While 2021 ended with a bang, 2022 is off to what appears to be a turbulent start. It can be easy to fall victim to knee jerk reactions when we are experiencing the next part of the business cycle.

The era of easy money, where cash has flowed into the economy, borrowing money is cheap, and the cost of goods has remained even, is over. To curb inflation, the federal reserve needs to tighten monetary policy by raising interest rates. When interest rates go up, all other assets adjust. We are in that period of adjustment. While we know where we are in the cycle, we don't know for how long we will be here. Predictions are that the fed will raise interest rates four times this year, once each quarter, so it seems likely that volatility is here to stay for '22.

That doesn't necessarily mean that growth has gone away. Diversification is key. If you find you are heavily weighted in tech, it may be wise to diversify in other sectors like healthcare, financials, or real estate. Remember, the market is your best hedge against inflation and moves in a positive direction over time. It's how our economy is built; so avoid fear-based selling.

There is a saying that the best time to plant a tree was twenty years ago, but the second-best time is today. This year you may find an opportunity to be a part of something you didn't think you could afford or spot a diamond in the rough that becomes a rising star.