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RETIREMENT PLANS THAT "CLEARLY" WORK FOR YOU.

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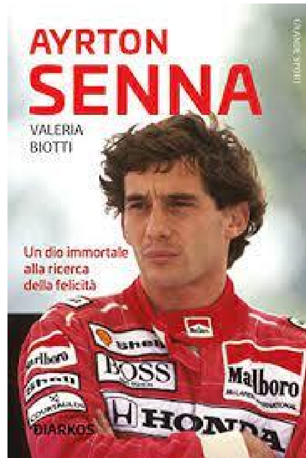
IF YOU NO LONGER GO FOR A GAP THAT EXISTS, THEN YOU'RE NO LONGER A RACING DRIVER. Aryton Senna (Born 1960- Died 1994)



He streaked through the sport like a comet, an other-worldly superstar whose brilliance as a driver was matched by a dazzling intellect and coruscating charisma that illuminated Formula One racing as never before. No one tried harder or pushed himself further, nor did anyone shed so much light on the extremes to which only the greatest drivers go. Intensely introspective and passionate in the extreme, Ayrton Senna endlessly sought to extend his limits, to go faster than himself, a quest that ultimately made him a martyr but did not diminish his mystique.

Ayrton Senna da Silva was born on March 21, 1960, into a wealthy Brazilian family where, with his brother and sister, he enjoyed a privileged upbringing. He never needed to race for money but his deep need for racing began with an infatuation for a miniature go-kart his father gave him when he was four years old. As a boy the highlights of Ayrton's life were Grand Prix mornings when he awoke trembling with anticipation at the prospect of watching his Formula One heroes in action on television. At 13 he raced a kart for the first time and immediately won. Eight years later he went single-seater racing in Britain, where in three years he won five championships, by which time he had divorced his young wife and forsaken a future in his father's businesses in favour of pursuing success in Formula One racing, where he made his debut with Toleman in 1984. At Monaco (a race he would win six times), his sensational second to Alain Prost's McLaren - in torrential rain - was confirmation of the phenomenal talent that would take the sport by storm.
Senna

Soccer and Formula 1 Racing are religiously followed sports in majority of the world (excluding America). The players/drivers are handsomely paid, have adoring fans, and attract crowds wherever they go. I surmise that the reason that neither sports have amassed a significant following in the United States is that the American character is best represented by **Fast Cars, Brute Force, and Instant Gratification.** Whereas soccer (known as "football" to the rest of the world) and Formula One racing reflect a more refined personality made up of **Nuance, Multi-Layered Strategy, and Patience.**

An appropriate analogy would be Americans play Checkers while the rest of the world plays Chess. Despite the success of the U.S. Women's Soccer team over the years, the game still consists of multitudes of children/young adults playing the sport, but fading away as they enter adulthood. As for Formula One, they have gotten a tremendous boost from the success of the ongoing Netflix series **"Drive to Survive**"Drive In the past, U.S. has been the destination for fading stars in both sports to finish their careers. I think of MLS soccer with Pele and Beckham and Indy Car racing with Emerson Fittipaldi and Nigel Mansell. With so many new avenues to watch sports, I predict that the U.S. will heartily embrace both of these fantastic spectator sports.

LONG-TERM - The S&P 500 has gained an average of +11.1% per year (total return) over the last 50 years (i.e., 1972-2021). The index has been

positive in 17 of the last 19 years. Over the long-term, the S&P 500 has been up during 40 of the last 50 years, i.e., 80% of the time (source: BTN Research). By the Numbers 1.3.22. That S&P 500 Index average return number is something any investor would gladly take. Furthermore, the Active Managers (select each stock based on analysis) mostly continue to underperform the Passive Managers (select a basket of stocks to mirror an index. Indexing

I feel it is important at the beginning of a new investment year to examine the realities or failings of the average retail investor. This article from **The Balance** (www.thebalance.com) is an excellent piece that should be read by novice investors and a great reminder for you seasoned ones too.

Why Average Investors Earn Below Average Market Returns
Average Investor

Research done by Dalbar, Inc., a company that studies investor behavior and analyzes investor market returns, consistently shows that the average investor earns below-average returns.

For the 20 years ending December 31, 2019, the S&P 500 Index averaged 6.06% a year. The average equity fund investor earned a market return of only 4.25%.

Investor behavior is illogical and often based on emotion. This does not lead to wise long-term investing decisions. Here's an overview of a few typical money-losing moves that average investors make.

Buying High

Studies show that when the stock market goes up, investors put more money in it. And when it goes down, they pull money out. This is akin to running to the mall every time the price of something goes up and then returning the merchandise when it is on sale—but you are returning it to a store that will only give you the sale price back. This irrational behavior causes investor market returns to be substantially less than historical stock market returns.

