

# Planning Alert



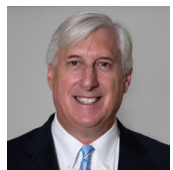
Important Financial News | October | 2020

## Meet the Team



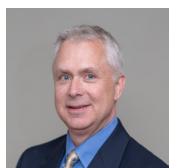
**Jay Berger, CFP®**  
Partner

A veteran of financial planning, Jay established one of the first comprehensive wealth management firms in northern Michigan. He has extensive experience with portfolio management and retirement planning.



**Steve Fisher, CFP®**  
Partner

With expertise and a seasoned career in financial planning and corporate accounting, Steve is a valuable asset to individuals and businesses alike. He is a talented money management strategist with a focus on each client's unique goals.



**Scott Hackney, CFP®**  
Partner

As an independent financial planner, Scott uses tools from throughout the industry to best satisfy each client's unique goals. With more than two plus decades in the industry, he understands how to most effectively move clients along a rewarding financial path.

## Election 2020: What It Could Mean For Investors

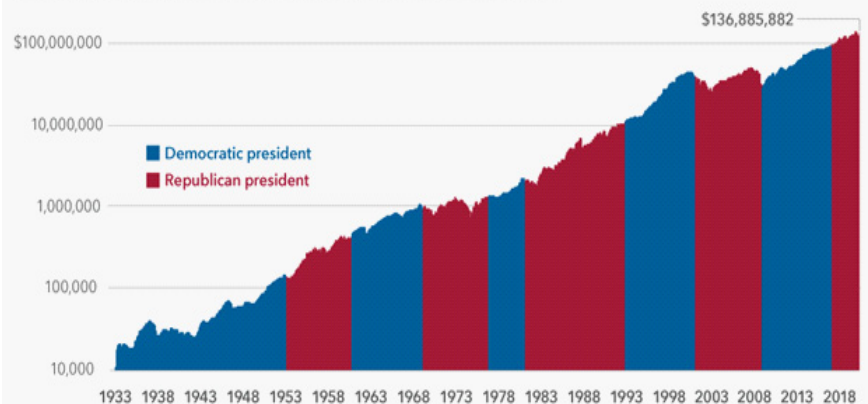
For some investors, the outcome of U.S. presidential election can be a concern as it relates to stock market performance. The reality is that markets have tended to power through presidential elections — with some volatility along the way — regardless of whether a Democrat or Republican won the White House. Elections matter to all of us, as citizens and as investors. U.S. presidential election results drive policies that help shape our economy, the markets, and our lives. Because of this, it's important to think about what the outcome could mean to your wallet. It's not just the presidential election that matters. Much of a president's agenda requires congressional approval, the outcome of the congressional races is also key. Indeed, this time around, control of the Senate may be the key to enacting the next president's agenda.

### Things to keep in mind:

- Expect short-term stock market volatility as the election heats up. But longer term, economic fundamentals are likely more important drivers for stocks than who wins the White House.
- A Biden presidency could mean more economic stimulus than a Trump second term, but also higher taxes on businesses, higher income people, and capital gains.
- Stock buybacks have been a significant source of returns for stock investors over the past decade. Democrats could move to limit them, while Republicans would likely support the status quo.

### Stocks have trended higher regardless of which party has been in office

Growth of a hypothetical \$10,000 investment in S&P 500 Index

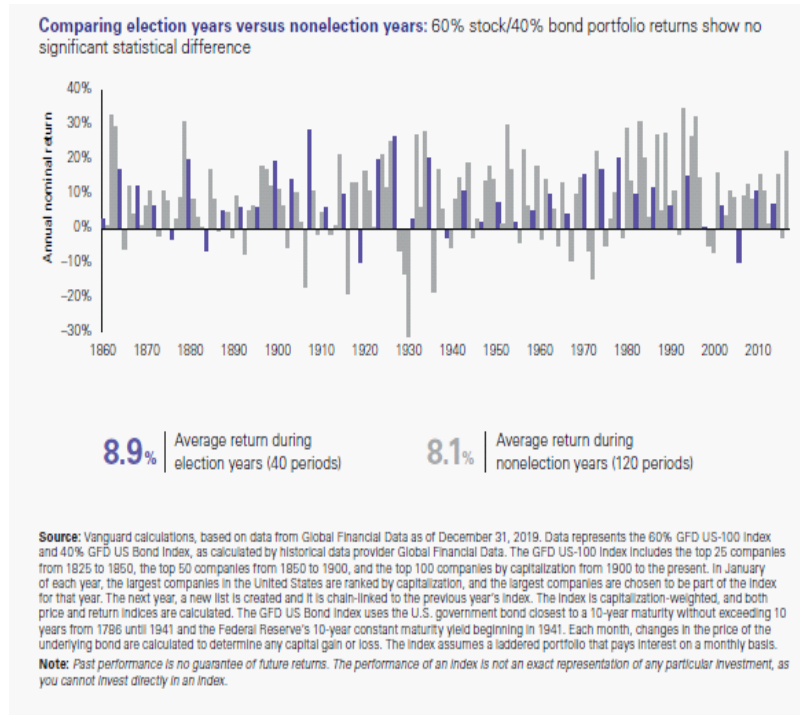


Sources: Morningstar, Standard & Poor's. The start date is March 4, 1933, and the end date is June 30, 2020. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale.

Additional Source: Capital Group

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### Actions to consider:

- Ensure you have enough cash for near-term needs. Examples include:
  - Monthly living expenses
  - Year-end gifts to charities and family
  - 2021 Required Minimum Distributions if applicable
  - A reserve for surprise needs
- Consider moving some year-end tax planning strategies to prior to the election. Examples include:
  - Tax-loss harvesting in taxable accounts
  - Gifting appreciated stock to charity
- Post-election there may be more clarity on other potential strategies such as harvesting gains in 2020 to avoid higher capital gains taxes in 2021.
- If stress is keeping you up a night, taking some action, such as modestly reducing the stock market exposure in your portfolio, may be warranted.

Please contact us if you would to discuss any of these action items.

*"Far more money has been lost by investors preparing for corrections or trying to anticipate corrections than has been lost in the corrections themselves." - Legendary Investor Peter Lynch*

As always, thank you for your trust and confidence.