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Newsletter Highlights

20 Spooky Stories That
Will Keep you Up on
Halloween

Familiarity Bias and the
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That Often Catch
People Off Guard



WEALTHWISE NEWSLETTER



20 Spooky Stories That Will Keep You Up on Halloween

By: Taylor Markarian

Spooky stories to give you the shivers

Forget baseball—swapping ghost stories is the best American pastime. But you have to do it right: Sit in a circle on the floor with the lights off. (Or, if you really want to set the mood, venture to your local cemetery on a moonlit night.) Feel the eerie weight of the tension in the air and a tingle of nervous excitement for the next ghoulish tale to be told. Of course, you don't believe any of it, but as the spooky stories go on, you think, "What if it is true?" Might dark, mysterious things like spirits and demons exist? There are a lot of people who swear they've seen ghosts. Could they all be lying? Could they all be missing some sort of rational explanation, or do Ouija boards, seances and witchcraft really work?

Whether it's Halloween or you're just fiending for a scare, we've got plenty of terrifying tales to pull at the threads of your sanity. Some of these spooky stories are made up, but others are eyewitness accounts from real people. Are you willing to suspend disbelief?

Read on for some of the best spooky stories ever ... if you dare.

Click this link to read the full article:

<https://www.rd.com/list/scary-halloween-true-events/-nostalgia/>



An AI re-imagining of our trip to Blockbuster Video, circa 1999.

Familiarity Bias and the Cautionary Tale of Blockbuster Video

Sometimes the things with which we are most comfortable present the greatest risk

By: Philip O'Toole, CIMA[®]

How Netflix Disrupted Blockbuster into Bankruptcy

It is October 1, 1999. My wife (then girlfriend) and I are engaged in a favorite Friday night pastime of running up to Blockbuster Video to get our hands on one of the hottest VHS rentals that week, *The Matrix* starring Keanu Reeves and Laurence Fishburne. However, Blockbuster is so packed that we feared we might have to settle for *Big Daddy* starring Adam Sandler (which we loved by the way) instead.

Little did we know that on that very same day, entrepreneurs Marc Randolph and Reed Hastings were trying to take advantage of this newfangled DVD technology and were slowly building their new movie rental by mail venture called *Netflix*. The legend is that Hastings, disgruntled over \$40 in late fees on an overdue copy of *Apollo 13*, came up with the idea of creating a convenient movie rental service with NO LATE FEES. The two biggest questions they had to answer at the time were:

1. Can these new DVD's be shipped safely through the US mail?
2. If so, will consumers sign up on Netflix.com and forever change the way they rent their movies?

Today it is easy to look back and say, "of course Netflix displaced Blockbuster". In hindsight, it seems inevitable, however, at the time growth was initially slow when the website first launched in 1998. The biggest early move perhaps was when Netflix switched from a per rental to a monthly subscription model in 1999. By 2000, they had 300,000 subscribers in a country of 300 million and would reach 1 million subscribers in 2001. Although Blockbuster was aware of this new startup, they delayed reacting, and in arguably one of the greatest business missteps of the 21st Century, they refused an opportunity to acquire Netflix for a \$50 million asking price in 2000.

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From 2003 to 2005, Blockbuster would lose half of its value. By 2010, Blockbuster was forced into bankruptcy. Shortly thereafter, the first Blockbuster stores began closing. Mass closings began in earnest after Dish Network acquired the brand, and by 2014, the final corporate-owned locations were closed. Today, Netflix has around 325 million subscribers globally, and a market capitalization over \$300 Billion, while BB Liquidating Inc, formerly Blockbuster Inc, has zero subscribers and a market capitalization under \$3 million.

This is a cautionary tale about a business and a brand with which millions were intimately familiar and comfortable. In October 1999, could we have known that one of our favorite Friday night rituals would be disrupted forever? How can an unknown company with no stores using only technology and the US mail (at least initially) displace one of the most popular brands with over 9,000 bricks and mortar locations globally?

And it didn't stop there. Netflix continues to disrupt other industries, including Sports and Hollywood. Many of us probably watched Major League Baseball's Homerun Derby on Netflix earlier this month, previously a long-time staple of the "World-wide Leader", ESPN. We may have also noticed that Netflix is showing up increasingly more at The Oscar and Emmy Awards shows. The point is that sometimes the things we know best, the things that are most comfortable are the things in our lives that are most at risk. Blockbuster video is a story of familiarity bias blinding us to a risk that was right in front of our face the whole time.

