



A Shift In Priorities

75% of the study

participants

replied they still

believe they

will achieve the

American dream

in their lifetimes.

The inaugural American Dream Study, conducted in 2007, revealed an insatiable hunger for more and better material possessions. In addition, the bar was continually rising for what was considered “basic necessities.” However, across all social strata, the economic crisis has been a loud wake up call.

Respondents to the 2009 version of the study, reported that they are eating at home more often, shopping more at big box discount stores, spending less on movies, and moving away from brand-name products to generics (www.metlife.com). And, unlike previous downturns, no one seems to be immune.

The study also revealed that four in ten Americans are feeling “buyers remorse” about past purchases and wish they had spent less and saved more over the years. In fact, many now feel freed from the pressures of “keeping up with the Jones,” and view the economic crisis as “permission” to change their behavior.

Amazingly, 75% of the study participants replied they still believe they will achieve the American dream in their lifetimes. In light of this finding, the researchers concluded that this hope is fueled, in part, by Americans’ ability to adjust their definition:

“As credit remains in short supply and investments deteriorate, Americans have

replaced (at least temporarily) their desire for a better financial future with the pragmatic goal of staying afloat and focusing on relationships with family and friends.”

Marriage also figures a more central role—27% of Americans now identify marriage as synonymous with the dream, up from 17% just one year ago. Generation Y, in particular, views wedlock as a prerequisite with 32% of young Americans defining the dream in terms of marriage and a committed relationship.

Echoing this shift toward hearth and home, 44% of Americans reported that the current economic situation has caused them to reevaluate their priorities and place greater importance on things like personal life and family rather than finances. In addition, they are making significant lifestyle changes. Nearly 40% reported a greater focus on healthy living, such as exercising and making better food choices, and 59% indicated they are spending more time thinking about personal life goals.

Source: The 2009 MetLife Study of the American Dream

©2009 Money Quotient, Inc. All Rights Reserved.

There's Nothing Like a Down Market to Test Your Investment Strategy

When market volatility yields a rash of selling, the media works hard to fan the flames of investor panic. Phrases like “investors dumped stocks” and “assets fled to the safe haven of cash” fill the newspapers. Television reporters, the so-called experts, on financial news networks earnestly wonder if the “sell off” will continue. The resulting barrage of scary sounding terms like “correction,” “crash” and “bear market” is enough to make even seasoned investors wonder if they too should sell.

today will change the amount of money that you will need in the future.

Likewise, daily fluctuations in the stock market have no impact on the expected results of a good investment strategy. In other words, if your strategy is sound, you can sleep well at night regardless of what happened in the market during the day.

A Good Strategy: What It Is and How to Get One.

A good investment strategy is an approach to money management based on your personal financial needs, risk tolerance and time horizon. It results in investments that have a high likelihood of reaching a particular goal within a specifically defined time frame and tolerance for risk. A sudden drop in the stock market does not change the likelihood that this strategy will be successful.

Remember, the financial markets are cyclical. They don't always go up. Never have. Never will. If you are biting your nails when you hear that the markets are down or losing sleep worrying about your money, maybe it's time to rethink your strategy.

Robert J. Cole, Jr., is an independent CERTIFIED FINANCIAL PLANNER™

He also holds the CLU, ChFC, and CASL designations. For more information on this topic, readers can contact Mr. Cole at 502-589-1772 or by email at www.lifetimesolution.com.

A good investment strategy is an approach to money management based on your personal financial needs, risk tolerance and time horizon.

What the Headlines Don't Tell You

During these media-driven frenzies, you never hear anyone mention the fact that every stock “dumped” by one investor was bought by another. Even stocks that investors “abandoned” got bought by someone else. *Every single share.*

Equally unmentioned is that many of the investors who “took profits” by selling may lose a substantial portion of those gains to Uncle Sam. While pulling your money out of the market may be the trendy thing to do on a day when the markets are down, it might not feel so chic on April 15.

What to do When Markets Turn “Bad”

So what should you do when the markets drop? If you're a long-term investor with a well-planned investment strategy, you probably shouldn't do much of anything.

Think about it for a minute. Does a rise or fall in the market today have any impact at all on your long-term financial needs? Without even knowing who you are, we can already tell you that the answer to this question is “No.” Nothing that happens in the market

The Power Of Questions

Jacqueline Kelm believes that we live in a world our questions create. In her book *Appreciative Living*, she writes, “The internal and external questions we ask steer our thinking, attention, and images in one direction or another which in turn directs decisions and creates our experience”

Most of us realize how important questions are in our daily interactions—it seems we are continually either asking a question or responding to a question.

What we are less aware of are the questions that we continually ask ourselves. Our internal dialogue exists so automatically that we are barely aware it is happening. What develops are patterns of thinking that shape the way we view ourselves, view others in our lives, and view the world in which we live and work.

As Kelm explains, although it is impossible to monitor every thought that runs through our brains, it is possible to become more aware of the question and answer “habits” that guide our lives. She wrote, “What we can do is realize these thought processes are going on, appreciate the value they provide, and make a point to ask questions in a more intentional way at appropriate times.”

