

Don't base long-term plans on your short-term feelings

Many matters that impact investment performance can be explained by demographic variables.

Often, I believe sociologists and economists can improve your investment success.

For example, the economic power of women in our economy is irrefutable. Watch what women want and do, and it will have an effect on the nature of the economy.

Now, you can be an investment expert. Why isn't it just that simple?

It's a matter of timing and emotions.

Macroeconomic trends — like the aging of America, our use of technology, our love for pets, the breakdown of the traditional family unit, etc. — are long-term trends, perhaps decadeslong.

As humans, we don't know how a decade feels. We can only know how we feel right now, and be influenced by our memories of how we have felt in the past.

So, investing is problematic.

Let's assume your primary investment objectives are to ensure you can maintain your lifestyle, educate your offspring, make big purchases, and fund legacies. You may have any number of financial objectives, but almost every one of them is long-term. So why would you allow short-term feelings to affect long-term decisions?

Because "feeling long-term" does not come naturally.

The problem is we have a short-term driver (feelings) affecting a long-term issue (investment decisions).

If your investment success must be measured short-term, don't expose yourself to the stock market. There are numerous other good choices.

Also, there are financial planning

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tools utilized by Certified Financial Planner Professionals, which can assist you in "seeing the long-term." This enables you to ignore short-term volatility while making sound long-term decisions.

Remember most of what you hear and read is wrong. When things are of a cyclical nature like the economy, all you have to do is say anything consistently, and you will be right from time to time.

There are so many opinions and so much news. It's really confusing. This "noise" creates information overload and is prone to lead you astray.

So, pick a trusted adviser to help you decide what information is important. Avoid allowing faulty information to affect how you feel. Then short-term feelings will have less impact on the positive experiences available to you over the long-term. Go now, unemotionally, and enjoy investment success.

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