

How Should an Investor Respond to Market and Political Volatility?

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Market and political volatility both seem like they are different today than they have been in the past. This could be true on some levels, but it could also be the fact that information is more easily accessible and can spread quickly with a touch of a button. Regardless, any type of volatility merits a phone call to your financial advisor.

Most of the time your long-term investment plans shouldn't be changed much during times of market or political volatility. If you're considering making some changes, a quick meeting with your financial advisor can either validate your decision or make you realize it may not be the best choice at this time. Here are some more points about volatility and how you and your financial advisor are impacted.

Is Volatility Worth Changing Your Investment Plan?

Volatility itself generally isn't a sure sign it's time to completely overhaul your investment plan. Your financial advisor may have helped you create a diverse portfolio, so it's possible one or two investment strategies may need to be altered. With all the news and information readily available for people, it's easy to make a quick decision based on an opinion you read about or heard on television. Before making those quick decisions, take the time to talk with your financial advisor, since they are tied into the market more than anyone and can give you a better sense on how volatility is impacting your finances.

Your Financial Advisor Should Be Easily Accessible

Market and political volatility are going to happen often, but it doesn't mean they should be ignored completely. Your financial advisor should be easily accessible, including when volatility may affect you. Your advisor doesn't want you to be unnecessarily concerned or possibly losing sleep over your investment portfolio, your

financial advisor wants to answer your questions and give you confidence in your plan. Your concerns or questions could also uncover additional information to your advisor that could factor into your investment plan, giving reasons to modify your investment portfolio. It's always better to keep your advisor current on any investment concerns and developments. Your advisor has considered many factors into your financial plan, including your risk tolerance and the likelihood of different market conditions and fluctuations. They are constantly watching the market as it relates to your financial situation and are pleased to answer your questions and concerns.

Consider Current and Past Data to Support Advice

It's easy to say today's market and political volatility are like none other we've seen in history. While some of the points made could be true, the honest truth is there may not be a greater time to live and prosper than right now. Steven Pinker's book titled "Enlightenment Now" uses statistics and argues with scientific rationality that peace, happiness, health and prosperity are all on the rise throughout the world. As it relates to your financial plan, quick decisions should not be made without looking at historical data to support the advice. Of course, the past is not a direct indication of what will happen in the future, but it is a great way to measure what could happen based on facts.

At United Capital, we understand statistics, projections and historical data, but we also understand those things may mean nothing to our clients. Many investors only want to know how volatility impacts them right now. While we understand this mindset, it's also our job to discuss how the market has reacted in the past, how it could react in the future and tie them together to create the best present situation. Don't hesitate to contact us to speak with a financial advisor at any time, whether you've worked with us in the past or not. Or visit our website today.

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