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Investing is a Marathon, not a Sprint

Nobody really wants to hear bad news. Yet somehow bad news sells. Why is that? Why do we focus on what is wrong in the world? The answer to that stems from the fact that, we, as human beings are concerned with any variable that may threaten our sense of well-being. We want to control everything.

The Pew Research Center said we focus especially on news concerning money and disasters. The media taps into this innate worry with steady streams of stories around rising gasoline prices, natural disasters, terrorism, and the like. Never forget, the main goal of media is to make a profit. Every story becomes bigger than life.

One thing I have learned in the process of providing financial advice for 30 years is that a lot of the noise that we read and hear about is nothing more than short-term distractions that should not influence our long-term thinking. It is a waste of time and often detrimental to focus on things that change every day. It is much better to focus on things, that never change.

I find myself enthralled with the upcoming Presidential Election. It seems critical on a number of levels. Although I tend to fixate on our political problems one thing is for sure, no matter who wins America's Presidential election in this Fall, no matter what happens in Europe, we, as individuals, still have to reach our financial goals. That is not going to change.

A 45-year-old client that wants to retire at age 65 only has 240 paychecks left in their life. No one can change that variable. In 180 months, a 3-year-old will be in college. We can't stop the march of time, so it becomes critically important to make the best use of every day and every week in planning our financial future.

My guess is we are going to hear very little good in the next several months, especially in this politically charged season. Right now you can cut the political fog with a knife. This may be a very negative and discouraging political process.

My advice to all of you is to keep your eye on the long-term and the things that you can do to improve your financial situation day to day to meet your long-term goals. If you are living within your means, paying off debt, saving for the future, and have a balanced portfolio that matches your risk tolerance - you are right on track.

Forget the doom and gloom in Europe, China, and the "Fiscal Cliff" in the U.S. These issues will pass. Maybe not this month or this year, but eventually, the system will cleanse and prices will rise. Let's not get too negative with the bad news and giddy with the good times.

As we review your financial situation in the coming months, our goal is to keep you on solid ground. Our firm is not the media. We have a different business model. We do not run the 100-yard dash, we run a marathon for you. Politics and Investing are so very different from each other. In politics the short-term is clear and long-term is murky. In investing, the short-term is murky and long-term crystal clear.