

## Brad Brain: Looking for some tendies

Brad Brain / Alaska Highway News

FEBRUARY 22, 2021 05:13 PM

Smart Money



Brad Brain: "Tendies are what the cool kids are calling the big, windfall profits that you are supposed to make from your investments. Tendies are easy money and they roll in quick. At least, that is how the story is supposed to play out."  
Photo By GETTY IMAGES



Lately I have had some people call me because they want to make money.

Although they didn't use the word, it sounds like they are looking for some tendies. "Tendies" are what the cool kids are calling the big, windfall profits that you are supposed to make from your investments. Tendies are easy money and they roll in quick. At least, that is how the story is supposed to play out.

But making money is not a goal.

Yes, you read that right. Making money is not a goal. This is not some board game where the player with the highest score at the end wins. This is about having a better life.

I have had recent inquiries about silver and bitcoin and obscure penny stocks. Some of these questions have come from people who, up until now, have been saving with guaranteed investment certificates.

Friends, let's be clear. Silver and bitcoin and obscure penny stocks are on the opposite end of the spectrum from GICs. This is the modern-day mentality of the fortune seekers from gold rush times; willing to risk it on the dream of hitting the motherlode.

I get it that interest rates are really low, but low interest rates might quite possibly be the absolute worst reason to run towards speculation. In the quest for a better return on their principal, people may find themselves nervously waiting to see if they will even get a return of their principal. As Raymond DeVoe, Jr. famously said, "More money has been lost reaching for yield than at the point of a gun."

Let's look at a hypothetical GIC investor that starts to yearn for tendies. They are looking at the meagre interest rates being offered by their bank. They want to do better, but they don't want to lose their principal.

But let's dig a little deeper. They say they don't want to lose their principal, but why is that important? If it is because they want to pass the money on to their kids, then it is an estate planning conversation. If it is because they need the money to live off, then it's a retirement income planning discussion. If it is because they can't stand the thought of loss, then it's a matter of risk tolerance.

The point is, once you know what it is that you are trying to accomplish, then you can act accordingly. But unless you know where you are trying to get to, how can you know which road to take?

I get it that people are yearning for more, but they are going about it the wrong way. Looking for a better investment without focusing on what you want the money to do for you is like going on to a car dealership and simply asking to see the best vehicle on the lot.

But, the best vehicle for whom? For the 16-year-old buying their first car? For the family with 5 kids? For the oil patch worker who drives 100,000 kilometres a year on rough roads? The best vehicle will depend on what it is going to be used for.

This is not to say that the conservative investor should limit themselves to guaranteed investment certificates, especially in these times of historically low interest rates. But rather, chasing tendies in the form of silver, bitcoin, or obscure penny stocks is not likely to be the answer. Yes, the tendie-chase would be doing something different, but different doesn't make it better if it doesn't help you to reach your goals.

Your quest should not be to examine all possible investments. Instead, focus on what you want the investment to do for you. Once you have a clear focus on the objective, now you can find the investments that are consistent with getting you to where you want to be.

Stop looking for tendies and start thinking about what it is you need to do financially to reach your great goals in life.

*Brad Brain, CFP, R.F.P., CIM, TEP is a Certified Financial Planner in Fort St John, BC. This material is prepared for general circulation and may not reflect your individual financial circumstances. Brad can be reached at [www.bradbrainfinancial.com](http://www.bradbrainfinancial.com).*