

# Work to Make Money/Invest to Save Money



The U.S. government must finally wise up and put an immediate end to the insane double taxation of dividends.

The government, facilitated by the Fed, is in an ongoing war to destroy the value of the dollar by printing money beyond any reasonable rate of expansion. Simply take a look at real estate prices to witness the explosion in liquidity.

Do not let the government destroy the value of your retirement. Demand that the government ends the double taxation of dividends!

*Originally posted October 17, 2017.*

With the exception of the large sums of money that I invested in zero-coupon treasuries (Benham Target Funds) in the 1980s and 1990s, I have never invested based on how much money I expected to make. I work to make money. And I save to keep every dime of the money I have worked a lifetime to earn. There was a day when I had darn few of those dimes. Those days made an indelible impression on me, and will so forever.

I invest with a rolling 10-year average annual return portfolio target of a balanced 4+%. This modest target is based on the normalized annual portfolio draw I advise for retired investors.

Long-term balanced targets include surviving through agonizing periods of negative returns for the stock market in general. I remember like it was yesterday the tortuous 16-year bear market of 1965 through 1981. This period encompassed my entire career in the institutional research and trading business. It terminated with the Dow down 10% from where it began. Had I not emphasized 100% fixed income in my own account and in our college savings program for Matt and Becky, my goose would have been cooked. It never pays to be an investing know-it-all.

My investments today, for me and for all our clients, combine a mix of intermediate and short fixed-income securities and portfolios of dividend-paying stocks. Annual dividend increases are always at the forefront of my investment process. Ben Graham advocated a portfolio mix of 75/25–25/75 fixed income and equities. Ben. eschewed moving outside of this range, and I've never come across evidence that supports otherwise.

Since my earliest investing days in the 60s, I have relied upon the ground rules and reference material I studied while an investment major at Babson College. It was based wholly on the advice given in my Graham & Dodd textbook and my studies in Dr. Wilson Payne's investment seminars. Decades later, I've not changed my philosophy.

Through the years, I've had the privilege of influencing the investment thought process of thousands of individual and corporate investors around the globe. Many have been my management clients since I started Richard C. Young & Co., Ltd. in the late 80s, and the majority would likely agree with me that I am perhaps the most consistently boring, prudent, patient investment advisor on the planet. I certainly hope this is so. Like *The Hobbit*, I view adventures (in this case investing adventures) as "nasty disturbing uncomfortable things" that "make you late for dinner."

I am ultraconservative in my daily affairs of life, which

includes personal security preparation, and I see no purpose in not applying the same protection to financial security.

I modeled our family company after the old-line investment counseling family-run firms that populated Boston's financial district along State, Federal, Milk, and Congress streets in the sixties—a harking back to a more gentrified era in investing. Many of these fine old white-shoe firms were my clients when I was associated with the internationally-focused Model Roland & Co., where I was involved in institutional research and trading.

My clients, such as the venerable Boston Safe Deposit & Trust, State Street Bank & Trust, and First National Bank of Boston, built their foundation on *The Prudent Man Rule*.