Kelm also believes that what we pay attention to grows. In other words, if we choose to study success, we will not only find it, but more success will be generated. Therefore, Kelm recommends the following:

“It is important to ask about what we want more of, and not less. Our attention will create our experience, and if we focus on lack, we create more lack.”

Lou Tice, creator of the Investment in Excellence program describes the same concept this way: “You move toward that which you think about.”

In addition, Dan Sullivan, founder of Strategic Coach, Inc., has long promoted the power and value of “strategic questions.” For well over a decade, he has used one question in particular to foster clarity of vision and motivate positive change. In a meeting with his coaching clients, he asks:

“If we were having this discussion three years from today, and you were looking back over those three years, what has to have happened in your life, both personally and professionally, for you to feel happy with your progress?”

What Sullivan has discovered is that this question provides a framework that enables individuals to simplify their complex lives. They gain clarity when they identify what will make them happy with their progress. The result is a new confidence that will lead to important decisions and action steps.

©2009 Money Quotient, Inc. All Rights Reserved.

“What we can do is realize these thought processes are going on, appreciate the value they provide, and make a point to ask questions in a more intentional way at appropriate times.”



A Gift from the Cosmos

What a difference a year makes! This time last year we were entering the fastest stock market correction in history. The freefall would start in November and not bottom out till March of 2009. That four month period took most people out of their “security zone” and with it their anxiety level about the future took a sharp upward swing.

During that time, we spent a great deal of time visiting with our clients to review how their investments fit into their overall financial life plan. It was amazing to hear people reaffirm the other “wealths” in their lives. The sense of health, family and friends being a source of comfort was almost universal. It certainly reinforced the value of having your investment program deeply connected to a life plan that one is committed to.

Having just turned sixty years old, I decided that it was time to take a hard look at my personal life plan. My wife and I changed the format of our typical three day annual retreat and instead spread the meetings out over a month, so that we could consider some of the bigger questions more carefully. It also allowed us to adjust our assumptions in a rapidly changing environment. The net result was that we spent most of this year visiting in detail what we wanted to accomplish over the next five years. We are in the final steps of updating our wills, revising our portfolio, and evaluating our insurances. Another bonus of the extra attention was the affirmation that, in spite of the market correction, we have been successful in accomplishing what we set out to do five years ago.

I have talked before about the medical process I go through every year end. This year was no exception; I visited all my doctors and got good results from the tests. My physical condition continues to be good “for my age” (the doctor’s terms, not mine)!

I also have been working with my aging mother, who has faced a year of declining capacity and dealing with the changes in lifestyle that come with that evolution. In summary, we are on solid ground looking to our future from a position of confidence.

It was a routine trip out to one of my client’s home. Because of his demanding schedule, we were meeting in the evening. As I drove on the interstate to the appointment, I was listening to Christmas music on the radio. Life was good and what started out as a scary year was ending on a positive note in almost every area of my circumstance.

Suddenly, a large empty plastic barrel came flying across the highway divider on a mid air collision course with my

car. In an instant, it bounced on the road in front of me and crashed into my car, denting my bumper, destroying my front headlight, and buckling the quarter panel. Since I was traveling at sixty miles per hour, this all happened in an instant. I slowed the car and pulled into the emergency lane shaken by the unexpected violence that had just occurred.

Anger was my next emotion. With cars and trucks whipping by at a high speed, I got out of my car on the dark highway to look at the damage. My nineteen-year-old collector vehicle had just been violated by someone else’s carelessness in failing to secure their cargo! The car was damaged, but drivable; so I continued on to my meeting since we had been trying to meet for over a month and had important items to discuss. When I arrived at his home and was able to take a closer look at the car, I suddenly realized that I had just had a near death experience. If that barrel had jumped two feet higher, it would have smashed into the driver’s side windshield and, traveling at better than seventy miles an hour, would surely have killed me.

The next day, I took one of my winter hikes in nearby woods. Pondering the experience, I came to realize that I had just been sent a sharp reminder about how fragile this thing we call life is. Surrounded by the confidence of planning, and preparedness, we all go through our daily lives with the illusion that we have control over our destiny. Yet, in our hearts, we know that there are many “barrels” flying around in our chaotic world and sometimes, through no fault of our own, they come crashing into our well built plan and reek havoc. If we are lucky enough to survive such an experience, the only path is to pick up what is left, reevaluate our plan and begin anew. This is the real process of life planning!

As the year draws to a close, I am thankful for the balance that the Life Planning has brought to my life. I am deeply appreciative of my family, my clients, my staff and my friends. This time, I “dodged the barrel”...but I want to thank the cosmos for reminding me that all we really have is today, and living that day in a purposeful manner is the only path to living a meaningful life. So the next time you feel anxiety about the future, keep that thought in your mind.

Until next time, that’s my opinion.

*Robert J. Cole, Jr., CLU, ChFC, CASL, CFP®
President*