Familiarity Bias and the Risk of What is Most Comfortable

My introduction to Behavioral Finance came early in my career when the dot com bubble burst beginning in March 2000. I felt what we were experiencing as an industry at that time was unprecedented. Then somebody handed me a book titled *Extraordinary Popular Delusions & The Madness of Crowds* by Charles Mackay, first published in 1841. One of the chapters was titled *The South Sea Bubble* which told the story of another financial bubble which destroyed the fortunes of many in the 1700's. It was a great reminder of the Mark Twain quote that "history often rhymes".

What I learned from Mackay was that the Dot Com Bubble was not unprecedented, nor would be the Global Financial Crisis of 2008 nor The Covid 19 Pandemic of 2020. The other thing I learned was the dates, the causes, the duration and the magnitude of crises are always different, but the way humans react is remarkably consistent. That is when it first occurred to me that dedicating time and energy to trying to manage the next when, why, how and what of the next economic and/or market crisis is much more difficult then learning how to manage how my clients will react. Is it possible that Behavioral Psychology provides more answers to Wealth Management questions than any other field of study, including Finance, Economics and Capital Markets? I decided then that understanding biases, behaviors and their associated risks would be as valuable to my clients, and maybe even more valuable, than understanding economies and markets.

As mentioned in the first section, familiarity bias can blind us to the biggest risks right in front of our faces every single day. These risks go undetected because our comfort level causes us to tune out outside information, especially information that runs counter to our current thinking. Daniel Kahneman in his book *Thinking, Fast and Slow* said the “familiarity principle” is when repeated exposure to something makes it feel more truthful, safer, and more likable. In the book *Nudge*, Richard Thaler takes it further by explaining that familiarity “reinforces inertia” or the status quo. In other words, we feel so comfortable with something that we subconsciously ignore outside information.

We see this all around us every day in every walk of life. From the relatives who only buy a certain brand of car because they have “never had a problem” to the friends who go to Texas Roadhouse for dinner while on vacation, to the co-workers who resist an upgrade to the new state-of-the-art software system. Each of these is an example of familiarity bias at play to some degree and each illustrates a certain level of comfort which reinforces inertia or the status quo.

While adhering to the status quo may feel good and makes decision-making easier, having only one side of the story (your side) can be risky. When it comes to buying a new car or choosing a restaurant on vacation, the risk of leaning into familiarity bias is low. However, when it comes to ignoring the new software system upgrade at work, or investing a chunk of our retirement dollars in a single business in which we feel intimately familiar, the risks increase significantly.

How Familiarity Bias Reveals Itself in Wealth Management

We often say that we do not manage performance, we manage risk. In other words, our job is not to outperform some arbitrary benchmark. Our job is to get to know our clients so well that we can identify the biggest risks in their financial lives, and one by one, help them take the necessary steps to mitigate those risks. Sometimes those risks are investment related. Sometimes they are related to planning. Almost all the time, they have something to do with biases and behavior.

Below are a handful of biases that can lead to risky behavior:

- Confirmation Bias and/or Regret Aversion and Portfolio Concentration Risk
- Loss Aversion and Purchasing Power Risk
- Recency Bias and Sequence of Return Risk
- Herd Behavior and Valuation Risk
- Anchoring and Opportunity Cost Risk

I have covered a couple of these biases in past posts and will reserve diving deeper into the others until future posts. Instead, I will focus on the bias that motivated this blog post, familiarity bias and one of the biggest associated risks, idiosyncratic risk.

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Familiarity bias in Wealth Management can present itself in multiple ways. Home country bias is when people tend to overweight investments in the country they live. Sometimes it is simply a matter of convenience as 401k Plans offer more US options than global or international. The research indicates that Americans tend to overweight stocks and bonds from the USA, Canadians overweight Canada and the Japanese overweight Japan. The familiarity we have with our home country just feels safer.

In a publication titled *No Place Like Home: Familiarity in Mutual Fund Manager Choice*, authors Pool, Stoffman, and Yonker discovered that even professional money managers display familiarity bias, often overweighting companies headquartered in their home state. Importantly, they also found that this led to overconcentration and underperformance.

But familiarity bias doesn't just lead to investing in what feels most comfortable. It can also lead to avoiding investments that feel less comfortable. Author Hisham Foad in a 2010 publication noted that "familiarity bias causes investors to avoid investments they don't understand, even when those investments may improve diversification or reduce portfolio risk".

We often see familiarity bias create the highest levels of risk when investors have a significant concentrated stock position, usually their employer's stock. Not only is a large chunk of their wealth tied up in one company, but their salary and benefits are coming from that company also. That is a lot of eggs in one basket, a risk that can only be mitigated through diversification.

