



## **You Only Live Once, So Plan Well**

Since the end of January, #YOLO has been a rallying cry on internet message boards where amateur investors have driven up stock prices for video game retailer GameStop and movie theatre chain AMC. And while everyone should have opportunities to build wealth via the markets, we believe this particular group of rebels are only half-right about their investment strategy.

It's true that "you only live once," and you need to make the most of the financial opportunities available to you. But that's exactly why we prefer measured, long-term financial planning to short-term speculation.

### **How much can you earn? How much could you lose?**

Setting aside the larger implications of #YOLO for our financial system, let's focus on the individual.

Yes, some GameStop and AMC investors are cashing out large multiples of their initial investments. But many others are letting their investments ride, hoping for even greater returns. Other folks who came late to the party have bought these stocks at much higher prices than the original investors did. If enough current holders decide to cash out quickly, the price of these stocks will fall dramatically. The losses for some investors could be catastrophic, especially young people who are betting their rent money, emergency savings, or COVID-19 relief checks.

Also, while we generally support folks getting more interested in investing, managing your finances using apps and message boards isn't foolproof. A second wave of investors who thought they were joining the movement to boost AMC Theatres mistakenly purchased stock in the AMC television network. It's doubtful that misclick is going to pay off.

### **Short-term gains or long-term prosperity?**

While making a couple thousand dollars overnight sounds exciting, that ROI is no match for the wealth-building power of a balanced, diversified financial plan.

The small investments that the #YOLO crowd are cashing out today [could be compounding by 10% annually](#) had they been invested in the S&P 500 rather than the hot stock of the moment. Hopefully, some #YOLO investors will reinvest their earnings in plans that will help them create a more secure financial future.

But that leads to another problem with #YOLO: creating secure financial futures wasn't really part of the plan. Some folks wanted to make a quick buck. Others, nostalgic for the pre-COVID days of shopping at the mall and going to movies, wanted to support struggling companies that they love. And still others just wanted to "stick it" to Wall Street firms who were betting that

GameStop and AMC would continue to struggle; they thought it would be fun to shake up a system they perceived as rigged against them.

### **What's your plan?**

Rather than debate the merits of those motivations, let's think about all the things that aren't on that list of reasons to #YOLO:

- Buying a new house.
- Sending your kids to college.
- Paying down debt.
- Topping off your IRA or 401(k).
- Starting your own small business.
- Supporting an infirmed parent.
- Saving for a dream family vacation.
- Moving to your ideal retirement destination.

Our big-picture strategy is much bigger than any one stock or any one market fluctuation. Instead, we structure your Life-Centered Financial Plan to meet the goals, challenges, and transitions that you and your family will face throughout every stage of your lives.

We'd also love to help your family's next generation get a head start on their planning as well. If your kids or grandkids are asking you about #YOLO or have a new interest in finance, let's schedule a group meeting or video call to keep their allowance money pointed in the right direction.

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