

## Certainly Uncertain August 18, 2017



As most of you do, we vividly recall the housing crisis of 2008 and the rippling effects that shocked the financial world. Many investors acted on the uncertainty by altering their long-term financial plan based on short-term uncertainty. You see, uncertainty has a great friend and that friend's name is fear. As a result, many individuals changed strategies, employment plans and future spending to adjust to a new reality. Some of these changes to the uncertainty were necessary, some were not. The thing was, this uncertainty wasn't a new phenomenon. Many investors simply forgot the past.

### Past Uncertainty

In 1929, investors thought the world was ending as Americans entered the great depression. The market was down 80% by 1932. In 1942, as the market was still recovering, Japan bombed Pearl Harbor, waking a sleeping giant and thrusting the U.S. into WWII. In 1952, the Korean War caused bomb shelters to become the most popular purchase in America! In 1962, school children were practicing drills to help them prepare for a "sure" nuclear invasion from Russia by hiding under their desks (seems pointless knowing what we know now). In 1972, prime interest rates were at 10%, Watergate was in full swing and Gerald R. Ford was set to become the only non-elected President in U.S. history. Fast forward to 1982, with inflation at all-time highs, mortgage rates at nearly 20% and investors facing headwinds of 50% tax brackets. Ten years later, in 1992, we saw 25% of savings and loan institutions fail. We then entered the 2000's, with tech stocks booming and considered a safe investment, only to see the dot-com bubble burst and \$5 trillion of market value evaporate over a three-year period. During the dot-com crisis 9/11 happened, thrusting us into a war that we are still fighting today. Then, in 2008, the great recession happened and we saw the sub-prime mortgage crisis threaten the existence of many financial institutions. Today we face political turmoil in Washington, race riots in many U.S. cities and the unpredictable North Korean leader Kim Jung Un. For the time being, it seems that Kim Jung Un has blinked and is backing down.

### What Does It All Mean?

As you can see, we have lived through many periods of uncertainty. When uncertainty arises, it may be easy to think that this is "new" or "different". In reality, we have always faced uncertainty and are certain to continue to face it in the future. By having and sticking to a properly created financial plan, investors can weather financial storms, now and in the future. I can recall investors that sold near the market lows of 2009, only to wait for the "perfect time" to get back into the market. The "perfect time" came and went for many investors and along with it the spoils of patient investing. Those that stay the course in the face of uncertainty are often rewarded for their patience and discipline.

At Voisard Asset Management Group, we know the importance of not only having a customized financial plan, but also sticking to that plan. As your personal situation and goals change, so should your financial plan, but the reasons should be specific to you, not simply political noise or a financial crisis. Regularly reviewing your plan with your financial advisor is extremely important and should not be overlooked. If you haven't created a financial plan or haven't visited your plan in a while, we would love to assist you. It's amazing how much a simple conversation can do for an individual and their financial future.

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