Financial Lessons Learned from the Past 30 Years

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Milestones in life are important because they're a natural time to reflect on the past while preparing for the future.

At Fox, Penberthy & Dehn at Morgan Stanley, we're celebrating the 30th anniversary of our founding. Over the decades, I've been blessed with such a wonderful team that's been so instrumental to our success.

That includes my two long-term partners and Financial Advisors, Ed Penberthy and Joe Dehn. I've worked with Ed since the inception of our team; he was the best man at my wedding. Frankly, I wouldn't be who I am today without my personal and professional relationship with Ed. Joe joined us shortly afterward in various capacities, and became a partner in 1999. He's an incredibly loyal, mission-driven professional who's contributed so much to our practice.

Our team's milestone made me think about all the changes that have occurred since 1994—whether in the investment world or life in general. Some of these things are relatively insignificant. For example, the cost of a first-class stamp in 1994 was 29 cents. Today, it's 68 cents (and soon will be 73 cents). Others have impacted the macro picture—such as transitioning away from a heavy reliance on paper into this new digital age. We've also been through eight presidential election cycles and four Federal Reserve chairmen during this time.

But so much has stayed the same, especially as a Financial Advisor. Despite the advancements in technology, the ability to simply be a good listener and teacher is just as essential now as it's ever been. That includes understanding each client's goals, objectives and values while addressing their concerns so you can create a customized financial pathway from an investment management and overall personal fulfillment perspective.

As I thought about some of the biggest market events during our team's tenure, several immediately come to mind. The dot.com bubble and crash. 9/11. The housing bubble and collapse. The financial crisis. COVID. The supply-chain crisis. Then there are other domestic or global events that drove headlines and impacted the market, such as presidential election cycles, natural disasters and wars.

And let's not overlook the significant influence of the Federal Reserve—especially during the last 15 years—as they raised or lowered interest rates or made changes to their monetary policies to combat inflation or stimulate the economy or backstop the bond market.

Again, though, while some of the catalysts for market movements over time may change, so much remains the same.

History shows us that events which trigger market cycles may be challenging in the moment, but they're normal. They're supposed to happen. And investors will go through periods of confidence, optimism and euphoria followed by feelings of fear, panic and resignation, and then repeat this emotional roller-coaster again. It's nothing new.

And while the Fed is powerful, there's so much they can't directly control—from employment rates to the cost of food, housing and healthcare to supply-chain disturbances and other factors. If they could manufacture an event-proof environment that features a continually strong economy with a robust job market and low inflation, they'd do it.

So, take comfort in this. A level of unpredictability or uncertainty in the markets will always exist—whether it's about interest rates, earnings outlooks, real estate costs, election results or something else. It's both unavoidable and natural.

As an investor, the key is to maintain your discipline. Have a well-constructed financial plan with enough flexibility to make adjustments, so these passing events simply become moments in time instead of life-changing events that damage your financial well-being. As sung in "Tom Sawyer" by Rush (one of my favorite bands), "Changes aren't permanent, but change is."

Some other lessons for investors to keep in mind. Markets are efficient, so make sure you understand both sides of every issue before taking action. Free-money opportunities don't exist; risk management should factor into every financial decision you make. Always stay in learning mode, especially with evolving market climates. Accept that you'll need to make adjustments to your financial plan to stay on course; being on auto-pilot isn't a viable long-term option. Pay attention to news events and market cycles, but don't become a victim to them. History repeats itself more than you think. Work with advisors you have confidence in to always place your best interests first by their demonstrated actions.

And, perhaps most importantly, keep everything in perspective. The most valuable thing in the world is the health of yourself and your family. Stressing about financial markets won't change anything. Focus on your loved ones instead. They matter so much more!

In my role as a Financial Advisor, here are some of the personal lessons I've learned that I will build upon and apply for the next 30 years. Demand more of yourself than anyone's highest expectations for yourself. Work tirelessly at being a perpetual student of finances. Be willing to fail every day in order to totally commit to success. Remember that your repeated actions telegraph your intentions. Treat your clients the way you want to be treated. Practice empathy and kindness. Always be a sound voice of reason for your clients—including during both their most exciting and challenging moments. Be willing to aggressively fight on behalf of your clients to get them where they want to be. Never let your guard down, and never stop punching!

Looking back over my career, I couldn't imagine myself doing anything else. I was meant to be a Financial Advisor. It's been a phenomenal blessing to make such a critical difference in the lives of others. I'll be forever grateful for this opportunity, as well as the continued confidence our clients place in our team every day. And I'm looking forward to seeing what the future brings, equipped with the lessons I've learned along the way. Here's to the next 30 years at Fox, Penberthy & Dehn!