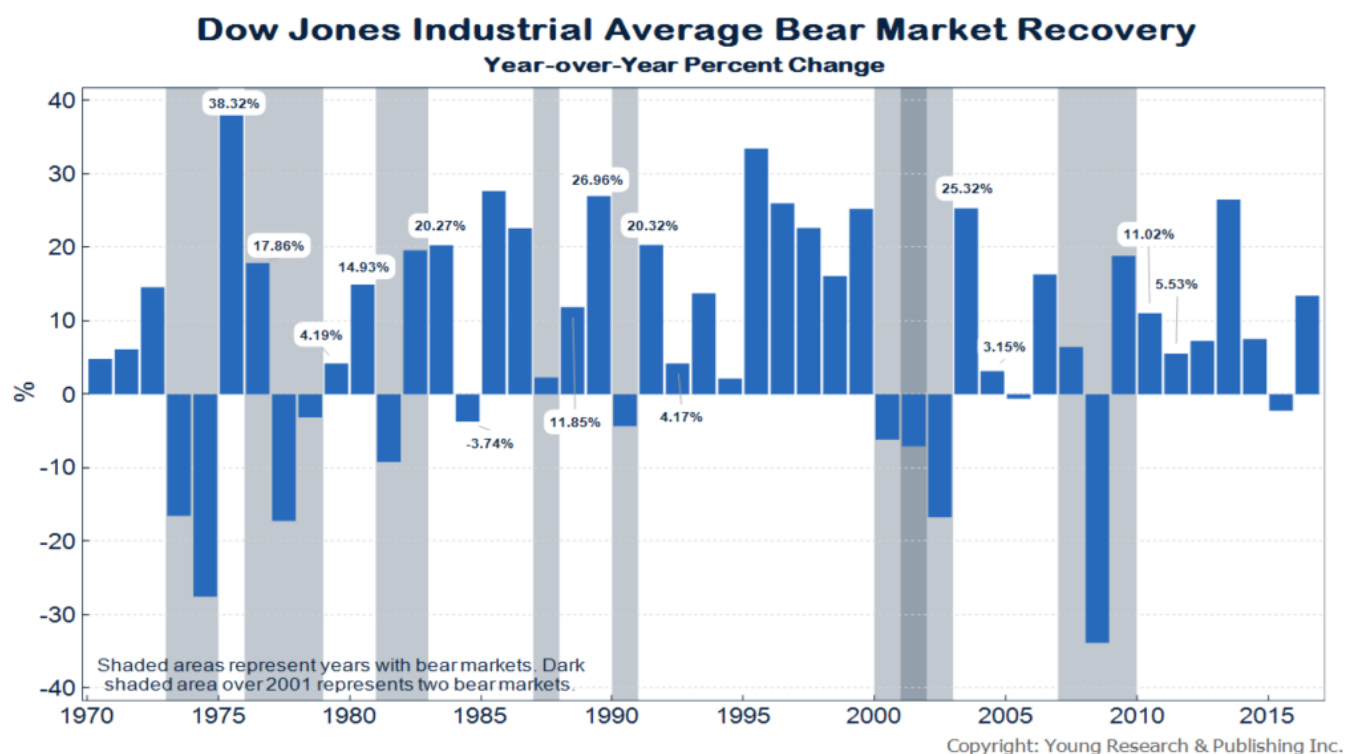
*The Prudent Man Rule* directs trustees “to observe how men of prudence, discretion, and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested.”

These are the conservative principles our family investment council firm practices. Our firm's focus from the beginning was, and today is, based on *The Prudent Man Rule* along with the theories of dividends and compounding pioneered by Ben Graham.

Over the decades, I've learned that most individuals do not possess the requisite patience and discipline to excel as successful long-term investors. The patience-deprived universe tends to be what I think of as needy hip-hop investors. They look for the financial markets to either bail them out of past investing indiscretions or, worse yet, to produce rewards far beyond reasonable levels of commensurate risk. Our family investment management firm does not offer the type of environment suitable for the needy or greedy.

The needy and greedy tend to possess an investor twitch that

requires action—lots of action. This crowd looks to market timing, second-guessing, and what-if-ing. Most of the big moves in any investment cycle come in the year or two after the exact bottom of a cyclical bear market.



Well, market timers most often sell out late in bear cycles, and then are too afraid to get back into the market in time to catch the initial upsurge. The needy/greedy tend to miss the big gains every time.

At Richard C. Young & Co. Ltd., our goal is to remain balanced as well as fully invested. This repetitive plan, definitely counter-intuitive to many investors, ensures never missing the big moves. It also requires never participating in any meaningful way in the bubble or blow-off stage of over-priced markets that are on the precipice of cratering and wiping out a lifetime of savings along the way. No thanks. I long ago learned this bedrock principle.

Today's investment landscapes and processes have become so difficult that for most individuals going it alone, especially

while preparing for a safe and secure retirement, is no longer comforting or attractive. Many of the old standby bastions of investing are no longer an option. I am referring to the vast majority of all-managed equities mutual funds and a wide swathe of the indexing ETF universe. The fund industry has simply outgrown its skin. Funds have grown too big, and their options in dividend-paying common stocks are too few, due to size constraints for massive funds. This is only common sense.

With minor exceptions, I no longer advise these out-of-phase funds. Rather, stocks of individual dividend-paying companies including smaller concerns and foreign securities, are our focus for clients. At our management company, we craft what we label [Retirement Compounders](#) portfolios.

