

## The Advice Dilemma

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A constant dilemma for Advisors working with clients to help them realize their goals and dreams is striking a balance between the tyranny of immediate current events with the need to stay focused on your longer term goals.

The recent Brexit vote in the U.K. is a case in point. The media created a firestorm of hysteria, speculation and anxiety with its constant and overwhelming coverage of the impending vote and its aftermath.

The reality is that the vote was more of a political event than an economic one. The impact on the markets was short-lived and did not present much of an investment opportunity except to those traders such as hedge funds and so on who made bets on the expected outcome of the vote. The full extent of the impact of this vote will be unknown for many years as the negotiations to exit the Eurozone by the U.K. will take many twists and turns. These events are a testament to the desire of the average person in the U.K. to have a say in how they are governed and taxed by authorities in Brussels, who are not accountable to the local populace. In fact, this is the same reason the U.S. fought for its independence over 200 hundred years ago.

Brexit is just the most recent event that has been hyped by the media, with another one being the market correction at the beginning of this year, another event that was not based in the economic fundamentals at that time.

The challenge for advisors is to what extent do they respond to and address current events, thereby appearing informed and offering reassurance versus doing and saying little and reminding clients of their longer terms savings and investment plans. The answer to this question will vary by advisor and by client. It is also difficult to add anything new to what is already being mentioned in the popular press. Some additional information can be gleaned from industry conference calls and commentary from economists that may be helpful or reassuring to some clients.

However, if an advisor was going to choose between an immediate commentary and saying little, the balance of the decision may likely come down to saying or doing very little other than perhaps taking advantage of some investment buying opportunities that may become available due to any emotional reactions to the event.

Why? Mostly because the media, society in general and our political system is designed to create fear, emotional upset and panic amongst the populace, which is very good for business.

Yet, you have a job to do that must rise above the noise of the maddening crowd! You must continually be focused on making a living, having a comfortable lifestyle, spending less than your net income and saving the rest for long-term asset building and lifestyle risk management, or what the industry commonly refers to as financial planning.

The hardest job of all is to keep focused on your personal situation and on how you can progressively improve it over time. That is what a good advisor is for, to remind you of the things you need to do to fulfill your own stated hopes and dreams.

No one likes change but change is constant. The hardest task of all is for clients to recognize how they must align their behaviour and actions with their long term goals while ignoring the constant barrage of news that tries to take make them emotional and take their focus off of their long term picture.

[Call our office today](#) [1] for a review of your personal situation to see how things can be improved!

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## Do you have questions about your finances?

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## [Contact our office today !](#) [1]

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