

Rocky Road

I'm not talking about ice cream here; this refers to the terrain we must drive on. Depending what areas you frequent, chances are you're running into various types of terrain. If you know that your daily trek will take you in smooth country roads or uncharted waters, you'll plan appropriately by getting the appropriate ride. For those exploring the wild in Africa or Antarctica, the default choice is the Land Cruiser or Range Rover; for those schlepping a crew of rugrats back and forth to sporting events, school and brownies the ride of choice is typically a minivan, suv or station wagon; for those big kids that still like to play it's usually a Porsche 911, Corvette or WRX sti. The bottom line is you choose the appropriate ride for your application, whatever that application may be. In America our roads are pretty good, but not really meant for high speed fun – especially in New England. New England is great for fall foliage tours, but not for top speed tests. The Autobahn is unrivaled – a playground for anyone with the ride and the will to push the envelope as hard as it can be pushed. The autobahn wouldn't work in America, too many drivers don't understand common driving courtesy; use your blinker, merge left when turning left so people can get by you on the right, turn your lights on when your wipers are on, slow cars belong in the right lane on the highway, etc. How many times have you been cruising down the highway to find someone cruising in the left lane at 62 mph? That is arguably one of the most frustrating things on the planet. ☺ We just recently came back from a road trip to Washington DC to find a dozen or so such lane blockers.

From 2002 to today we've had some pretty smooth financial sailing. Things have been steadily rising for over 60 months without much volatility or worry outside of this summers one month subprime meltdown, which quickly and surprisingly recovered in days. As the future unfolds I suspect the road will become a lot more rocky, we've been cruising along at highway speeds on the smooth open road for 5 years. The road will likely become bumpy, congested and downright out of control in the next few years. It's time to reevaluate your financial plan and investment portfolio to ensure you're positioned to be in line with what is coming up, not what we just lived through. The best ride for the past 5 years will not likely be the best ride for the next 2 – 3 years. If you were sailing down interstate 95 in a Bugatti Veyron at top speed that's great, but when you're smooth paved road has turned into an off road rock crawl, you're in the wrong ride and will likely get stuck. When it comes to finance it's difficult to make decisions based on historical information because it's not consistent and often inverts going forward. What was the best investment from 1995 – 1999 was likely the worst from 1999 – 2002. (Tech stocks☺) What was the best investment from 1999 – 2007 is likely to be the worst from 2007 – 2010 (real estate ☺) We're at a time in the world where things in general are slowing down, economies are cooling off and there is tremendous political and economic uncertainty in the world. It makes a lot of sense to be sure you're positioned correctly moving forward. If you're still in the Bugatti Veyron you'll likely have a very unpleasant couple of years ahead of you, it's likely to be a very Rocky Road. ☺ Michael Chadwick can be reached at (860) 489 8880 or mike@fiscalwisdom.com

Registered Representative, securities offered through Cambridge Investment Research, Inc. a Broker/Dealer, member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Chadwick Financial Advisors and Place Financial Advisors and Cambridge are not affiliated. Opinions expressed may not necessarily be those of Cambridge Investment Research, Inc.

Disclosure: Indices mentioned are unmanaged and cannot be invested into directly. Past performance is not a guarantee of future results. This information is for educational purposes and should not be construed as individualized investment advice.