



IF I COULD ONLY TEACH TWO FINANCIAL LESSONS

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Greed is the green-eyed monster that none of us want to admit is lurking inside us. But it's there, and we all feel it at some moment or another in our lives. Take, for example, the GameStop saga in recent weeks. (1) Say what you want about the few days of everyday people furiously buying up stock—it sure wasn't part of anyone's retirement plan.

Stay The Course

Take greed, which can lead you off course, and add in fear, and you've got a recipe for disaster. If I have just two lessons to impart, it would be 1) don't let fear and greed drive your financial decisions and 2) drown out the noise that leads to fear and greed.

We all think the grass is greener on the other side. Maybe not all the time, but you must admit you've felt that envious feeling before. When it comes to your financial plan, it's

exactly what it sounds like—*your* plan. Not your neighbor's, not your uncle's, but your plan, and it should be uniquely tailored to your goals. If you have a cookie-cutter plan that says "insert name here," then it's time to look for a new financial advisor. An excellent financial advisor builds a plan based on your life and your ambitions. Hochman Cole will keep you on track to your destination.

But if fear and greed crop up in the meantime, your advisor and your plan should keep you on target. There will always be a shiny new tech stock or an undervalued energy stock, but should you be jumping on the bandwagon? Is it right for you? That's the big question. If early retirement is your goal, should you be tinkering with your asset allocation at age 55 and buying stocks not appropriate for your portfolio? Probably not.

Greed and fear are two sides of the same coin. Greed makes you jump into the market, and fear makes you sit out of the market. There's a compromise somewhere in the middle, and your financial advisor should know the psychology of investing and be able to get you out of trouble when you are in over your head, or gently nudge you when fear takes over. Professional money management based on science, history, and numbers prevent you from floating away into the abyss of greed or fear. If you want to dabble in the GameStops of the market, have a separate taxable brokerage account with money you won't need for a very long time, and experiment with different strategies. It can be your safe place to be greedy!

Drown Out The Noise

My second tip is to drown out the noise, which can be very hard to do with a 24-hour news cycle and a ding on your phone every 12 seconds. But giving in to your natural propensity for greed or fear can sabotage yourself and your goals. So turn off your phone's alerts and turn off the office TV stuck on CNBC. You will thank yourself later.

So those are my two lessons. Greed and fear will derail you every time. Stick to your plan and find a financial advisor who can guide you through prosperous times and lean

times. Trust in your plan and make the right decisions based on the information and not on the latest buzz. I

(1) <https://www.nytimes.com/2021/01/27/business/games-top-wall-street-bets.html>