



Persistence Does Pay

In this fast-paced, technological world, successful investing is all about persistence

Long past childhood and the anticipation of the first day of school, September continues to hold its original promise—a fresh start, a beginning, a new year. And with this new year, I encourage you to embrace the benefits of persistence.

A generation ago, people went to work and invested their money through their employers in a defined benefit plan. A percentage of each year's income was put toward retirement, offering employees long-term security. But, as retirees started to live longer, these plans became too expensive and changes were introduced. The employees were encouraged to invest their own money with company sponsored RRSPs, giving them more control and allowing for the possibility of achieving increased rates of return.

This change resulted in Defined Contribution plans, which gives each person responsibility for their own investments. It allows employees to live on the value of their portfolio at retirement but also to continue to invest the money and create future income. It has inspired an increasing number of people to invest, in RRSPs and other vehicles, outside of their employer's program.

And more change has brought us into this fast-paced, technological

world, where we have the ability to check stock quotes and market pricing instantly, even while we sit with friends for lunch! It is here, as we click around the internet or listen to the many sources of daily business news that we need to contemplate the word persistence.

Do you really need to know the current price of the company stock you bought last week, or last month? No, you don't, because you aren't going to sell it for at least 10 years. Yes, that's what persistence is all about, being there long term, for at least 10 years.

The highly successful investor, Warren Buffett, is often quoted as saying: "if you aren't willing to own the stock for 10 years, don't even think about owning it for 10 minutes." There's truth in these words.

Successful investing is all about persistence. When you ignore the many ups and downs of the daily market, your wealth does increase. Accessing your investment accounts online daily (or in some cases, more than once a day!) adds stress to your life for absolutely no good reason.

Don't look at your accounts daily, or even weekly. Don't treat your investments, your future livelihood, as a hobby or a game. Investments do not go up each day. When they do go up, they often slide back down the next day. And there you are looking, searching, thinking to yourself "my value is the price of my portfolio today". Doesn't that sound, well, a bit crazy?

Let it go. Stop following your portfolio daily. Start checking once a week, and then once a month and then wait for your quarterly statement to arrive. You are not selling today; you are saving for tomorrow, so today's value does not matter.

True investors buy investments the same way they buy a private business. They have someone value the business and they buy it at a fair price. Then they hold that business and watch it become more profitable each year. Plus they reinvest the profits back into their business.

You would not look at the business return at three months or six months to determine how much money the company would make in 10 years. You would not jump out of that business for another business that looks like it made more money in the past six months. When you own a business, persistence is what builds it up, makes it grow. The same is true of your investments.

Persistence is what delivers growth in your investments. And, by using the knowledge and expertise of a Certified Financial Planner (CFP), you will be able to grow your wealth for the future and have someone there to hold your hand when you are ready to "jump". Stay invested and use the time you've been spending checking on your money to do something else—like really enjoying that lunch with your friend! •

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