet very economical. I think you'll find at least the beginnings of everything you need in those pages.

We have another nine years until the Baby Boom retirement tsunami even begins to crest. During that time, the Boomers will continue receiving ever larger portions of the roughly \$9 trillion that their generation will ultimately inherit. This is the greatest prospecting opportunity for financial advisors there ever was, and most probably ever will be. It will propel any advisor who single-mindedly works it to the very top of this profession.

But we will not get there by persuading. We'll get there by diagnosing, prescribing, letting the chips fall where they may, and inviting in the next patient. Again and again and again.

Start here and now. Does each and every one of your pre-retirement clients have a written date-specific, dollar-specific retirement accumulation plan? If not, why not? Would they not be the ideal patients upon whom to perfect your diagnostic/prescription skills?

Don't just make this the focus of your 2021. Think very seriously about making it your focus for the balance of the decade.

CONTINUED FROM PAGE 4

Two relatively recent examples of this nearly perfect non-correlation: (1) The subprime mortgage bubble inflated over several years, and then burst into global crisis, during the two-term incumbency of a strongly free market Republican. (2) During the following two terms of a strongly progressive Democrat, the stock market went up every year for eight years. If you made investment strategy from the policy pronouncements of both men, you got spectacularly skunked. Twice. And in a month or so, you're going to get the opportunity to go for the trifecta.

No matter who gets elected, nor what his policies, superior companies will continue to thrive by acting in their shareholders' best interests.

In time, most if not all of those companies will find other avenues of economic enterprise in which they are free to earn

Then consider:

That's one key feature that has made ours the most successful and longest-lasting democracy in history. In November 2022, the entire House of Representatives and a third of the Senate will have to face the voters again. And if the president or the Congress—or both—are held to have gone too far in one direction, they'll get thumped. It happens all the time.

You can't predict, much less time, what the stock market will do around the election. You mustn't fault yourself for this: neither can anyone else.

Given the historically elevated levels of investor anxiety noted earlier, a lot of people seem to have convinced themselves that it would be a nifty idea to just get out of the market, wait until the election blows over one way or the other, and then get back in.

When you radically alter your long-term portfolio because of current events—even when you tell yourself it’s “just this once, and just briefly”—you’re not investing anymore. You’re gambling. Too many people find to their regret that once they’ve crossed that line, they’re never able to get back.

• • •

I take some comfort—and devoutly hope you do too—from the near certainty that all I've been doing here is summarizing pretty much exactly what your financial advisor has been counseling all along. Now, I suppose it's possible that he/she and I are both wrong. But if I were you, I wouldn't bet my retirement on it.

© October 2020 Nick Murray. All rights reserved. Used by permission.

To subscribe, please visit
www.NickMurrayNewsletters.com

[illegible]