

## Regular Maintenance or Remove and Rebuild?

Most car nuts are obsessive at taking good care of their rides. The manufacturer suggested regular maintenance schedule doesn't begin to tell how well the vehicle is taken care of if you are a car nut! Pundits say oil changes every 3,000 miles are a waste, not for my ride! You can never wash and wax your car too much either as far as I'm concerned. My 12 year old ride looks relatively new, because I'm crazy about taking care of it. Many people who are not car buffs don't take good care of their cars and because of that, they experience complete meltdowns of the neglected systems. I had a good friend from school in the 1980's that had a turbo four cylinder Dodge Charger, a very fast little car, who hadn't changed the oil in over 3 years of owning the car. Luckily and surprisingly, he didn't blow the motor. When we changed the oil, he was amazed at how much better it performed – go figure! I have many friends now who run their tires down until the steel belts are showing, don't ever check tire pressure or rotate tires, wait for belts to snap prior to changing them and in general, neglect their cars. It's painfully obvious too by looking at the poor cars--they look 5-10 years older than they actually are and appear as if they've been entered into smash up derby contests on the weekends! Cars are not static, there is a plethora of moving parts within and everything needs to be taken good care of – for performance, reliability and longevity. If you take care of things well and stay on top of it, your ride will give you decades of reliable, fun transportation and enjoyment.

Taking care of your personal finances is no different than your car: there are many moving parts that need to be addressed and maintained, otherwise you'll experience total financial meltdown. Then it's too late to do something about it. I've had the sad experience of meeting hundreds of people who lost half of their life savings during the stock market collapse of 1999 – 2002. People lost big during that time because of lack of maintenance. During the bull market of 1988 – 1999 stocks were on a tear. Just about anything you bought went up, up and away. People forgot about basic principles of investing in stocks (businesses) such as buying shares at a discount to intrinsic value, and maintaining a diversified portfolio (owning different types of investments, each with their own inherent risk/reward characteristics)-- and they were severely punished by the markets. If your 401(k) turned into a 201(k) take it as a lesson. If you never changed your oil from 1988 – 1999 your motor would blow. It is the obvious result of willful neglect. IF you would expect the motor to blow then why would you be surprised if lost money in the stock market after you've neglected your portfolio?! ☹ In the world of finance we have to worry not just about the moving parts of our personal interests, but the dynamic nature of the global financial world we live in. The world of finance and money is constantly changing and we need to change with it – tune up our portfolio and employ different strategies when warranted. Otherwise we'll fall behind the curve and lose out – perhaps not today but certainly in the end.

As times change our rides change – can you even buy a car today with a carburetor and not fuel injectors? Would you want one if it weren't a period restoration? Can you get bias play tires anymore? The new technology in cars is great – navigation, safety controls, airbags and satellite communications – all features we're using today that weren't available 10 15 or 20 years ago. Why is it we're so good at changing the ways of our rides but not our money? Your car is a tangible you can touch, feel and enjoy today, but your financial future seems nebulous and far off. If you don't worry about your finances when you cannot feel the urgency, by the time you do feel the urgency it's too late! With all of the changes that happen in the world, we adjust accordingly – we certainly don't bury our heads in the sand. Are you finances regularly tuned or still running on bias ply tires? Mike Chadwick can be reached at 860 489 8880 or [mike@fiscalwisdom.com](mailto:mike@fiscalwisdom.com) ☺

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