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Your financial planner: Does the outcome of the election really matter?



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Many of my clients plan to move to Canada if Donald Trump wins the presidential election in November. Many others will move to Canada if Hillary Clinton wins the election. Or so they tell me.

I tell all of them be sure to carry their passports and have sufficient food and water in the car because they could be waiting in a big traffic jam.

Should I be taking them more seriously? Maybe. But I am convinced of one thing: The outcome of the presidential election probably doesn't matter when it comes to making long-term investment or life planning decisions.

On my bulletin board I have a list provided to me by a reputable investment company of which sectors and industries in the U.S. economy will benefit if Democrats dominate the elections and which will benefit if the Republicans win.

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Our team has listened to conference calls from famed economists insisting that Trump policies will improve the U.S. economy. Other distinguished economists claim that Secretary Clinton's economic policies will produce a stronger economy.

Like many others, we've pored over tax proposals and campaign promises. And we keep coming down to this: It's all campaign rhetoric.

Don't get me wrong. It's important to listen carefully to the candidates—presidential, state and local—to get a sense of their vision for their government. But a campaign promise is only as good as the winner's ability to create the changes he/she envisions. In this divisive electoral climate, issues seem to get nudged ahead rather than pushed forward.

This election may be different, as many claim, but I think one thing that remains

constant is the need to have a long-term perspective for long-term decisions.

Stock and bond markets will endure regardless of which party dominates the polls. Financial markets adapt to the environment in which they operate, as does any system that survives. The markets have centuries of experience doing so.

Decisions being made for a far-distant goal, like sending a child to college or one's personal retirement, shouldn't be swayed by short-term political expedience. It's important to keep the long-term focus in mind.

It's also important to be willing to adapt, if necessary. Investors hoping to make it to the finish line successfully need to be willing to make mid-term corrections on their life planning journey when their goal changes or there's significant economic upheaval, like the Great Recession.

But moving to Canada when you originally had envisioned a blissful retirement on Florida's sunny coast is too rash of a decision to make based on one decision point.

Barbara McMahon, CFP®, MBA, CMFC®, CRPC®, is the President of Innovest Financial Partners, located in the Brookside neighborhood of Kansas City. Securities and Advisory Services offered through a registered representative of Cetera Advisors LLC, Member FINRA/SIPC. Innovest Financial Partners, Inc. is independent of Cetera Advisors LLC.

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