

FINANCIAL FOCUS



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Steve Economopoulos, CFP®, ChFC
Managing Principal

Brad Sanders
Associate Financial Advisor

Shawn Berwager
Client Account Administrator

Jodi Bannon
Client Services Manager

Kathie Sutherland
Operations Manager

Econ Wealth Management
4755 Linglestown Road, Suite 204
Harrisburg, PA 17112

717.545.5870 Phone
866.545.5870 Toll-Free
717.545.5871 Fax
www.econwealth.com

Opportunity Knocks

Confidence. Printed here, these ten letters are just a word. The actual feeling and projection of this attitude, however, can be the ignition of something great. Many athletes have achieved prominence as a result of having confidence. Many individuals have overcome great challenges battling what seemed to be an insurmountable illness or impediment. Consider the story of Dick and Rick Hoyt (Teamhoyt.com), the father and son team who have completed hundreds of marathons together. Despite Rick's handicap, their confidence and positive attitude has allowed them to accomplish what others told them would not be achievable. The lesson is that when a situation seems impossible, having a positive attitude can help to overcome the unimaginable.

How does this relate to the world of investing and our economy today? Many pundits have painted a grim outlook not only for our economy but for the current state of our world as well. The idea of being an investor can make you an outcast. Despite the negativity surrounding us in many aspects of our lives, an opportunity may exist for those who can see past the current turmoil. Call me an opportunist, for I believe in this exciting proposition.

In the past 75 years, there have been many reasons to avoid the stock market altogether. The Great Depression, Pearl Harbor, the Vietnam War, a flat stock market from 1966 to 1982, high interest rates in the 1980s, the terrorist events of 9/11

and high energy prices have been some of those reasons. If you look hard enough, you can always find a reason to stay away from stocks. Shocking news headlines create market uncertainty and extreme volatility. Greed and fear have been and always will be human emotions that drive the price of stocks in the short term. However, an intelligent investor gives more weight to long-term trends than to the daily events that make headlines. Each one of these past crises has represented an opportunity in the eye of the beholder. Sir John Templeton, a famous investor, was often asked, "When is the best time to invest?" He would invariably reply, "Whenever you have the money." Albert Einstein would tell us that "In the middle of every difficulty lies opportunity."

A crisis is an emotionally stressful event that disrupts normal day-to-day functioning. An opportunist would say that a crisis is a terrible thing to waste. Like most things in life, we can't control what happens to us. Investors can easily get caught up with emotions and overlook the things that they can control. A solid plan on how to invest your money to help you reach your goals should encompass your tolerance for risk and allocation of your assets as well as an income plan for your desired time horizon.

In the 1930s, we experienced the worst stock market on record. Although many comparisons are made today to what happened then, it is unfair to describe our society in terms of what our predecessors experienced. We continue to see

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Planning financial solutions to achieve the goals and dreams of our client.

Opportunity Knocks (cont'd)

the parking lots at our local retail centers busy and our local restaurants have the customary 30 minute wait – a stark contrast to the soup lines of the 1930s. You can debate the policy of the Federal Reserve or our government stimulus plans. All of the wasted energy in the form of anger, bitterness or resentment toward our economy is contradictory to moving forward toward a better society; too much focus on the negative and you can miss out on the positives that may be right around the corner. And if you can believe that as Americans, we will move on – just like every other time in the past – and that society will move forward, then this may be an exceptional opportunity to be an investor.

The mental and emotional aspects of being an investor can make it difficult to be an opportunist today. To overcome the feeling of being a victim of a difficult stock market, look towards the advice provided by the Cowles Commission. This group was formed in the 1930s to guide investors through the aftermath of the 1929 crash, and it proposed five essential rules for successful investing, which I believe are still applicable today. Invest for the long term. Invest systematically. Diversify investments. Buy quality. Get professional advice. I think working with an advisor might be the most important decision you make during the current environment. Together, you should agree on your outlook for our society along with working together toward your investment objectives. Integrity, chemistry, responsiveness, understanding, knowledge, and results are all important considerations in having a successful relationship. Being positive is a great asset. Finding an advisor with this attribute will add value to your relationship and help you see the opportunity out there. Together, you can focus on investment strategies that are most appropriate for you.

Although my father and I have not completed a marathon, I do consider Andy and Agatha the greatest parents in the world. They were born before the Great Depression and with each difficult time in life, their advice was consistent: "This too shall pass." This is the valuable lesson that I ask you to consider as we go through the trials and tribulations of the current economy. Being confident, having faith in our world, and laying a positive pathway for future generations is a choice we all have and can make. This situation will pass. It always has. We have always been a better country as a result of it. And I feel that is all the confidence we need.

Past performance is no guarantee of future results.

This article was written by Steve Economopoulos, Managing Principal with Econ Wealth Management in Harrisburg, PA at 717-545-5870. The accuracy and completeness of this article are not guaranteed. The opinions expressed are those of the author and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates. The material is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.

SAVE THE DATE!

When: Friday, September 17, 2010

What: Charity Food Drive

Where: Econ Wealth Management Office

We'll be setting up outdoors in the common area, serving lunch and collecting food donations to benefit two local food pantries!

Just for Laughs

