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Hope and Change

God, grant me the serenity to accept the things I cannot change; the courage to change the things that I can; and the wisdom to know the difference – Reinhold Neibuhr

This prayer is credited to an American Theologian who died in 1971. Religion aside, I think it's a great thought because of its undeniable logic. Control the things you can, and try not to sweat the stuff you can't, or it will make you crazy.

For those that were hoping for a political rant based on the title of this newsletter, you will be disappointed. These two words, one a noun, and the other a verb are ever present in my thinking, action, and inaction.

Hope (according to dictionary.com) is "the feeling that what is wanted can be had or that events will turn out for the best". Hope represents our dreams and desires. It is the ideal state. It is the basis for all of the financial planning work we do with you. Hope, however, is not an investment process. It cannot be the basis of an investment decision, or the underpinnings of an overall strategy.

Change (according to dictionary.com) is "to make the form, nature, content, future course, etc., of (something) different from what it is or from what it would be if left alone". Change represents how far we stray from hope. We all know that change is inevitable, uncomfortable and sometimes downright scary. We ignore it (or deny it), however, at our own peril.

Our job at Access is to understand hope (yours) and manage change. The key is to recognize what things we can control, and what we can't. Let's start with the things over which we can exert some degree of control. *Spending.* Our job is to help you identify spending patterns and alert you when spending begins to put pressure on your plan. *Risk.* Different asset classes (stocks, bonds, cash) have historically provided different levels of risk for investors over time. The careful blend of these assets will, in large part, determine the overall risk of your portfolio. Our job is to find the appropriate balance between that risk and the return necessary to achieve your overall objectives. *Tax.* Different investments have different tax treatment. We place investments judiciously in your accounts to take advantage of their individual tax treatment and attempt to minimize, wherever possible, tax consequences. *Timing.* This is a tricky one. We maintain control over the timing of purchase, or withdrawal from an investment. Historically we have been more inclined to make tactical re-allocation decisions (read incremental) rather than wholesale moves into or out of markets. We continue to evaluate this strategy.

Now, for those things over which we have less direct control. *Interest Rates.* Although I have my opinions on interest rate policy, I'm not on Ben Bernanke's speed dial (nor am I a facebook friend). *Investment Prices.* Investments are re-priced based on current demand relative to supply. This re-pricing may have little to do with the underlying value of that investment in the short run. We must resist the urge to make investment decisions based solely on these changes. *Inflation.* We can anticipate this, or take corrective measures, but the cost of goods and services will most assuredly go up in the future. The only real question is by how much. *Politics.* You can love what is happening in Washington or hate it. You can vote to maintain or change the status quo. In the meantime, however, we can't afford to ignore political change, both here and abroad, and must be prepared to adjust our planning and investments based on it.

Using the courage to change the things we can, we are implementing new tools at Access that will help us to better manage change and improve our service to you. We will be introducing some exciting enhancements in the coming months – stay tuned.

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