

Helpful Steps My Late Father-in-Law Took

Special note: This commentary originally ran in March 2017. I received more feedback about it than any other Investor Update column I've written over the past eight years. Since many of you found it helpful and I'm out of the office this week, I decided to republish it.



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AAII Journal Editor

My father-in-law passed last week. Les was a person who was willing to take risks when the potential payoff seemed to warrant doing so. This led him to stop his graduate school studies at the University of Chicago and join what was then a brand-new government agency: NASA. His attitude toward risk carried over to investing where, like many investors, he realized profits and occasionally incurred some bad luck, such as the Enron bonds he owned. Though many of the conversations Les and I had involved nonfinancial topics, it was not unusual for him to discuss investing with me. Les even once gave me his copy of Benjamin Graham's "The Intelligent Investor" to read, not realizing

I already owned a copy of it.

CONVERSATIONS
+
RECORD KEEPING
+
ESTATE PLANNING
=
LESS STRESS
FOR YOUR
FAMILY

The best financial steps Les made didn't involve security selection or portfolio allocation, but rather the management of his finances. The process of assisting my mother-in-law with her finances was greatly helped by what my father-in-law did before he passed. I'll share some of the actions Les took with you in the hope that you'll consider following in his footsteps.

Conversations: I cannot begin to stress how helpful I am now finding the conversations that Les and I had to be. My wife and I know about all of the accounts my in-laws have, bank or brokerage.

We also know about the sources of retirement income and the life insurance policy. There are also no disagreements about how to manage the money, since it was previously discussed. The simple act of conversing has allowed me to quickly start on the transition, including making calls on my mother-in-law's behalf.

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- **[When It's Time to Transfer Financial Decision-Making](#)** - Actionable steps for transferring control of your finances to someone you trust.
- **[Steps to Smoothly Transfer Control of Your Family's Finances](#)** - Guidance for preparing your family members to step in and take over the management of finances.

Highlights from this month's *AAll Journal*

- [Using the Power of the Written Word to Improve Your Returns](#) – A notebook is not only helpful for estate planning, it's also great for managing your portfolio.
 - [Advice on Evaluating an Adviser From an Industry Veteran](#) – In addition to a background check, asking the five questions listed in this article can reveal whether an adviser is truly someone you want to work with.
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AAll Sentiment Survey

Optimism and neutral sentiment among individual investors fell slightly from last week, while pessimism increased. [More about this week's results.](#)

This week's results:

- Bullish: 42.2%, down 1.3 points
- Neutral: 31.5%, down 0.6 points
- Bearish: 26.3%, up 1.9 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

AAll Asset Allocation Survey

While fixed-income allocations declined, equity and cash allocations increased. [More about the latest results.](#)

August AAI Asset Allocation Survey results:

- Stocks and stock funds: 68.5%, up 0.2 percentage points
- Bonds and bond funds: 14.4%, down 1.5 percentage points
- Cash: 17.1%, up 1.3 percentage points

August AAI Asset Allocation Details:

- Stock Funds: 37.6%, up 0.9 percentage points
- Stocks: 30.9%, down 0.7 percentage points
- Bond Funds: 11.5%, down 1.0 percentage point
- Bonds: 2.9%, down 0.5 percentage points

Take the [Asset Allocation Survey](#).

What's Trending on AAI

1. [Actions to Take During the Five Years Prior to Retirement](#)
 2. [Using the Arnexa Retirement Planning Tool in Google Sheets](#)
 3. [Do the Top ETFs Continue to Outperform?](#)
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The Week Ahead

Rosh Hashanah starts Sunday night. L'Shanah Tovah to those of you who will be celebrating the Jewish new year.

Just three S&P 500 index companies are on the earnings calendar. Kroger Co. (**KR**), Adobe Systems Inc. (**ADBE**) and Oracle Corp. (**ORCL**) will all report on Thursday.

The week's first economic report will be the July JOLTS report released on Tuesday. Wednesday will feature the August producer price index and the Federal Reserve's periodic Beige Book. The August consumer price index will be released on Thursday. Friday will feature August retail sales, August import and export prices, July business inventories, August industrial production and the University of Michigan's preliminary September consumer sentiment survey.

Two Federal Reserve officials will make public appearances: Atlanta president Raphael Bostic on Monday and Thursday and Chicago president Charles Evans on Friday.

The Treasury Department will auction off \$35 billion in three-year notes on Tuesday, \$23 billion in 10-year notes on Wednesday and \$15 billion in 30-year bonds on Thursday.

Local Chapter Meetings

AII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AII members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)