

The Future is Always Normal

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What I've Been Thinking About...

Insights from David Andrew, CEO



David Andrew

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I write this article because of a conversation I had with a long-term client who was overwhelmed by the complexity of everything happening in the world. It was useful for me because it was a timely reminder that occasionally people feel out of their depth – perhaps a little out of control.

Humans gain comfort from the consistency and predictability of their everyday lives, and when something big happens, we tend to get uncomfortable. We accept change, but most change in the world occurs slowly. When it happens too fast, we are left feeling all topsy turvy. So back to my client conversation. *What will be the impact of all the government stimulus? What will be the impact of such low-interest rates for so long? Why is the stock market performing so strongly when I feel like it should be bad?* These are all good questions; the only problem is that there aren't any answers. The ecosystem we humans have created is complex, and when something big happens, we respond as best we can. Sometimes it works out well, and sometimes it doesn't. But if the world is not neatly predictable, we feel *predictably uncomfortable*.

Everything that happens in the future is normal.

I'll let you pause to think about that. To illustrate the point, here's an excerpt from a story by Morgan Hounsell:

Apollo 11 was the first time in history humans visited another celestial body.

You'd think that would be an overwhelming experience – literally the coolest thing any human had ever done. But as the spacecraft hovered over the moon, Michael Collins turned to Neil Armstrong and Buzz Aldrin and said:

"It's amazing how quickly you adapt. It doesn't seem weird at all to me to look out there and see the moon going by, you know?"

Three months later, after Al Bean walked on the moon during Apollo 12, he turned to astronaut Pete Conrad and said:

"It's kind of like the song: Is that all there is?"

Conrad was relieved because he secretly felt the same, describing his moonwalk as spectacular but not momentous.

Most mental upside comes from the thrill of anticipation – actual experiences tend to fall flat, and your mind quickly moves on to anticipating the next event. That's how dopamine works.

If walking on the moon left astronauts underwhelmed, what does it say about our own earthly goals and expectations?

As the future arrives, whatever is happening there and then, is normal. It might not feel normal because we haven't experienced it before, and we may not have the perspective to understand what is going on. Alas, perspective only comes with hindsight. I say this because Covid-19 may still be around in 20 years or longer. We may deal with it better than we do today, but it will not be surprising. The reality is that there is too much going on in the world for most of us to process (even the experts). We cope with this truth by attempting to simplify and find plausible answers. In wealth management terms, how should we deal with this level of [uncertainty](#)? I think the only answer is to follow a simple but essential rule - **plan for the worst and hope for the best**. Ultimately this is what risk management is all about. Because the future is so unpredictable, we could roll the dice and hope for the best; or we can have a plan for the unexpected and then hope for the best. I know which I'd prefer. Whatever happens from here, [life will be interesting](#). It might be good; it might be bad. But anyone with a plan will be way better off than someone who doesn't.

[vc_column_text][vc_single_image image="6453"] [vc_column_text] [David Andrew](#) Founder and CEO **P.S I'm really interested in what you're thinking. If you have feedback or thoughts, please email me at communications@capital-partners.com.au** Morgan Housel is a financial journalist and writes at: www.collaborativefund.com/blog



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Founder and CEO of Capital Partners, and author of Wealth with Purpose, David firmly believes that sound, objective financial advice can transform peoples' lives and wellbeing. Find out more about how our evidence-based approach to wealth planning, investment management, legacy planning and insurance distinguishes our award-winning team, our results and our clients' lives.

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