Investing in foreign securities is not the province of the individual investor or, for that matter, most advisors. Having been directly involved in researching and trading in foreign securities since 1971, I can ensure you that process presents a sticky wicket best left to experienced hands. Markets are thin, currency valuations enter the picture, and macro events often call the tune in foreign securities investing.

I travel to Europe frequently. Decades of on-the-ground anecdotal evidence gathering and personal contacts allow me to form the direct knowledge imperative in the decision making of investing in foreign securities. With the exception of my old stomping grounds in Boston, I am more comfortable today in Paris, by example, than any big U.S. city. More international decision-makers and event making potentates visit Paris annually than any other city in the world. On each new visit, I gather a wealth of intelligence to support my global investment strategy. This boots-on-the-ground anecdotal evidence gathering, in conjunction with my decades of daily inference reading, allows our firm to offer clients a distinct perspective on the international investing landscape.

Bond investing has also moved far outside of the scope of the individual investor. It used to be that an investor looking to collect safe and secure interest income could park his money in a Treasury Bill or a CD. Sure, he would give up some yield in return for safety and simplicity, but still collect enough to harness the power of compounding.

Today, there is nothing to compound.

T-bills are being issued at a 0.00% interest rate and CDs don't offer much more. Even longer-term Treasury bonds no longer keep pace with inflation.

Leaving bonds out of your portfolio is not an option either. Bonds help you own stocks during down markets and bonds help moderate the ups and downs of your portfolio.

Proper bond management in today's dismal interest rate environment takes a tactical and opportunistic approach. To earn decent yield, you have to take credit risk, but knowing when to dial it up, when to dial it down, which bond sectors to favor and when, and which maturities to target and when, requires ongoing research and analysis on the economy, industry, monetary policy, fiscal policy, and geopolitics. And that's the bare-bones approach.

I have been active for investors in the bond market since 1971, and I feel one of the biggest benefits our clients get when they sign on with Richard C. Young & Co., Ltd. is individual bond selection and management.

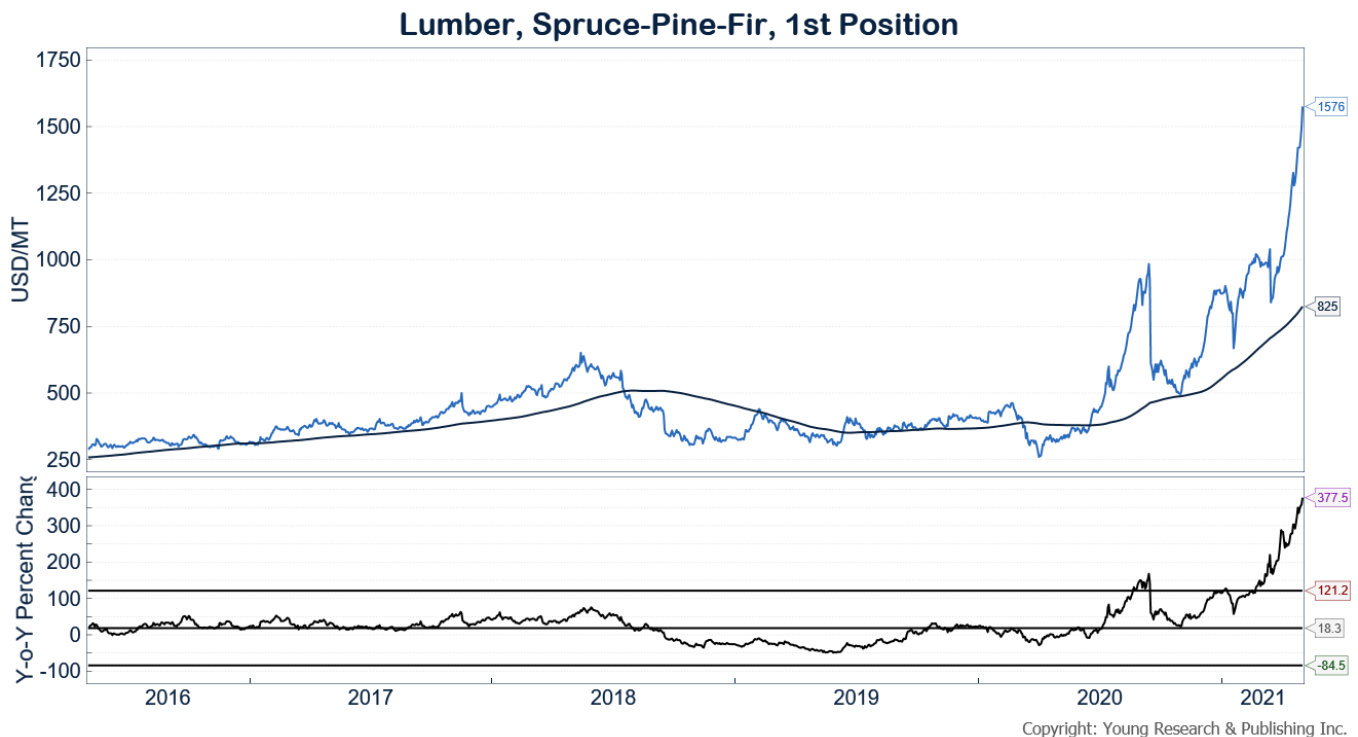
I sincerely hope you and your family benefit from many worthy insights into the myriad factors that allow conservative, retirement-thinking investors like you to find a warm and comforting home base for retirement planning and investing at Richard C. Young & Co., Ltd. My best wishes to you for success. Welcome to the family.