What would cause investors to exhibit such poor judgment? After all, at a 6% return, your money will double every 12 years. Rather than chasing performance, you could simply have bought a single index fund and earned significantly higher returns.

Want to estimate how long it will take for your investment to double? Use

the Rule of 72. Divide the number 72 by the anticipated rate of return to arrive at a rough estimate.

Overreacting in times of uncertainty

The problem is the human reaction, to good news or bad news, is to overreact. This emotional reaction causes illogical investment decisions. This tendency to overreact can become even greater during times of personal uncertainty—near retirement, for example, or when the economy is bad.

There is an entire field of study which researches this tendency to make illogical financial decisions. It is called behavioral finance. The study of behavioral finance documents and labels our money-losing mind tricks with terms like "recency bias" and "overconfidence."

Investors Believe They Can Predict the Future

With overconfidence, you naturally think you are above average. For example in one study, 81% of new business owners thought that they had a good chance of succeeding, but that only 39% of their peers did. In another study, 93% of U.S. drivers rated themselves in the top 50% of drivers in terms of skill.

When it comes to investing, overconfidence causes investors to exaggerate their ability to predict future events. They are quick to use past data, and to think they have above-average abilities that enable them to predict market movements into the future.

Popular books, like Carl Richard's "The Behavior Gap," also do a great job of explaining the behavioral decisions that lead to the large gap between market returns and actual investor returns. Despite the research and education, the gap continues. So what can you do to avoid the fate of the average investor?

How to Avoid Losing Money

One of the best things you can do to protect yourself from your own natural tendency to make emotional decisions is to seek professional help and hire a financial advisor. If so, use a disciplined screening process to find the right advisor for you.

An advisor can serve as an intermediary between you and your emotions. If you are going to manage your own investments, you'll need your own

way to keep your emotions out of the buy/sell process. Consider using the four tips below to make smarter decisions.

1. Do Nothing

A conscious and thoughtful decision to do nothing is still a form of action. Have your financial goals changed? If your portfolio was built around your long-term goals (as it should be), a short-term change in markets shouldn't matter.

2. Know That Your Money Is Like a Bar of Soap

To quote Gene Fama Jr., a famed economist, "Your money is like a bar of soap. The more you handle it, the less you'll have."

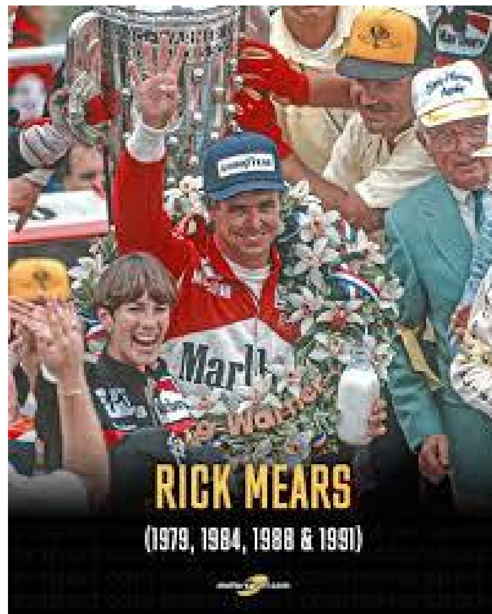
3. Never sell equities in a down market

If your funds are allocated correctly, you should never have a need to sell equities during a down market cycle. This holds true even if you are taking income.

Just as you wouldn't run out and put a for-sale sign on your home when the housing market turns south, don't rush to sell equities when the stock market goes through a bear market cycle. Wait it out.

4. Trust That Science Works

A disciplined approach to investing delivers higher market returns. Yeah, it's boring; but it works. If you don't have discipline, you probably shouldn't be managing your own investments.



“To finish first, you must first finish.” “For me, the American Dream was to go racing; for others, it's to pursue whatever their goals may be.” “You've got to learn a pace that's fast enough to win, but slow enough to finish.”

As retirement plan advisors, we focus on the long-term benefits of investing. If we continue with our "racing theme," true auto racing fans know that every race is a "long race" (i.e. anything can happen and most likely will). Thus, our participants need to understand that you are **NOT** a day trader, but an investor. 10 Years

We, at The Prizant Group, act as your "Pit Crew" to make sure you have enough fuel, appropriate or fresh tires, proper wing adjustment, communication issues, and hydration. Pit Crew We know that saving for retirement is a ***LONG RACE AND YOU HAVE TO FINISH TO WIN.***

Mears' Indy Wins

My Little Deuce Coupe

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"ALL I DID WAS KEEP TURNING LEFT" GEORGE ROBSON ON WINNING THE INDY 500

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