Shakespeare on Finance

223 E. Blackstock Road
Spartanburg, SC 29301
p. 864 582 7766
1-800-277-0025
asknoel@theprovestperspective.com
www.TheProvestPerspective.com
www.ProVestWealth.com

Table of Contents

223 E. Blackstock Road
Spartanburg, SC 29301

p. 864 582 7766
1-800-277-0025

asknoel@theprovestperspective.com
www.TheProvestPerspective.com
www.ProVestWealth.com

Introduction

William Shakespeare, as everyone knows, is the most famous playwright in history. His plays have been translated into every major living language, and it's said his works have been studied more than any but the Bible. For centuries, people have loved him for his wit and his wisdom.

Shakespeare never actually wrote about finances, of course. But many of his lines contain important financial lessons. So, this report is dedicated to sharing a few quotations from his various works, as well as the lessons they impart. Hopefully, the Bard's words will make these lessons even easier to remember.

Quote 1: "Better three hours too soon than a minute too late."

The Merry Wives of Windsor, Act 2, Scene 2

In this scene, a jealous husband is planning to take revenge on another man who intends to seduce his wife. He resolves to start early rather than wait, reasoning, "Better three hours too soon than a minute too late."

The lesson here is on **the importance of not procrastinating.**

Procrastination is one of the most common mistakes people make with their finances. Here are some areas where people often procrastinate:

- saving for retirement,
- creating a will,
- filing their tax returns,
- rebalancing their investment portfolio,
- checking their credit score, and
- purchasing life insurance.

It's easy to put off basic, every-day activities, too. Balancing checkbooks, paying bills...even using that $20 gift card you got for your birthday before it expires.

What's the harm in procrastinating? Because when done too much, for too long, it's easy to end up "a minute too late." When that happens, you

- don't have enough for retirement,
- don't have your affairs in order after you pass away,
- pay more in taxes than you must, or even incur penalties because you waited too long, and
- miss out on investment opportunities, or leave the door open for more investment risk.

You get the idea. On the other hand, being "three hours too soon" creates the opposite effect. When you start planning, start saving, and start acting long before required, you end up with *more* money for retirement, *less* money paid in taxes, *more* protection for your family, *less* headaches for yourself. More free time, less stress … the benefits are almost endless.

If there are any financial decisions you haven't made yet, or any phases of your life you haven't planned for, don't procrastinate. Start now. I promise it's worth it.

Borrow from the Bard. It truly is "better three hours too soon than a minute too late."

Call us at 1-800-277-0025 to take advantage of our Retirement Planning and/or Tax Planning Software to ensure you are prepared BEFORE retirement arrives.

Quote 2: “Go wisely and slowly. Those who rush, stumble and fall.”

Romeo & Juliet, Act 2, Scene 3

In this scene, Romeo asks his mentor, Friar Laurence, to wed he and Juliet as quickly as possible. In response, the friar counsels Romeo to “go wisely and slowly. Those who rush stumble and fall.”

You can probably guess the lesson here: **avoid the temptation to rush into rash, impulsive financial decisions.**

Have you ever noticed how often people act on impulse? Advertising companies sure do. So do car dealerships, banks, and your local gym. In fact, every time you go to the checkout counter at a grocery store, take a moment to look at all those candy bars and tabloids strategically placed to take advantage of people’s impulsiveness.

Entire industries are built on capturing the human impulse. Most of the time these impulses are harmless enough, but the worst of them can have grave consequences. In fact, one of the greatest dangers to our financial health is that we don’t always think before we act. We rush into things.

Now, if you rush into buying a candy bar, it’s no big deal. It probably won’t have an impact on your overall financial health. But some decisions *do* have a major impact, and when people rush into them, it’s quite easy to stumble and fall. Here are some examples:

Major Purchases

Whether you’re buying real estate, a new car, or even that fancy new gadget that just came out, it’s so easy to be impulsive. To let the sensation of *“want"* override all other concerns. The result is often buyer’s remorse … or worse, debt.