Warm regards,

Dick

# Lumber Prices Are Soaring, Should the Fed Be Afraid?

Lumber prices are breaking records. First position Spruce-Pine-Fir futures are trading at over \$1500/metric ton. Perhaps the most frightening aspect of the spike in lumber prices is that builders have been able to pass them on to customers. The Fed should be very worried about the rapid rise in prices going directly to consumers. The central bank's policy of low interest rates for longer could buckle under the pressure if inflation heats up faster than expected.



Ryan Dezember reports in *The Wall Street Journal*:

*The Fed last week recommitted to near-zero interest rates, which have fueled the red-hot housing market. Rising home prices and low rates have also helped existing homeowners refinance mortgages to pocket cash without adding much to payments. Mortgage-finance firm Freddie Mac estimates that Americans last year withdrew nearly \$153 billion from their homes in cash-out refinancings. Vacation options were limited by the pandemic and a remodeling boom ensued.*

*Demand hasn't been diminished by soaring prices, mill executives say.*

*"The prices appear to be passing on," Canfor CEO Don Kayne told investors Friday. Canfor, which owns mills in northwest Canada and throughout the U.S. South, notched quarterly records in sales and profit. "So far we haven't seen the resistance that you would expect.*

*Builders including PulteGroup Inc. and the Howard Hughes Corp. say they have offset higher prices for lumber as well as for other building materials by raising home prices without slowing sales. NexPoint Residential Trust Inc. investment chief Matthew McGraner assured shareholders that high lumber prices weren't eating into the apartment owner's margins. "Any additional costs, we've been able to pass on to the tenants," he said.*

*At a recent investor conference, Lowe's Cos. finance chief David Denton said the home-improvement chain and its rivals weren't waiting to see if the run-up in lumber prices would be short-lived before raising prices.*

*"That largely gets passed on pretty much real-time into the marketplace and you're seeing that across the industry," he said.*

There is likely a storm coming in commodity prices. Young's



World Money Forecast is your port in a storm. [Click here to sign up today for regular updates.](#)

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## **Strong GDP Set to Accelerate in the Second Quarter**

First-quarter GDP estimates came in at a robust 6.4%, with growth likely to accelerate to more than 8% next quarter. Over the coming weeks, economic activity in the U.S. will surpass its pre-pandemic high. With the Fed pumping over a trillion dollars of liquidity into financial markets annually and the [Six Trillion Dollar Man](#) (Joe Biden) proposing new schemes to run up the deficit, GDP is poised to increase at its fastest rate in decades this year. Josh Mitchell reports:

*A burst of growth put the U.S. economy just a shave below its pre-pandemic size in the first quarter, extending what is shaping up to be a rapid, consumer-driven recovery this year.*

*Gross domestic product, the broadest measure of goods and services made in the U.S., grew at a 6.4% seasonally adjusted annual rate in January through March, the Commerce Department said Thursday. That left the world's largest economy within 1% of its peak, reached in late 2019, just before the coronavirus pandemic reached the U.S.*

*Households, many of them vaccinated and armed with hundreds of billions of dollars in federal stimulus money, drove the first-quarter surge in output by shelling out more for cars, bicycles, furniture and other big-ticket goods. The federal government also stepped up spending—on vaccines and aid to*

businesses.

