



Costly Mistakes and Disabling Mindsets

By Ric Cochran

Are you hazardous to your own financial security, or that of your family? While most might say “No,” I have doubts. Here are some destructive mind-sets I frequently encounter. They can potentially be very costly.

1. Denial: “I have everything taken care of.”
For any number of reasons, many are afraid of even considering the possibility they have not allocated their assets as well as they should or have not made critical errors. As the saying goes, “Denial is not just a river in Egypt.” Mistakes can leave you up a well-known creek without a paddle. I frequently find mistakes in how assets are allocated, for reasons as varied as high hidden costs, high hidden risks, and inappropriate perceptions of volatility. For men, I believe it can be a matter of pride. For anyone, it can be fear of facing something they might be afraid of.
2. Misplaced loyalty: “My husband, deceased grandfather, daughter, or son-in-law who knows everything, told me to do it that way and never change it.” Or, “I worked for that company my whole career. They’re a good company and I trust them.”

I’ve watched as people who held investments out of loyalty lose everything, or practically everything, or just under-perform for better alternatives. Just because someone accumulated assets doesn’t mean they were especially knowledgeable. Some are lucky; and luck can be fickle. I’ve seen too many people lose far more than they ever imagined because “Big Daddy’s” shares or bonds took a dirt nap.

3. Do-it-yourself trader or faith in a broker’s advice: Nobel Prize winning research and market history lead me to believe neither you nor your brokers are

performing as well as you think. We have analytical tools to see how portfolios perform, comparatively. It tends to be enlightening, to put it mildly.

4. Fear: “I can’t afford to lose anything; so I’m staying in _____.”
Or, “I lost money; so I swore I’d stay in things that are guaranteed.”

Think you can’t lose with cash or things that are “guaranteed?” What about inflation? How much were a dozen eggs when you were a child? How much are a dozen eggs now? Do you get more than twelve eggs in a dozen nowadays? So, have eggs become more valuable? Or has cash lost much of its buying power—arguably its only true value—since you were a child? Think that trend will change? What do you think happens to the value of money when governments keep printing more of it?

5. Procrastination: “I know I should do something; I’ll get around to it soon.”
Yep.

The good thing about finding out if you are making costly mistakes is having an opportunity to make corrections, if any are needed. I haven’t found a lot of problems that cease to exist because you don’t see them. Nor have I found many problems that improve with age like vintage wine. It’s been my experience over the years that too many people unconsciously choose, through their inaction, to remain trapped in their disabling beliefs and pay dearly for it.

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Father's Day Tributes

RIC COCHRAN



My dad taught school for practically all his professional life. He did it because he loved teaching and loved his students. After he took early retirement by purchasing the remaining years of his contract, he taught adult education for over a decade. He was the type of teacher who cared enough to visit families in their homes, which took courage at an urban school in a tough neighborhood. He saw a lot of things people don't see in the suburbs; from children of families determined to see them do better, to children trapped in dysfunction. Dad worked lots of side jobs, too, from selling cars to running a teachers' credit union. I'm blessed that he and my mom are still with us and thankful for his quiet strength and courage.

BLAKE RAINEY

Just about anybody that has ever met me knows that my dad means a lot to me. As a kid I always wanted to be like him. When asked, "What do you want to be when you grow up?" my usual answer back then was, "A preacher and a cowboy!" Well, I became neither...although I have learned a lot from him over the years about the things that both of those professions encompass. He is not only my father, but also my business partner and best friend!

This will be my 7th year to be celebrated for Father's Day, and I can tell you that being a Daddy is the absolute best job that I could ever have!

ASHLEY COBURN



My father, Ken Vonesh, will turn 66 a couple days after Father's Day. I admire my dad for several reasons. First he grew up in a high immigrant area of Czechoslovakian decent. His father's relatives came over from Czechoslovakia and were scammed into settling in Louisiana with promises of rich soil and rich living. Unfortunately, lots of his relatives starved to death and couldn't survive due to poor soil and no crops. They grew up without much money. My father was always told that he wouldn't amount to much and that he was a trouble maker. All these negative words made him determined and focused on proving people wrong and becoming successful. Before my grandmother passed, my father had coffee with her every morning and took care of anything that needed fixing. My dad more than proved to all the Nah Sayers that he did amount to something. Not only was he a great son that took care of his mother, but he surpassed everyone's financial expectations. My father has always been there for me financially, and as a single woman he takes care of any repairs, etc that I might need at the house. He loves staying active and always has lots of projects in the making. He's also very entertaining with his story-telling due to his enthusiastic delivery and humorous demeanor. My dad is definitely one in a million. Happy Father's Day and birthday, Dad.