Taxes

Everyone hates filing their taxes, and everyone wants the process to be as quick and painless as possible. Unfortunately, quick and painless in the short term often leads to drawn-out pain in the long. Rushing through your taxes can lead to mistakes, and it usually takes much longer to correct mistakes than to avoid them in the first place.

Investing

When making investment decisions, it's easy to get excited about a hot new stock tip and decide to buy before the price goes up. It's also easy to get spooked at the first sign of market volatility and decide to sell.

Both can be very risky decisions.

Whenever you make an investment decision, it's important you put in your due diligence first. Take time to research the investment you have in mind. Talk to an expert and get a second opinion. Read the fine print. The media often portrays investing as a frenzied sprint, but for most investors, slow and steady wins the race. Making consistent, *unemotional* decisions will serve you far better in the long run.

Friar Laurence's advice isn't just for star-crossed lovers; it's for *all* of us. The fact is that when it comes to your finances, being hasty and impulsive can lead to missed opportunities, mistakes, debt, and other negative consequences. But those who "go wisely and slowly," who take their time, who *look before they leap*, are well-positioned to achieve their financial goals faster than they ever thought possible.

As Shakespeare might say,

"FOR NEVER WAS A STORY OF MORE WOE,
THAN OF THE INVESTOR WHO MADE A FINANCIAL DECISION TOO FAST INSTEAD OF SLOW."

Call us at 1-800-277-0025 to take advantage of our Risk Assessment Software in our Wealth toolkit to be sure your risk is properly matched with any investment before making any impulsive financial decision.

Quote #3:"How far that little candle throws his beams!"

The Merchant of Venice, Act 5, Scene 1

Imagine a dark room containing a single burning candle. A candle is a small thing, and its flame even smaller. But it still shines brightly – and its light casts large shadows. So, in this case, the candle is a metaphor for an important truth:

Even small things can have big effects.

This is certainly true in finance. Let's take a (very) hypothetical scenario:

> *John is 30 years old. He has $5,000 saved up for retirement. John decides to invest that money, achieving a 7% return every year.* (Again, this is hypothetical.) *Furthermore, John vows to invest an additional $100 every month, which he does for the next thirty years.*

These days, one hundred dollars isn't exactly a lot of money. But let's look at what the result is:

> *By the time John turns 60, he'll have accumulated $162,529 for his retirement.*

I don't care who you are. $162,529 isn't chump change.

Now let's imagine John invests *$150* every month – just fifty dollars more.

> *By the time John turns 60, he'll have accumulated $223,578*.

How about $200 a month…for thirty-five years instead of thirty?

> *By the time John turns 65, he'll have accumulated $417,741.*

Now, you may be thinking, "Sure, that's all well and good, but it's just hypothetical." And that's true, it is. But the *principle* is what matters here. Small things can have big effects, especially over time…and especially when done *consistently.*

This doesn't just have to be about investing, either. **Taking that small tax deduction** or applying that tiny tax credit can be a significant savings boost, over time. **Taking ten minutes to check your credit score** every year can make life a *lot* easier down the road, if you ever want to buy a new home, car, or even start a business. **Creating a stronger password** rather than just using "password123" can save you *countless* hours and money if it protects your identity from ever getting stolen. **Shopping around** for cheaper car insurance, **looking for unclaimed**

money in old insurance policies, even **turning off the lights**…all these things add up over time.

I've worked with all kinds of people over my career. Some were already wealthy. Others were just getting started on their way to wealth. But for everyone, the same rule applied: little things have big effects. They add up. *They make a difference.*

I promise you: when you look back on your life, adding up all those small, seemingly insignificant decisions you made along the way, it's not uncommon to think:

Look how far that little candle threw its beams.

So, as you work toward your financial goals, always remember: it's the little things that matter

Call us at 1-800-277-0025 to take advantage of our Retirement Planning Software and/or Risk Assessment software in our Wealth Toolkit, so you can see how small things can have big effects.

Quote 4: "Foul-cankering rust the hidden treasure frets, but gold that's put to use more gold begets."
Venus and Adonis

Imagine a heap of gold coins hidden in some lightless, underground vault, protected by a maze of labrynthine tunnels, booby traps, and a fire-breathing dragon.

