



THE LUBITZ FINANCIAL GROUP

Wealth Planning Strategies

Quarterly Newsletter

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[Q1 2020 Newsletter](#)

We're Starting to Get Questions About the Presidential Election

by Linda Lubitz Boone, CFP®

The ads continue to appear on our TV, the Democratic debates and primaries are taking center stage—at least they are in my household—and we're starting to get asked "What will happen if 'fill in the blank' gets elected". My husband, Norm, was a Political Science major in college and he just loves this stuff, and me, not so much.

However, it's important to have answers when a client calls. Here is what we tell them (and thanks to the folks at Hartford Funds for providing some foundation to this article):

Perceptions, including beliefs about which political party will be better for investors, may overshadow good investment strategies. But a long-term look at the performance of the global stock markets and the S&P 500 Index in particular, can help us stay on course. Here are 10 reasons to consider during this next election cycle.

- 1. It takes a village:** The president is ONE of many factors that influence the markets. Stronger factors may be interest rates, inflation, economic outlooks by businesses and consumers, changes in social policies, and wars.
- 2. Profits can be prophets:** Yes, government policies can impact the stock market, but business profitability is a strong gauge that should not be ignored. Increased demand for goods and services can boost a company's profit and normally then their stock price.
- 3. The Fed:** The US Federal Reserve controls interest rates. Interest rates are a key factor. When the Fed lowers interest rates, it's easier for companies to borrow and grow, which may help boost their stock prices in the long run.
- 4. Innovation is an influencer:** Researchers found that tech giant, Apple, was more of a force in the market than the White House. Apple's products stimulate the US economy with 2 million jobs. Its "app economy" alone has led to the creation of 1.5 million US jobs and earnings of \$16 billion for US developers.¹

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My Money Life

If you haven't bookmarked your personal portal, you can access it via our website:

www.LubitzFinancial.com > Client Log In > My Money Life Log In

Not familiar with our platform? You can work with our team to help in all facets of planning for your financial future, including retirement planning, caring for parents, providing a legacy, contributing to charity, saving for major purchases and more. Check it out!

What Everyone is Talking About

The Coronavirus. Did you receive our email sent on Feb. 28, 2020? Although every day the statistics change, our views on the "Coronavirus and Down Markets" were summarized in an email to our clients. If you'd like a copy, let me know at NancyM@LubitzFinancial.com.

Tips from "Around the Office"

As you sign documents, date checks or just write a letter ... we are used to mm/dd/yy as in 05/18/19. Now that we are in the year 2020, it is recommended you include all four digits as in 05/18/2020 ... otherwise you run the risk of two digits being added: 05/18/20XX.

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Around the Office

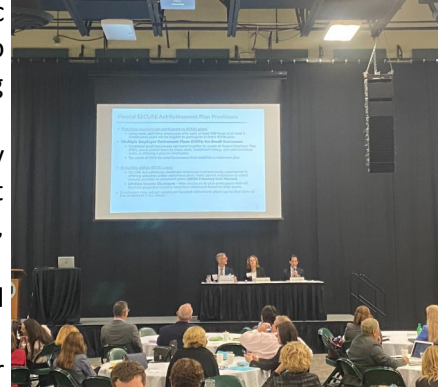
Furthering the Profession ... Phil served as a panelist for the 8th Annual Estate Planning Symposium on the following topic: "Tax and Retirement Planning Roundtable—The SECURE Act and the New Age OF IRAs, 401(K)s, and Qualified Plans". In January, **Francine** hosted her initial meeting of the Financial Planning Association Student Chapter at FIU.

Education ... On January 10th, **Phil** attended the Estate Planning Council of Miami Dinner event on "Fiduciary Accounting & Tax Reporting for Trusts and Estates" and "Your Information is the New Currency: Protecting Your Digital Legacy". **Phil** also attended two Financial Planning Association (FPA) events this quarter: the January 29th FPA of Miami Dinner event (with **Jorge** and **Debbie**) on "Fundamentals of Private Equity and Private Debt" and the February 19th FPA of Miami Dinner event (with **Debbie**) on "Federal Reserve Economic Update" held at the Federal Reserve Bank of Atlanta—Miami Branch. **Jorge** also attended the CFA (Certified Financial Analyst) Society, Miami annual forecasting dinner with acclaimed emerging markets investor, Mark Mobius.

