

INVESTOR MINUTE

The difference between planning ahead and worrying ahead



When was the last time you watched the entire safety demonstration by an airline cabin crew?

If you've traveled enough, you could probably stand up and give most of the presentation yourself.

Using props like a seatbelt, an oxygen mask, and a lifejacket, the attendants talk about everything that could go wrong during the flight: excessive turbulence, loss of cabin pressure, even a crash landing in water.

No wonder so many passengers would rather flip through the in-flight magazine than pay attention to the required instructions.

But the purpose of the presentation isn't to get you thinking about all the bad things that could happen once you're in the air. It's to give you a plan of action in case any of these highly unlikely things do happen. Flying on a commercial airline is statistically much safer than driving.¹ In fact, it's been pointed out that you're in far more danger taking your car to the airport than taking off in your plane.

Flight attendants are also aware of this fact. Despite repeating their litany of emergencies over

and over, they are cheerful and relaxed. Their own experience also tells them that air disasters are very rare. And if there is a problem, having a specific plan for addressing it brings peace of mind.

The Stoic philosopher Seneca said, “We suffer more in imagination than in reality.”² His contention was that when we spend time worrying about a possible problem, we suffer more than if we were actually experiencing the problem.

This kind of “borrowing trouble” can be especially easy when thinking about your financial future. There are an unlimited number of things that could possibly go wrong as you work toward your fully funded retirement. If you meditate on any one of them, imagining it progressing to the worst possible outcome, you can really make yourself suffer unnecessarily.

Seneca didn’t believe in irrational optimism. He said that bad things can and do happen. But, he advised, instead of using that knowledge to torture ourselves, we should use it to prepare ourselves—just like the flight attendants. Then we can face possible problems realistically and with a plan.

In the same way, you can have more peace of mind about your finances when you first, learn which risks are most likely, and second, have a plan that takes those risks into account. If challenges do arise—and they are bound to—you’re prepared to address them, eliminating the need for panic or worry.

Your trusted financial advisor is a valued ally in maintaining your peace of mind. He or she can help you refine a plan that contemplates your unique situation, including the risks you’re likely to face, and then help you deal with challenges in ways to lessen your worry.

Sources:

1. <https://traveltips.usatoday.com/air-travel-safer-car-travel-1581.html>
2. <https://dailystoic.com/dont-borrow-suffering/>

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