Seems pretty safe, doesn't it?

But as the gold lies in disuse, it slowly begins to rust. Finally, after a decade, the owner comes to withdraw the gold. He takes it to the marketplace, only for merchant after merchant to turn him away.

To his horror, the owner realizes his gold has lost far more than its shine.

The gold has also lost its value.

According to a survey by Gallup, 65% of American adults reported owning stocks back in 2007.[1]

Then the financial crisis hit. The recession followed soon after. And the S&P 500 dropped 38% in 2008 alone.[2]

Now, fast forward to today. Per Gallup, only *52%* of Americans report owning stock[1] In fact, that number has declined almost every year for the last ten years.

It's not hard to understand why this is. So many Americans were burned by the financial crisis. So many saw the value of their retirement accounts plummet. It's only natural that many people – almost half the country – would prefer to keep their hard-earned money out of the markets. Maybe they can't hide it behind a fire-breathing dragon, but at least it *feels* safer.

But here's the problem

Read the second half of that Shakespeare quote again: "…gold that's put to use *more gold begets.*"

As the number of American investors has dropped, the value of the stock market has gone up. We're now over eight years into the longest bull market in history – one in which many Americans have missed out.

Talk about gold begetting gold.

The sad truth is that for many Americans, their "treasure" has been left to rust. But those who put their "gold" to use have likely seen it beget more over the last decade.

Now, before we go any further, it's important to note that I am NOT saying you should go out and put all your money into stocks. In truth, I'm not giving any investment advice at all. I would never do that in a letter. Investment decisions should always be made after careful deliberation, and there's no good "one size fits all" approach to investing.

Here's what I am saying:

After the last bear market ended, many Americans made an *emotional* decision to hide their treasure, fearful of further losses. The key word here is "emotional." Emotion, as the saying goes, is a good servant but a bad master, especially when it comes to making investment decisions. Too often it leads to "buying high and selling low" when the opposite is what everyone hopes for.

Fact is, every financial decision we make involves risk. Even deciding *not* to do something can be risky; in this case, the risk of missing out on opportunities.

That's why it's so important to have a *plan.* A plan for reaching your financial goals. A plan for putting your money to work instead of burying it under a mattress. It's the best way to take emotion out of the equation. The best way to grow *and* manage risk.

So the next time you have to make a financial decision, ask yourself: are you making an emotional decision, or one based on a long-term plan? Are you hiding your treasure, or putting it to work?

Is your gold more valuable when hidden…or when it's out there begetting more?

Call us at 1-800-277-0025 to take advantage of our Risk Assessment Software in our Wealth Toolkit to ensure you are properly managing your risk, so your gold can begat more gold.

Quote #5:

“How poor are they that have not patience! What wound did ever heal but by degrees?”

Othello

The virtue of *patience* is one of the most underrated aspects of working toward your financial goals.

To illustrate what I mean, imagine you’re recovering from a broken leg. While recuperating, you dream of the day your body will be healed and you can walk normally again.

How would you go about trying to make that day happen? Pop a couple aspirin and start playing hopscotch? Of course not. You’d get a cast on your leg. You’d take it easy for several weeks. Then, little by little, you’d gradually increase your activity level, giving your leg time to heal properly. You’d be patient. Antsy, maybe, but patient.

The same attitude is required when it comes to finances. After all, there’s a reason why the term “get rich quick” arouses so much suspicion. Building wealth and reaching your goals takes *time.* It takes *planning*. It takes meticulous attention to detail.

For example, here are three important steps to reaching your financial goals, all of which require patience.

1. **Avoid impulsive investment decisions**

Some investors, anxious to accumulate as much wealth as possible, will throw a lot of money at a “hot stock” or hop on board the latest trend. Others, fearful of even the *idea* of losing money, may sell investments too quickly at the first sign of trouble.

Both types of investors can be their own worst enemy.

Investing absolutely requires patience. That’s because successful investing is all about the long-term, not the short. Making rash decisions can often lead to losing your hard-earned wealth – or never being in a position to accumulate wealth at all.

