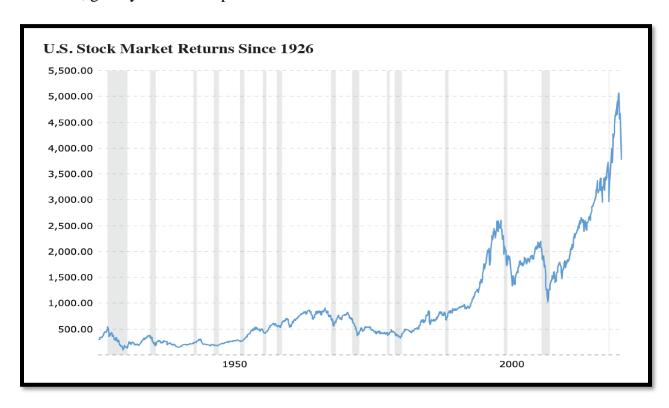


The Inverted Casino

August 01, 2022

Sometimes it's helpful to take a step back and look at the big picture, and that is probably more true about investing than any other aspect of our lives. The 'little' picture is what happened yesterday, or last week, or the first or second quarters of the year. The big picture is something quite remarkable: the long-term trajectory of stock values, which are the result of millions of people coming to work every day to add value, incrementally, day by day, to their companies.

The chart shown here not only gives you the big picture of returns since the 1920s—the result of all that labor—but also shows, in the gray vertical bars, how few downturns we have experienced compared with times when the markets were rising. Investing in the U.S. stock market is like putting money down in a casino where the odds of winning, over time, greatly exceed the potential for losses.





Focusing on the 'little' picture is natural and normal—and also tends to lead to making decisions that are not ideal in the long run. If you walk into a casino where the odds are in your favor, a short run of bad luck shouldn't discourage you from continuing to play.

Source:

https://www.macrotrends.net/2324/sp-500-historical-chart-data

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number (215) 325-1595 or you can click here to schedule a meeting.

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.





Jeffrey Broadhurst MBA, CFA, CFP Broadhurst Financial Advisors, Inc.







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Our physical and mail address:

1911 West Point Pike P.O. Box 301 West Point, PA 19486-0301

Contact us:

Phone: (215) 325-1595 Email: jeff@broadhurstfinancial.com