*“If you had asked me a year ago where we would be today I certainly would not have said we would have recouped the pre-pandemic levels of economic activity,” said Gregory Daco, chief U.S. economist at Oxford Economics. “Everything about this crisis has been unique. The speed and the magnitude of the contraction in economic activity was unprecedented. The amount of policy support put in place was extremely rapid.”*

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## **Pandemic Spending Pushes Amazon Profits to Record**

The pandemic created a perfect storm for Amazon. With more people shopping, and more people working from home using cloud services, Amazon's profits have soared. Sebastian Herrera reports for *The Wall Street Journal* (abridged):

*Amazon. AMZN 0.37% com Inc. reported record quarterly profit as demand remained robust for its deliveries, cloud-computing and advertising businesses, capping a blockbuster earnings season for the world's largest technology companies.*

*The Seattle company's profits in the year since the pandemic started exceeded \$26 billion, more than the previous three years combined. Net income from January to March more than tripled to \$8.1 billion, and revenue of \$108 billion far exceeded the average of analyst predictions on FactSet.*

*The tech giant's success in the past year has catapulted the company to new heights, after consumers flocked to online shopping during pandemic lockdowns. Amazon's dominant grip*

over e-commerce and continued expansion into new industries have strengthened its power, although the company continues to face challenges from regulators and some employees.

Amazon's first quarter is typically slower than its preceding end-of-year results, which are aided by holiday shopping sales. Yet the company has exceeded expectations in recent quarters. It shattered sales records last year as homebound Americans turned to its delivery services. The company's stock price rose 76% in 2020.

Amazon's achievements have come as regulators increasingly scrutinize the company's market power. Congress has considered changes to antitrust laws that could make it easier for the government to challenge certain business strategies and practices or force tech giants to separate certain units. Last year, a congressional panel found Amazon had amassed "monopoly power" over sellers on its site, bullied retail partners and improperly used seller data to compete with rivals.

In a response to its critics, Amazon is raising pay for many of its employees. Herrera reports elsewhere in the *Journal*:

*Amazon. AMZN 0.37% com Inc. is raising wages for its hourly employees after a majority of workers at one of the e-commerce giant's warehouses voted not to unionize.*

*The company said Wednesday that more than 500,000 of its employees would see pay increases of between 50 cents and \$3 an hour. Amazon, which offers a starting wage of \$15 an hour and employs roughly 950,000 people in the U.S., said the raises represented an investment of more than \$1 billion.*

*The pay increase covers a variety of workers and schedules, but averaged over the total number of employees Amazon said would be affected, it would amount to about \$40 a week per*

worker.

Amazon said its starting wage is still \$15 an hour. The company declined to say what the average raise will be for workers and said that depends on factors such as how long an employee has been at the company.

A company spokeswoman said Amazon decided to pull forward its pay review from the fall to increase wages now. She declined to say if the raises were tied to the union election in Bessemer, Ala., but said they are related to hiring and maintaining competitiveness for workers. Amazon said it is now hiring for tens of thousands of jobs across the U.S.

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## **Apple Increases Its Dividend by 7% on Record High Profits**

Apple Inc. raised its dividend by 7% today to 22 cents a share and increased an existing share repurchase program after results showed record-high profits. Tim Higgins reports in *The Wall Street Journal*:

*Apple Inc. AAPL -0.60% signaled that the historic rise in sales it has achieved during the pandemic is set to continue, addressing a key investor concern as the company reported a profit that more than doubled to a record high for the first three months of the year.*

*New, more expensive models of the iPhone 12 have been a hit with customers, and revenue from Mac computers and iPads also rose during the quarter on strong demand from employees and students conducting their work at home.*

*Apple's fiscal second-quarter results set new highs in what could be a record-setting year for profit and revenue. Analysts predict full-year profit will exceed \$70 billion, nearly a third more than last year.*

*Apple shares jumped 4% in after-hours trading Wednesday in New York.*

*The Cupertino, Calif. company reported a profit of \$23.6 billion in the latest quarter as revenue rose 54% to \$89.6 billion, far exceeding Wall Street expectations. The company also announced a 7% increase to its cash dividend to 22 cents a share and that the board had authorized an increase of \$90 billion to an existing share-repurchase program.*

