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Better Decisions

A bulletin devoted to helping you make better and better financial decisions

What's the Idea Here?

by

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A few years ago, the markets raged.

Everything you bought went up. Everything you didn't buy went up. So-called financial advisors (like me) exuded a warm glow of wisdom. Why quibble if the stock or fund you owned went up only 15% instead of 20%? Heck, it still out-performed.

Well, as we all know, the markets have decided to stop raging. Instead of raging, the markets have turned to sputtering or, maybe, wandering or loitering in the hallways.

The 1:1 correlation previously expected between having an advisor and out-performing the benchmarks has vanished. So that's one point: even with a genius advisor, it is not so easy to out-perform. And if you do out-perform it's by nano centimeters, not five furlongs. The idea of always expecting above average results on a regular basis has reverted back to that small, highly envied, insular population residing in Lake Wobegon.

The second point is that simply being fully invested may not be *a priori prima facie* such a wonderful thing. It's not unlike the maple trees in Vermont. They're having a tougher and tougher time producing the yields of old. They're still good trees, but the sap just isn't flowing like it used to.

So, too, the markets; which could mean that maybe, just maybe, the markets are not going to save us from ourselves. And maybe, just maybe, we are going to have to save ourselves from ourselves! And just how do we do that? My hunch is that we can only do that by making better and better financial decisions.

Here's where I'm going. Let's say you just spent \$50 on tickets and attended a sensational, soul igniting concert. Or, you just spend \$50 on tickets and attended a boring, poorly performed, lousy concert. What's the difference?

Well, there's a whole lot of difference, obviously. But, if you went to the bummer concert, how did you end up making such a bad decision? What did you miss? What did you do or not do when deciding that led you astray? And if you went to the wonderful concert, how come you got it right?

In other words, what can you do in your current financial circumstances to make fewer bad decisions and more good decisions? Answering that question is the mission of this modest publication and, in the process, helping you build the mental muscle to make better and better financial decisions and out-perform your old self. Get ready for issue #2, it's coming soon.