2. **Focus on What You Can Control**

As you travel down the road that leads to your financial goals, there are a number of things you simply can't control. Sickness, accidents, the economy – life can throw many imposing obstacles in your way.

Fortunately, there are many things you *can* control. How you react to obstacles, for instance. What kind of career you have. How hard you work. How much you save, how much you invest, how much you spend.

In other words, *you're* in charge of the seeds you plant in life's garden. Show some patience by giving them a chance to grow.

3. **Save**

This often gets overlooked, but saving money isn't just for kids hoping to buy a new bike. Saving money is about *paying your future self*. Think of all your future wants, needs, or goals, like buying a new car, going on a dream vacation, or helping your child pay for college. Saving money specifically for those purposes is a must. People who don't save usually end up *borrowing*, which is as useful for building wealth as a leaky bucket is for collecting rainwater.

Saving, of course, takes time and patience. More than that, it takes *discipline*. The discipline to set money aside *before* you spend it.

But it's one of the surest ways to reach your goals.

As you work to build wealth and reach your goals, always remember to exhibit patience. Patience in your financial plan. Patience in your investment strategy. Patience in *yourself*.

After all, "How poor are they that have not patience? What wound did ever heal but by degrees?"

Call us at 1-800-277-0025 to take advantage of our Risk Assessment Software in our Wealth Toolkit. By matching your personal risk number with that of your portfolio you can become more patient in your investments.

Quote #6:“This above all – to thine own self be true.”

Hamlet

On the surface, this might not seem to have anything to do with finances – but it does. You see, as you work toward your financial goals, you may often be tempted – or even advised – to do or want things that aren’t true to your own goals, values, and character.

For example, it’s not uncommon for people to spend money on flashy purchases they don’t really need or want, like a boat, a sports car, or a bigger house, just for the status it brings, or because their friends and neighbors have done it.

It’s not uncommon for people to take risks with their investments which they’re not *really* comfortable doing, just to follow the crowd or because some loud TV pundit told them to.

It’s not uncommon for people to give up on the goals they’ve set for themselves because someone else convinced them it would be impossible.

In short, it’s not uncommon for people to wander off the path that leads to their dreams, all because they were trying to make someone *else* happy instead of themselves.

This may seem so elementary that it goes without saying. But in all my years as a financial advisor, it’s a mistake I’ve seen happen time and time again. It’s why one of the most important financial lessons of all can be summed up in six monosyllabic words: *to thine own self be true.*

To put it simply, *you* get to decide what your goals are – no one else. *You* get to decide what you want to accomplish and what you want to protect. *You* get to decide your personal investment style. *You* get to decide what you do with your money. *You* are in control of your own financial future.

There may be many people in this world that you care about, people who factor into your financial decisions. But when it comes to setting the destination of your financial journey, the only person who matters is you.

So, whenever you make financial decisions, remember this above all:

To thine own self be true.

Call us at 1-800-277-0025 if you would like to take advantage of our Wealth Toolkit, to be sure you are remaining true to yourself.

Conclusion:

I hope you enjoyed "Shakespeare on Finance" and that you have been able to take some valuable financial lessons from this. So, as I prepare to exit stage right, I'll leave you with all six quotes listed together:

> *"Better three hours too soon than a minute too late."*
>
> *"Go wisely and slowly. Those who rush, stumble and fall."*
>
> *"How far that little candle throws his beams!"*
>
> *"Foul-cankering rust the hidden treasure frets, but gold that's put to use more gold begets."*
>
> *"How poor are they that have not patience! What wound did ever heal but by degrees?"*
>
> *"This above all – to thine own self be true."*

The Bard once said that "all the world's a stage." I firmly believe that if you apply a little Shakespearean wisdom to your finances, you can make your performance a great one.

[1] "Just over half of Americans own stocks, matching record low," *Gallup*, April 20, 2016. http://news.gallup.com/poll/190883/half-americans-own-stocks-matching-record-low.aspx

[2] Myles Udland, "The Dow just hit 20,000, but half of America missed out," *Yahoo! Finance,* January 25, 2017. https://finance.yahoo.com/news/the-dow-just-hit-20000-but-half-of-america-missed-out-181139332.html