Giving Back to the Community ... **Debbie** attended her first official community outreach event for FPA Miami. She and a few other FPA members volunteered at the Military Saves Week Finance Fair. They worked with service members, civilians, retirees, and their family members on the way to become financially responsible.

Exotic Travel ... Phil took his fiancée, Heather, to St. Augustine for a weekend getaway to celebrate her 30th birthday.

Family & Personal Matters **Linda** and **Norm** spent New Year's Eve in their Oakland condo viewing the various fireworks displays all around the Bay area. Also, since **Linda** was missing her Cuban music they went to an early New Year's Eve salsa dance party with several Afro-Cuban music groups in Berkeley. They expected to see a crowd like we'd have in Miami; quite the surprise when most of the audience was older and the men looked like Bernie Sanders. That's Berkeley for you! Norm has been invited to



join the International Food & Wine Society chapter here in Miami. A great way to meet new "guy pals" and enjoy some great food and wine. **Nancy** had the opportunity to spend a long weekend with her "West Coast family"—her daughter, son-in-law and two grandsons.

Office Happenings ... **Nercys** sends a big thank you to all the friends and clients who were able to attend and enjoy our December Holiday celebrations. "Event planning is in my blood and the turnouts were amazing!" Thank you, **Francine**, for our Chinese New Year Celebration.



We had an abundance of Chinese specialties—dim sum, noodles and more!

Florida Prepaid Announcement! January 17, 2020

Governor Ron DeSantis recently announced that the Florida Prepaid College Board has lowered prices on plans purchased since 2008 by \$1.3 billion, benefiting 224,000 families and resulting in refunds of more than \$500 million.

Florida Prepaid officials say about 33,000 students will be getting refunds or lower monthly payments in Broward County, 24,000 in Palm Beach County and 38,000 in Miami Dade County. Refunds will vary depending on when each family bought their plan, with the average refund being \$4,700. These refunds are possible because of slower than anticipated tuition increases. To find out how your Plan

may be affected and if you qualify for a refund due to overpayment, go to

<https://www.myfloridaprepaid.com/lowprices/> and select "How can I view my overpayment amount and request refund?" If you have questions or need assistance with this process, please reach out to us and we'll be happy to assist you.