However, because of familiarity with company management, products, customers, and the industry, among other things, some investors tend to resist diversifying away idiosyncratic risk because they feel comfortable. Idiosyncratic risk, as highlighted in the Blockbuster story, is risk that only applies to a single company. Netflix couldn't put the entire US stock market out of business, but they could disrupt Blockbuster. And the same is true for any family that has a large, concentrated stock position. Idiosyncratic risk can turn a comfortable retirement into major pivot. One strategy to reduce or eliminate idiosyncratic risk is to diversify it away by selling shares of the concentrated stock and replacing it with a broadly diversified portfolio, preferably a tax-efficient one.

Blockbuster Video is a perfect example of how a business in which we are intimately familiar can be disrupted and investors negatively impacted. Our number one job is to identify and manage risk. The idiosyncratic risk inherent in concentrated stock positions is one of the biggest challenges we face in Wealth Management because of familiarity bias mostly. Within twelve years of Netflix founding, Blockbuster filed for bankruptcy. Executives and franchisees with a significant amount of their net worth tied to the fortunes of the company, were decimated. Fortunately, many of us were merely loyal customers of Blockbuster Video, and not significant owners. Although it took a while, my wife and I eventually migrated over to streaming. While we still miss our Friday night trips to the video rental store, pivoting to the "Netflix and chill" model has worked out just fine.



5 Retirement Costs That Often Catch People Off Guard

By: Hartford Funds

The best way to handle a surprise expense? See it coming.

No one likes surprises, especially when it comes to retirement expenses. Yet a recent study found that nearly half of retirees say their retirement expenses are higher than expected.

Not because they didn't plan, but because some costs are easy to overlook. Some costs show up gradually. Others hit all at once. Either way, the surprise can derail a retirement people spent decades building.

Here are five real retirement expenses that can be easy to underestimate.

1. The Healthcare Expenses Medicare Won't Cover

Linda had been on Medicare for two years when she cracked her tooth. She assumed it would be covered. Instead, she was left with a \$2,100 bill for a crown, entirely out of pocket.

Medicare provides meaningful coverage, but many retirees are surprised by what it doesn't cover. In fact, 58% say they expected Medicare to cover a greater share of their health costs than it does.¹

Some of the most common gaps in standard Medicare include dental, vision, and hearing-related expenses—all of which typically come out of pocket.²

Dental costs in retirement can be meaningful—and often come as a surprise. Here's a look at what some common dental procedures may cost:

Service	Estimated Cost Range
Dental crown	\$800 – \$2,500 ³
Dental bridge	\$2,000 – \$5,000 ⁴
Dentures	\$1,000 – \$28,000 ⁵
Eye exam	\$75 – \$250 ⁶
Glasses	\$100 – \$600 ⁶
Hearing aids	\$2,000 – \$7,000 ⁷

These costs are especially hard to plan for because they are so unpredictable. In any given year, a retiree could face several thousand dollars in out-of-pocket expenses not covered by Medicare.

Note: Medicare Advantage and Medicare supplemental (Medigap) plans may help cover some of these expenses. Coverage varies by plan, so it's worth reviewing options carefully.

2. The Reality of Long-Term Care Costs

When Jim's wife took a fall, the family realized she needed more help at home. Within a week, they were paying \$35 per hour for someone to help—and learned Medicare wouldn't cover it.

Long-term care can be one of the most significant financial risks in retirement yet is often underestimated. Many people don't like to think about it, but someone turning 65 today has nearly a 70% chance of needing some type of long-term care during their lifetime.⁸

The cost can be substantial and may only be minimally covered by Medicare, if covered at all. Current national costs are about \$80,080 per year for an in-home caregiver, around \$74,400 a year for assisted living, and more than \$129,575 a year for a private room in a nursing home.⁹

Long-term care is so hard to plan for because the need can arise without warning. A fall, a diagnosis, a slow decline, any of these can shift a household from "we're fine" to "we need help now." And when that happens, the costs can take a significant toll on a retirement plan.

3. The Surcharge Surprise: IRMAA

When Tom retired and his income dropped, he assumed some of his monthly costs would, too. Then he got his Medicare premium notice: \$3,400 a year. Welcome to IRMAA.

IRMAA, the Income-Related Monthly Adjustment Amount, is a surcharge that can increase premiums for Medicare Part B and Part D for higher-income retirees. It kicks in at a lower income than many people expect: \$109,000 for single filers and \$218,000 for married couples filing jointly.

