



August 11, 2011

Hello Everyone,

Given what's happening with the markets, I wanted to share with the Compass Planning family some thoughts that should guide you as you witness the frothy media coverage of the global financial markets.

Some clients have emailed seeking reassurance about the family financial plans we've created together, and many have tilted toward selling assets before they lose more value. But I've also been struck by the number of people who have reached out to ask my opinion on buying stocks. The buying instinct is one that actually mirrors that of the savviest investors, who see dips in stock prices as a "bargain" sign being slapped on healthy stocks whose value will rebound soon.

That said, I've been advising my Compass Planning clients to resist both the "sell" and the "buy" reaction, at least for now. My advice is to tune out the frenzied and sensationalized media hype and continue to follow the customized, long-term plans we've built together. At Compass Planning, we work steadily with our clients to track their plans as their needs shift. If your goal time-frame changes, your annual or quarterly review meeting comes due, you need cash for an unforeseen emergency, or you add unplanned cash to your accounts, we'll look together at whether to re-balance your accounts.

Your personalized investment strategy has a particular financial planning focus and asset allocation strategy in large part to help us get through times like these. Conversely, trading from day-to-day, week-to-week, or even from one month to the next can be driven by what amounts to psychological "noise" as investors speculate and try to out-guess the market -- often with disastrous consequences.

In the days and weeks ahead, market turbulence may continue, although the media's fixation will ebb as new headlines emerge. Please keep emailing me and don't hesitate to call. Our relationship is a personal one. My staff and I are here to help you make decisions and think through how current events affect your personal and financial lives.

Many of you have been through past downturns and recoveries with me. The seemingly endless stream of market news prolongs the anxiety of those who don't have the protection of a financial plan. Be reassured that our planning process, while not clairvoyant, is designed with down markets in mind. I don't know with certainty the short-term forecast of the markets, any more than cable TV dice-rollers do. But I'm certain our long-term planning strategies are sound.

Best,

A small, square image showing a handwritten signature in cursive that reads "Jewfee".

-Jennifer Lane, CFP

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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