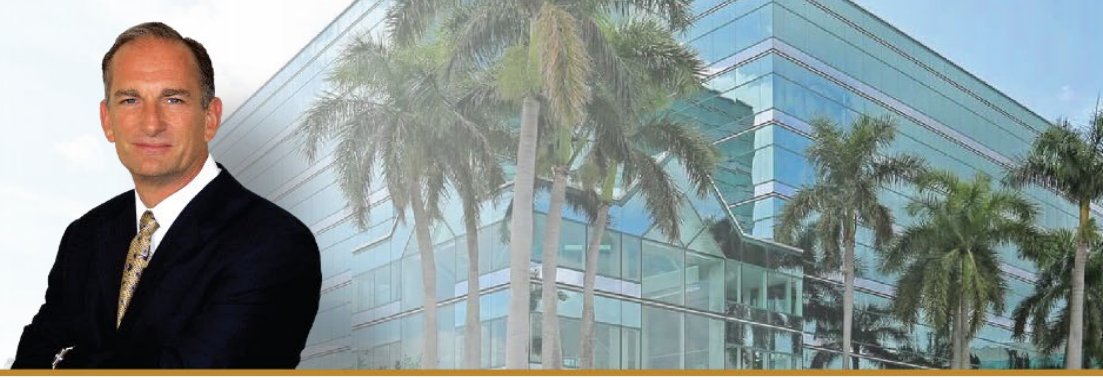
Sound Income Group

DIAL UP WITH DAVE



With so much uncertainty around tariffs influencing the markets these days, it's not surprising that many of you are hearing different opinions from clients and prospects about the issue. People who are fans of the president might say they don't want to make any changes to their investment strategy because they're confident the markets will rebound and grow stronger than ever. Others might say they're reluctant to make any moves for the opposite reason: they're paralyzed by fear about what might happen once the economic impacts of the tariffs really kick in.

In my latest coaching video, I share some tips and insights for how to deal with these issues and educate clients and prospects about why right now might actually be a perfect time to adjust their strategy (if it makes sense for their situation) for several reasons. (In fact, we're revising a few of our workshops to include some of this timely language in the scripts.)

The main point you need to stress relates to the facts we always share about market history, and how there are long periods of time when the market delivers zero growth. Point out that these periods always come about for reasons that go far beyond the presidency. No single person or policy caused the crash of 1929 or the flat market years that followed. The same is true of the down-market years that followed the dot-com crash in 1999 and the Financial Crisis in 2008. And if people take a closer look at the market volatility happening even now, they'll realize it goes beyond the tariff issue. Many pundits agree that the market has been overvalued for some time and was overdue for a healthy pullback.

So, the first point here is that any fear or optimism based solely on the president, or his policies, is misguided because the issues driving the markets are always much broader and more complicated than any one person or policy. The second point is that, regardless of what anyone believes, at the end of the day it always comes down to the question of whether you want to: A) risk taking your income from principal and hoping it grows back or B) generate your income from interest and dividends so you don't have to touch your principal or worry so much about the ups and downs of the markets. And let's not forget that with option B, you're also able to use market fluctuations to your advantage to help grow your portfolio "organically" and with less risk through strategic reinvestment!

Watch my May coaching video to learn much more on this topic because with the markets only down around five or six percent, right now really is an opportune time for people who want to make changes to reduce their risk and/or position themselves for potential opportunities later on!

Dave