The tricky part? IRMAA surcharges are based on your tax return from two years earlier, not your current income. For Tom, that meant his Medicare premiums were still reflecting his higher working salary, even though his income had dropped significantly in retirement. That's a \$3,400-a-year surprise he didn't see coming.

And Tom’s situation is just the first tier. Depending on income, IRMAA surcharges can range from roughly \$1,150 to nearly \$7,000 per person, per year. If both spouses are on Medicare, those surcharges apply to each, meaning a couple could face more than \$12,000 a year in added premiums alone.¹⁰

Large Roth conversions or IRA withdrawals can also trigger IRMAA surcharges, another reason to plan the timing of these moves carefully.¹¹

4. The Cost of Keeping up Your Home

The Garcias hadn’t thought about their roof in years. Then a water leak led to an inspection and a recommendation for a full replacement. The estimate came in nearly \$10,000 higher than what they’d paid the last time around.

Roofs, furnaces, and HVAC systems can last 15 to 20 years or more, long enough that it’s easy to forget they’ll eventually need replacement. And with retirements often lasting 30 years or more, major repairs and replacements are usually not a matter of if, but when.

One reason these costs surprise retirees is that they’re comparing today’s prices to what they paid years or decades ago. But the cost of major repairs and replacements has changed significantly.

Here’s how roof and HVAC costs have changed—and could continue to climb—over time.

Home Project	Cost 20 Years Ago	Estimated Cost Today	Future Cost (20 yrs) ¹²
HVAC system ¹³	\$3,000 – \$5,000	\$8,000 – \$15,000+	\$14,500 – \$27,100+
Roof replacement ¹³	\$5,000 – \$8,000	\$12,000 – \$25,000+	\$21,700 – \$45,200+

5. The Cost of Supporting Family Members

What started as occasionally helping with her son’s rent slowly became more. A car repair here, a medical bill there. Before long, the support had become a regular part of Carol’s spending. Three years later, she found herself thinking about cutting back on travel and eating out—not because of her own expenses, but because of his.

The desire to help your children is a natural instinct. Support may flow to adult children, grandchildren, aging parents, or other loved ones, and in some cases, more than one family member at a time.

The financial impact is often larger than many people realize. Parents who financially support their adult children spend an average of \$1,474 per month doing so. And 60% of parents say they have sacrificed their own financial security for the sake of their children.¹⁴

Caregiving can also be costly. Family caregivers spend about \$7,200 per year out of pocket on average, including expenses such as transportation, medications, and coordinating care.¹⁵

These expenses often start small and grow. But when family support becomes recurring, and emotionally difficult to scale back, it can slowly eat into a retirement plan. The surprise isn't a single expense. It's the moment you realize you're questioning your own financial security.

How to Plan for Costs That Are Hard to Predict

It's impossible to predict every retirement expense. That's what makes these five surprise expenses so easy to overlook. But having a conversation about where these costs are most likely to show up can make a meaningful difference. A financial professional can help you look at which of these costs are already reflected in your plan, what assumptions are being made about healthcare, housing, income, and family support, and which risks are most relevant based on your health, family situation, and living arrangements.

Next Step

Make note of one area of costs that may be most relevant to you and bring it to your next conversation with your financial professional.

¹ "Schroders Study Reveals How Retirees Are Responding to the Affordability Crisis", Schroders. May 19, 2025.

² "What's Not Covered", Medicare.

³ "How Much Does a Dental Crown Cost? Average Prices with and Without Insurance", GoodRx. September 3, 2024.

⁴ "How Much Does a Dental Bridge Cost?", GoodRx. September 26, 2022.

⁵ "How Much Do Dentures Cost?", GoodRx. February 20, 2025.

⁶ "Average Cost of Eye Exam and Glasses 2026", Latest Cost. May 28, 2026.

⁷ "How much are hearing aids? Answered by audiologists", Audiologists. October 25, 2025.

⁸ "How Much Care Will You Need?", LongTermCare.gov. February 18, 2020.

⁹ "Calculate the cost of long-term care near you", CareScout. 2025.

¹⁰ CMS, "2026 Medicare Parts A & B Premiums and Deductibles," November 14, 2025.

¹¹ "IRMAA Brackets 2026: What They Are and How They Work", nerdwallet. January 15, 2026.

¹² Assumes 3% inflation.

¹³ "2025 Cost vs Value Report", JLC online. 2025.

¹⁴ "50% of parents financially support adult children, report finds", CNBC. March 25, 2025.

¹⁵ "New Report Reveals Crisis Point for America's 63 million Family Caregivers", AARP. July 24, 2025