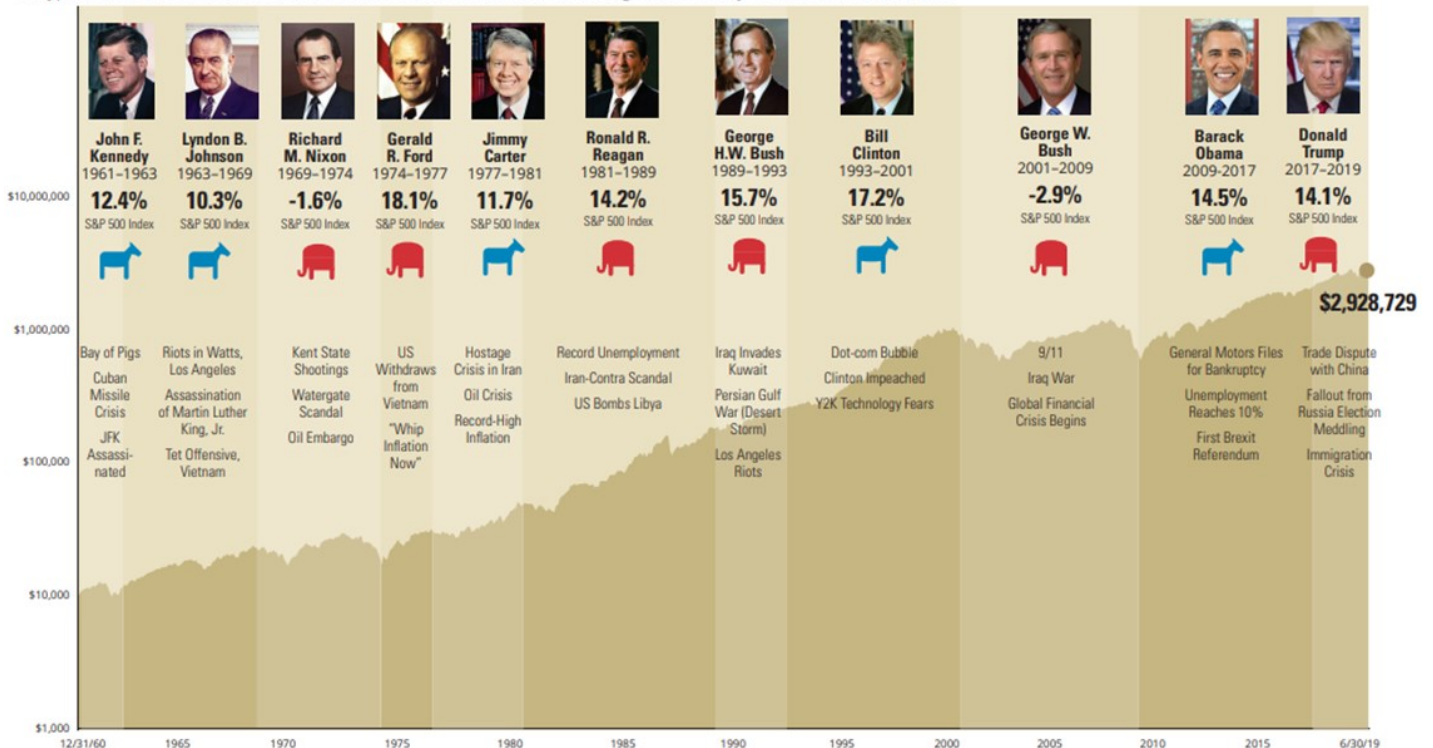


We're Starting to Get Questions About the Presidential Election *(continued from page 1)*

- 5. It's not party time:** Past market performance, when a particular political party is in power, does not mean that the same results will occur the next time that party is in office. This is one of the most common misperceptions about politics and markets. See the chart below.
- 6. Diversification is a powerful tool:** Rather than *trying* to time the market around an election or political party, a well-diversified portfolio can help you build long-term wealth regardless of who is in the White House.
- 7. You play a role:** When big events such as an election take place, it's not those *events* that trigger market changes, it is *YOU*—the investor—reacts to the big news and the actions you take or don't take that can set in motion a sea of change. So, it's important to evaluate whether a new President (with the support of Congress) has policies that will really cause dramatic economic changes, or if other macro factors will be more likely to influence.
- 8. Policy changes take TIME:** Proposed legislation must pass through both the House of Representatives and the Senate, and then be signed by the president. This process, if it can even happen in a polarized Congress, often takes a long time. A lot happens in the markets over time.
- 9. History speaks:** Election cycles, especially recent ones, are fraught with misperceptions, personal biases, and tragically, BAD INFORMATION! Dire predictions that a candidate's policies will negatively impact a particular market sector often prove to be wrong. President Obama's healthcare law was widely expected to harm the publicly traded healthcare stocks, and they were largely sold off as a result. In reality, the healthcare law created a set of winners and losers within the sector that astute investors were able to capitalize on.
- 10. Prudent investing is a healthy habit:** Decisions made during election cycles can be driven by emotion rather than facts. We can help you ignore the noise and make decisions that align with your long- and short-term financial goals, so you're better positioned for success.

Market Performance and Party Affiliation

A hypothetical \$10,000 investment in the S&P 500 Index in 1961 would have grown to nearly \$3 million as of 6/30/2019



Are you interested in having an LFG expert present to your office, study group or community group?

Topics include: * Investing Basics—Be a Smart Investor * Financial Strategies—How Do I Maximize What I'm Earning and Keep it for Retirement? * How to Financially Prepare your Daughter/Son for College?

Our advisors and professionals are dedicated to your financial education. Some presentations can also be delivered in Spanish. Let us know if you'd like to know more. **Nancy Mele 305 670 4440** NancyM@LubitzFinancial.com

We welcome the opportunity to help you, your family and friends achieve peace of mind related to wealth and life transition planning.

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