

Stopping & Going

This is a normal part of driving around in your ride as is turning, parking, accelerating, braking, etc. We're all used to this in getting from point A to B and if you want to add a little fun to the mix there may be excessive speed, hole shots, massive acceleration, sideways corners and maybe even a power slide here and there. To stop and go puts a lot of wear on your ride, it consumes your brake pads and rotors, and it doesn't do any favors to your fuel economy and ruins your tires when drifting. It's all fun, but it's not the best thing for our rides. It wouldn't be any fun at all if driving were all at the same speed along a straight route. The best thing is to get on the highway, set the cruise control and let it go, for as long as it will until it runs out of fuel. This isn't realistic unless you're taking a long trip or a long haul trucker. In that application the ride lasts a lot longer – a lot longer. Big rigs and cars driven in such a way regularly run for 500,000 miles +, but when you abuse a car as a New York City cabbie does, the car won't last anywhere near as long without major maintenance and maybe even some major overhauls along the way. Either way you treat your ride, there is going to be a lot of stopping and going to get to and from wherever you're heading.

In an economic sense, there really isn't any stopping and going of an economy, it's more of a spinning motion and it never stops, not even for a millisecond. The economy always goes, the only question is to what degree is it going, faster or slower. Economies have two cycles determining what is going on, expansion and contraction. Expansion is when things are growing and virtually all numbers are going up – sales, taxes, revenues, expenses, GDP, etc. Contraction is when numbers come down – some or all numbers but especially GDP – following are usually sales, taxes, expenses, etc. These periods of contraction are known as "recessions." Recession isn't a bad thing or a voodoo topic as many believe, it's just a normal part of the business cycle. We're officially in a recession and have been since December of 2007. This is not a big deal and is a perfectly natural part of an economy balancing itself out and cleaning out the excesses. The past few months have been crazy with all that has happened and people are fearful if not completely terrified. The psychology of fear permeating people today isn't necessary. People will keep living their lives, getting up, working, eating, educating their kids marrying and dying. Life as we know it will continue. If you have a solid financial plan, these times will simply make your savings shrink for a while. If you don't have a good financial plan these times can cause paralysis as credit dries up and those who are overextended find the house of cards tumbling. This is the time to update your financial plan or make one, there has never been a better time to position yourself to profit from the coming expansion. Is your personal economy currently stopping, reeling from the pain or going and ramping up for the coming expansion?

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