INVESTMENT ADVICE FOR THE LAZY

Buy low, sell high.

That's about all I remember from an investments course I took at the University of Iowa in the mid-seventies, on my way to accidentally earning a BBA in Finance. I had started out in the School of Journalism - thinking I would be the next Donald Kaul - but it temporarily lost its accreditation my first semester (!) so I abandoned my pipe dream and transferred to what was then called the UI College of Business Administration.

I probably wasn't going to get rich turning phrases anyway. When the PC ran its tongue-in-cheek editorial last week with fake 2014 headlines, my unpublished suggestion was PRESS CITIZEN TO PAY WRITERS GROUP MEMBERS WHAT THEY ARE WORTH with the editorial comment, "Wait, is that already happening?"

Anyway, this is the time of year you tend to see a lot of financial articles about the year that just ended as well as investment tips for the year ahead. I ignore them because I learned all I needed to know in my first week of college business classes; pay off your debts, invest in low-fee stock index funds and leave them alone until you approach retirement age.

When I first met LuAnn in the late 70's, she was (and still is) a Registered Nurse at the UI with all of her retirement funds mired in a traditional TIAA – a glorified savings/annuity account. She says that all she remembers about the informational seminar she went to at that time is "TIAA was guaranteed never to lose money, the other options weren't."

I impressed her with my vast financial knowledge and eventually convinced her to move her entire fortune into stock index funds, which immediately lost 23% of their value in the recession of '81-'82. But seeing as how the Dow Jones Industrial Average was below 1000 in 1982 and is now over 16,000, she has recently forgiven me.

I was reminded of my financial educational travails last week when I attended a Tippie College of Business reception at the Outback Bowl in Tampa that was held just prior to the Hawkeye Huddle. I accidentally met a man who had taught the required 6E:1 Economics course at the same time I would have taken it, as well as the current dean of the Tippie College of Business and the former Vice-Chancellor of the University of North Carolina, a born and raised Iowa Citian.

I had a great time, partly (mostly?) because just beforehand I had scored a couple of free IPA beers (9% alcohol) at the President's Club reception across the hall.

The receptions and Huddle were held at the huge Tampa Convention Center, across the street from a huge Marriott Hotel where a lot of us Hawk fans were staying. After swimming laps in the Marriott's huge outdoor pool one afternoon, I got on a (regular-sized) elevator to go back up to my room. The elevator car was full of chattering Hawkeye fans, but I was thinking about something else and not paying attention to their conversations.

A moment later the chattering stopped, and after replaying my short-term memory I realized a woman had asked, "Is the swimming pool heated?" Surprised, I said, "Oh, are you talking to me?" She replied, "I don't see anyone else on this elevator wearing a wet towel."

But I digress. Seriously now, my Reader's Digest condensed advice for all investment rookies is to buy and hold total market stock index funds, which historically have outperformed actively managed funds at least 80% of the time. If you're really feeling lazy you can choose target-date funds, which automatically rebalance your investment mix based on your estimated year of retirement. They are increasingly popular – last year over 41% of all 401K portfolios utilized one.

But remember, if you use any of my excellent investment advice you are honor-bound to remit the customary 1% asset management fee to me. Every year. Preferably in small, unmarked bills.

Writers Group member Dave Parsons co-owns a small business on the Coralville Strip that complies with all applicable IRS regulations, as far as you know.