*"We feel very good, given the results we've had in the first half of our fiscal year," Apple finance chief Luca Maestri said in an interview. "And clearly as economies start to reopen, particularly those economies where there are enough vaccines, obviously we think that should be a positive."*

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## **Thanks to the Pandemic by 2025, America's Biggest Retailer May Be Online**

According to a report by Edge by Ascential, which claims to deliver "one of the industry's most accurate and actionable sales-driving data, insights and advisory solution sets," by 2025, Amazon.com will outpace Walmart in retail sales. Bloomberg's Spencer Soper reports:

*Amazon.com Inc. will supplant Walmart Inc. as the biggest U.S. retailer by 2025, according to a new report, suggesting the e-commerce giant has too much momentum for Walmart to stop despite big investments in its own e-commerce offerings.*

*By 2025, U.S. shoppers will buy US\$632 billion worth of products at Amazon and retail affiliates including Whole Foods Market, surpassing Walmart's US\$523 billion, according to the report by Edge by Ascential, which measured the value of all goods sold by each company online and in stores with the exception of gasoline. Edge by Ascential helps brands sell products online and in stores.*

*To assess the relative size of Amazon and Walmart, Edge used gross merchandise volume, which measures how much money shoppers spend at each company. Traditionally company size is measured by comparing revenue, but doing so in this case doesn't capture the full picture because the two companies have different models.*

*Amazon generates most of its sales from the approximately two million third-party merchants on its site, charging these sellers a commission that is typically 15 per cent of a given product's price. What the merchants collect doesn't show up on Amazon's income statement.*

*While Walmart has a growing online operation and third-party marketplace, it remains mostly a traditional retailer, buying products from wholesalers and marking them up. Most products Walmart sells show up as revenue, so by that measure Walmart will outstrip Amazon for several years.*

*The report doesn't include revenue from Amazon's cloud computing division or advertising sales. It includes sales from both retailer's affiliates, including Whole Foods for Amazon and Sam's Club for Walmart, but doesn't include fees for subscriptions like Amazon Prime or Sam's Club.*

*“The pandemic has permanently shifted consumer habits from in-store to e-commerce,” said Deren Baker, CEO of Edge by Ascential. The main beneficiary is Amazon because Walmart is still playing catch-up even though it’s been spending to add features to its online store, including launching a Prime-style subscription service last year. Amazon, meanwhile, continues to build fulfillment centers around the country in an attempt to speed up delivery and erase the advantage Walmart enjoys with curbside pickup at its more than 5,000 locations.*

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## **Dick Young’s Safe America Chapter III, Part I.**

The People’s Chemist writes, “State -of -the art science methods prove masks fail to block viral spread. Viruses are everywhere – so tiny a grain of salt is 1,000 times larger.” The medical journal *Influenza and Other Respiratory Viruses* showed “no relationship between mask/respirator and protection against influenza protection.”

The People’s Chemist concludes, “We can rest easy knowing that the best way to avoid illness is to protect and bolster the immune system.”

Over the past two years, I have assembled a package of trusted supplements that appear to be useful in bolstering the immune system.





Originally posted February 1, 2021.



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# The Vanguard Wellesley Way

Vanguard Wellesley is a fund we have long admired at Young Research. It was once a go-to fund for clients, readers, close friends, and even dear family members.

What gave Vanguard Wellesley Income so much appeal?

Wellesley is the more conservative and younger cousin of the Vanguard Wellington Fund—the nation’s oldest balanced mutual fund.

Over its almost 51-year history, Wellesley has invested an average of 65% in bonds and 35% in stocks. The bonds are primarily intermediate-term investment-grade corporates; the stocks are dividend-paying blue-chip names.

## Wellesley’s Baptism by Fire

Wellesley was started in July of 1970. Not great timing for a fund with a bond-heavy allocation. Over the first 11 years of Wellesley’s life, interest rates more than doubled. Remember, when interest rates rise, bond prices fall.

How did Wellesley do during one of the worst onslaughts on record for bond investors?

It performed like a champ.

Wellesley was down only twice during that 11-year period—a loss of 3.5% and 6.4%.

Wellesley is still managed by Wellington Management, but as the fund has gained heft, its universe of opportunities has dwindled to levels we no longer find appealing.

