The Brexit Vote: What You Need to Know

In late June we all received the unprecedented news that the United Kingdom (U.K.) has voted to leave the European Union (EU). The U.K., comprised of England, Scotland, Northern Ireland and Wales, has been a member of the 28-nation EU since 1975. The EU members are allowed to freely move goods, capital, services, and people among the member nations. However, they do not all share a single currency.

The U.K. and EU will work over about the next two years to determine the terms of the U.K.'s economic separation from the EU. Until then, existing trade and immigration agreements will remain in place. In the short-term, expect volatility to spike as investors reassess the global markets and react to increased uncertainty.

In the intermediate-term, trade agreements, treaties and many regulations must be renegotiated and reworked. The U.K. economy and markets will likely experience volatility as the government seeks to reestablish its global relationships and put the country on the best possible path going forward.

Longer term, the future of the EU is much more in doubt. Other members of the EU are watching closely to see how the U.K. weathers the coming months and years. If they are successful in their separation, they could be paving the way for other countries to leave as well.

Stock markets despise uncertainty and the Brexit results have undoubtedly added a significant amount. It is helpful to remember that it is nearly impossible to time the markets during events such as these. The benefit of working with a qualified financial advisor to help create a comprehensive wealth plan can give you the ability to navigate the volatility in uncertain times.