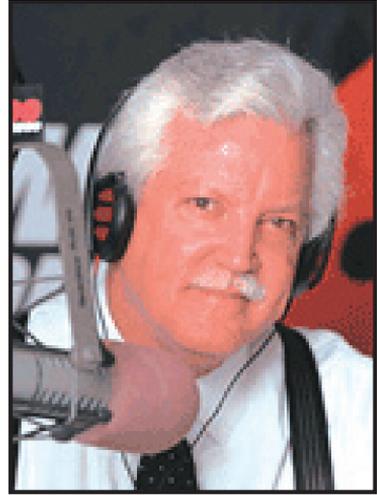


A Fresh Look on Finances

with Aubrey Morrow CFP®

Do trees really grow to the sky?

Do escalators only go up?



What do the stock market, trees and escalators have in common? Only two have gone up since 2009. This year should be OK (but it won't last forever).

Here's why: Imagine you received a credit card with a \$50,000 limit. Even better, you'd pay 0 percent interest for the next three years. What would you do with that credit card? A lot of people would say, "Oh boy! Glory, hallelujah! Let's go!" And they would run up \$50,000 worth of credit.

If you did that, your personal economy would look really good while you were spending all that money. After all, your family would be out buying a sofa and a TV and a fancy vacation.

Once that 0 percent interest grace period is over, however, you have to pay the credit card company back. But you don't have \$50,000. Now you have to make high payments. Those payments take money away from your living expenses, so you have to cut back on your grocery bill. Maybe you even have to move out of your nice big house and rent a smaller place for a while. What does your family economy look like now? Pretty lousy, right?

Our government has been acting just like your fictional \$50,000-spending family. The stimulus was like a gigantic credit card, and our country has run up trillions of dollars in debt. Eventually, we'll have to pay up, and I think our economy could be very badly hurt.

Right now we're still in the "free money" phase. While it continues, I think it's OK to be invested in the market. I believe you should be in the market when it's going up, and out of the market when it's going down. That's where having an exit strategy comes in: It is intended to give you an opportunity to ride the market up as long as you can, and get out before the bad times come.

Remember: The economy is like an *escalator* and the stock market is like a yo yo... Watch the direction of the escalator and not the yo yo... and don't forget, trees do not always grow to the sky.

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