The Vanguard Wellesley Way of investing in a mix of investment-grade corporate bonds and dividend-paying stocks remains, however a winning strategy. Wellesley's 65-35 allocation has offered consistency and relative stability for conservative investors, especially those investors in the later stages of retirement.

## **Vanguard Wellesley Income this Century**

The chart below highlights the performance of Vanguard Wellesley's 65-35 mix so far this century. With two of the worst bear markets on record, one of which saw the over-hyped Nasdaq composite fall by over 80% from its high, Wellesley marched higher with much shallower corrections.



## **An Open Market Alternative to Wellesley**

For clients of our investment counsel firm, we have taken what Wellesley (and Wellington) pioneered and improved upon it (in our humble opinion of course).

We focus not only on blue-chip dividend payers, but also smaller high-quality dividend payers and we especially like companies that have a record of making regular annual dividend increases. We have greatly expanded our universe of available common stocks by investing in both U.S. and international dividend payers. Foreign markets are loaded with higher-yielding names.

Long-time followers and readers of *Richard C. Young's Intelligence Report* will know this common stock strategy as Young Research's Retirement Compounders® strategy.

# **Protection from U.S. Dollar Debasement**

We have further improved on the Wellesley Way in our managed portfolios by building on my over five decades of experience following and analyzing global currency and precious metals markets.

Why? With deficits now measured in the trillions, who wouldn't want at least some protection from the ever-rising risk of U.S. dollar debasement?

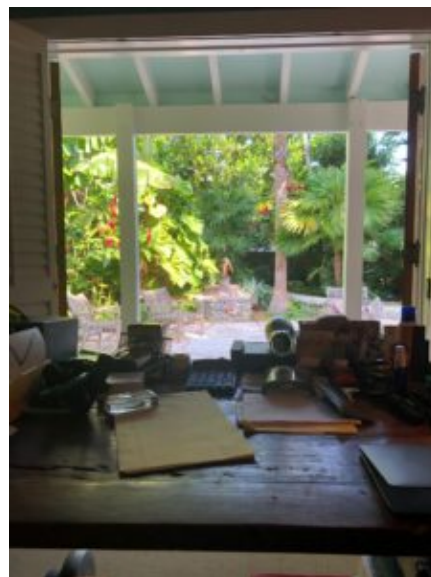
## **Bond Investing: Opportunity and Flexibility**

Our bond strategy is where you may find the most value. Buying individual bonds is not the province of individual investors. Individual investors are left out of the primary market, where new issues can come to market at deep discounts to bonds already trading on the secondary market. We participate in the new issue market on behalf of our investment counsel clients.

Importantly though, we aren't so big that we are effectively forced to build bond portfolios for clients that mirror an index. We also have free reign to invest across the fixed income markets. If long-bonds look risky or don't offer enough return, we can favor short-term bonds. If low-grade bonds are being given away, we have the ability to take them. Vanguard Wellesley maintains about the same maturity and quality portfolio regardless of how the fixed income landscape evolves.

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# My Key West Garden Office



The view of the garden from my office.

Hard to believe it has been nearly 30 years since I walked away from dealing with investing clients, prospects, or the financial media. I also stopped speaking at capacity-filled investment conferences around the world from New Orleans to Switzerland to Hong Kong.

About that same time, Debbie and I bought two Harley-Davidson motorcycles along with a little pink Conch cottage in Key West, Florida. In the following decades, we racked-up 125,000 miles on the bikes with not a single mishap (or road beer) along the way.

Today, dodging road obstacles and traffic or riding through passing thunderstorms is not as attractive as it once was, so we have put the bikes away. Now that we aren't riding bikes, we have morphed into more age-appropriate travel especially to Paris and our friend's hotel/Bistro in [Beaune, Burgundy](#).

When not traveling, I read, research, and post from my garden

desk in Key West (just 90 miles from Cuba) or in Newport.

If you have followed me over the many decades, you know how conservative I am. My original Ben Graham focus on dividends, interest, and compounding has not changed a lick since I started Young Research in 1978 in a small 2nd-floor office on Thames Street in Newport, Rhode Island.

Our family was raised in Newport. Matt and Beck graduated from Rogers High School in the 80s (as did Debbie in the 1960s). Today Matt is CEO of Richard C. Young & Co., Ltd., and Becky is CFO and president of Young Research.

