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Charles Schwab CEO Explains Why Investing Works—and Gambling Doesn't

By [Andy Serwer](#) [Follow](#)

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Andy Serwer: Right. There's a lot of new investing vehicles out there, Rick. There's crypto, there's alts, and there's all kinds of new options. Um, zero days to expiration options. Some people liken that to gambling or suggest that gambling is sort of akin to investing. And I want to go back and we'll talk about some of those other vehicles, but what about this whole notion that gambling and investing are really just the same thing?

Rick Wurster: Well, I think they're really different and we've been trying to get the message out as loudly as we can about the merits of investing and how over time if you are an investor, if you save and you invest over time, your wealth will accumulate. Over a 10 year period of balanced strategy of bonds and equities has never gone down and very rarely have equities gone down over a 10 year period.

Over a 20 year period equities have never gone down. The reason I go into that is because the payoff to investing is you're gonna generate wealth over time. It's a great way to generate wealth. If you compare that to gambling, gambling is a great way to destroy wealth. Less than 5% of people that sign up for gambling apps take more money out of the gambling app than they put. Our client's wealth is at an all time high at Schwab, and the reason for that is because over time their wealth has grown. And so I think there's really stark lines between the two. Now certainly there's some products and some trading strategies that that may blur the lines, but in general I think there's a really strong line between betting on the Monday night football game, which is gonna have a probability of payoff below 50%, and investing in stocks, which over the long run are gonna go up.