

Happy New Year 2021!

In our 2019 December newsletter closing out last year, it reiterated that health and decision making are the best characteristics for financial health. This year, both of those could not have been more important. Health is literally the most important part of a financial plan. Throughout the year, we heard of clients and family members of clients getting the virus. Some were younger, some were older, and all were in varying degrees of health. We are deeply sorry to hear of lives being lost. Whether the cause was COVID or not, it still made for a difficult year and grieving process as visitation(s) and even funerals have been postponed. For those recovering from the virus, we wish you a speedy and full recovery.

In years that can take an emotional toll, it is still probably the best decision to let your portfolio go down and bounce back on its own. It is human nature to want to avoid losses and only find the upsides to the market. This is not the way investing works and our experience shows us to first leave the account as is and if possible, add new funds during the dips. These lower values are temporary and over time, the portfolio will grow back. It just takes a little and in some years, a lot of patience!

After a year like this, it is hard to get too excited about a record year in the markets. I cannot recall a time when Wall Street was more dynamic than in year 2020. These record numbers come as the economic turmoil earlier this year has begun to recover. The unemployment claims exploded in March and April. They have slowly improved, and the unemployment rate has ticked lower. The prescriptions for the 2020 economic downturn can largely be attributed to massive stimulus by Congress changing or and by the extremely low interest rates concocted by the FED. The rates continue to encourage spending in almost all sectors. Again, being a mainly service and consumer economy, life does go on, as does the economy.

I do not like to speculate on the short term, but it does appear we have enough of a tailwind to continue this current economic recovery. Hopefully, this recovery will coincide with the world population being vaccinated against the COVID virus.

We hope you and your family have a safe 2021!

Sincerely,

Andrew D. Wade, CFP®
President