Debbie and I still live in Newport during warmer NE months, three blocks from where Debbie grew up. Becky and E.J. ([The Survival Guy](#)) with two of our grandchildren, Isabella and Owen, live just a couple of blocks away.

Matt and Allison (Allison also grew up on Aquidneck Island) and our three Naples grandchildren, Emma, Rick, and Jack, spend summers in the next town over.

So as you can see, we haven't gone far! There has been no need. It is for this reason that I am shocked that a quite modest family business with a small town leafy side street main office (with no sign) can for nine consecutive years make the roster of *Barron's Top 100* (Financial Advisors) (2012-2020) And even named in the top 10 of *CNBC's Financial Advisor 100* (2019 and 2020). How? It could be as simple as really trying to do what is right every time for conservative thinkers, just like us. I hope so.  
[Disclosure](#)

We think of ourselves as small town, Main Street conservatives who don't believe in the welfare/warfare state. We are promoters of the [Swiss Way](#). Each member of our family is a [gun owner](#) and is properly trained in the use of firearms of all varieties. For our go-to for home protection, [our family all own](#) the [Henry](#)

[Repeating Arms Survival Rifle.](#)

Debbie and I feel fortunate to have been able to spend three decades in the privacy of working from home, reading, and researching in Key West and in Newport.

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## ***Richard Young Reports: 50+ Years with Fidelity and Wellington***

I started in the institutional research and trading investment business at Model Roland & Co. on Federal St. in Boston in August 1971. Just up the street from Model were Fidelity Investments, and Wellington Management, both of whom I called on from my very first hours on the job.

Over five decades ago, Ned Johnson, aka “Mister Johnson,” ran the show at Fidelity. At Wellington, Jack Bogle, “Mr. Mutual Fund,” had not yet left Wellington to start Vanguard.

My focus in the initial going was international research and trading, and remains so today all these decades later. I still consider Fidelity and Wellington the industry leaders.

Both firms feature great cultures, industry-leading technology, well-rounded investment programs for individuals, families, and small businesses—the type of folk I hoped to be associated with throughout my investment career.

Not a business day goes by that one of my associated companies is not involved with one or more of Fidelity or Wellington’s services.

I never would have expected, as I started out in August 1971, that I would be working with Fidelity and Wellington for over 50 years.

In Wellington's case it, to this day, manages hundreds of billions of dollars in blue-chip, "prudent man rule" quality investment mutual funds.

In the early '90s, Wellington's chief investor relations officer informed me that I directed more mutual fund assets Wellington's way in a given year than did the rest of the combined American investment newsletter industry.

And now in 2021, with our little family investment management company requiring a cutting-edge custodian for our \$1.3 billion-dollar conservative Boston-style management company we, not surprisingly, rely on Fidelity.

*Your Survival Guy*, hard to believe, joined my family business over two decades ago. But before that, he was at Fidelity which he too recalls as being run like a family business. He writes:

*When I joined the family business [Fidelity], I was Fidelity employee number twenty-something-thousand. I helped customers/participants of Fortune 500 companies manage their money in this fairly new savings vehicle known by its IRS code: 401(k). It turned out to be a thing. I'll always remember how CEO Ned Johnson III ran the firm like the family business that it was.*

*In memos to employees, Mr. Johnson wrote to you as if you were seated around him at the dinner table. Business first, then, after some red wine and dessert (and maybe a piece of dark chocolate for digestion; because he was into taking care of one's health) he'd leave you with something to think about—like his favored Japanese philosophy Kaizen, meaning constant improvement. Reading his memo in my little cubicle,*

*not at his dinner table, I truly believed that through small steps—like compound interest—I could become the best version of myself. Then it was back to stuffing checks into envelopes.*

*We need to be reminded of this in times like these. Because when a video game company you typically see at the Mall can stop the market in its tracks, you need to figure out if you're doing everything you can to protect your money. Are you with an investment company that treats you like a family member? Take a look at the brokerage firms selling their clients' (I hope not yours) trading patterns to their other customers—these are household names that may (or may not) surprise you. Pay attention.*

**Action Line:** *Get your money with a firm that treats you like family. Too many investment firms are profiting from you, for example, with your information without you even knowing it. And don't get me started on how they use your cash to lend out to others and pocket the profit.*

P.S. Read more about how I got my start at [Model Roland & Co. back in 1971, and gold's 50-year price explosion.](#)