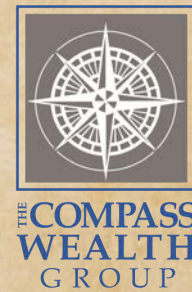


THE NAVIGATOR



WILL THE PRESIDENTIAL ELECTION AFFECT THE STOCK MARKET?

MARKETS HAVE DONE WELL UNDER BOTH PARTIES

Neither party can claim superior economic or market performance. The stock market posted positive returns across most administrations, with the rare exceptions of presidencies that ended in deep recessions. The S&P® 500 Index has delivered an average annual return of approximately 10% since it started in 1957 through both Democratic and Republican administrations. The US economy also expanded around 3% during that period.

The stock market's return was negative for a presidential administration only when the country was in a financial crisis (2008) or experiencing a stagflationary spiral (1973).

INVESTING AND POLITICS DON'T MIX

Hypothetically, the best-performing portfolio from 1900 to 2023 was the "bipartisan" one that stayed fully invested during both Democratic and Republican administrations. Starting with \$10,000, this portfolio grew to almost \$9.9 million.

A "partisan" portfolio, only invested during administrations of one party or the other in that 123-year span, underperformed by millions of dollars. The same \$10,000 only invested during Democratic administrations grew to approximately \$528,000. Invested only during Republican administrations, the initial \$10,000 rose to just shy of \$181,000.

The different results are, in part, because of the US stock market's consistent rise even during two world wars and major financial crises (the Great Depression and the 2008-2009 Global Financial Crisis). The more time investors spent participating in markets, the better their investments did.

US ECONOMY DOESN'T RADICALLY CHANGE

Investors are often concerned that elected officials will radically re-engineer the economy. In fact, the composition of the US economy has been consistent for decades. Even single-party rule periods didn't result in significant change. The percentage of "substantive" bills by Congressional term hasn't increased when one party controlled the executive and legislative branches.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

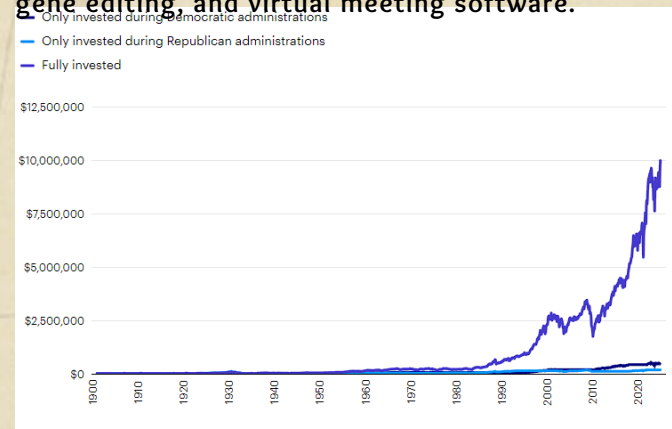
PRESIDENT'S POPULARITY DOESN'T MATTER

Investors don't have to love what is going on in Washington, DC, to prosper in the markets. In fact, the S&P 500 historically performed the best when the president's approval rating was in the low range between 35 and 50. That means the market had delivered some of its best returns during periods when half or more of the country didn't approve of the job the current administration was doing! Still, it's hard to discern any direct relationship between a president's popularity, the health of the US economy, and the performance of financial markets.

INVESTMENT OPPORTUNITIES CONTINUE DESPITE THE PRESIDENT

Investors should be less interested in politics and more interested in private-sector business leaders who are going to harness artificial intelligence and robotics. They may be able to help cure debilitating diseases, evolve the nation's energy sources, and develop new technologies and industries that aren't even on the radar.

History suggests that innovations and investment opportunities will continue irrespective of who wins a presidential election. The period since 2008, for instance, has included Democratic and Republican presidents. Many innovations were introduced during this time including 3D printing, cloud computing, gene editing, and virtual meeting software.



Sources: Haver, Invesco, 12/31/23. The Dow Jones Industrial Average is a price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange. An investment cannot be made in an index.

Sources: Bloomberg L.P., 11/22/23. Stock market performance is defined by the S&P 500 Index total return from 3/4/1957 to 11/22/23. The S&P 500® Index is a market-capitalization-weighted index of the 500 largest domestic US stocks. An investment cannot be made in an index. Past performance does not guarantee future results.



WHAT YOU'LL REALIZE IN THE FIRST YEAR OF RETIREMENT



The first year of retirement is often filled with a mix of emotions and adjustments. After a 40-plus-year career, the absence of work obligations can feel both liberating and disorienting. There's no longer a need to attend Monday morning meetings or report to a boss (except perhaps a significant other). The routine of dealing with "The Mondays" or setting an alarm clock becomes a thing of the past. Essentially, this period is a time of adjustment on many fronts.

For those who have worked in fields related to retirement planning, the experience of "retiring" physically, emotionally, and financially has likely been encountered countless times throughout their careers. Retirement is a milestone many work a lifetime to achieve, yet few are fully prepared to face it. The emotional and psychological adjustments, however, happen gradually much like the fall of the Roman Empire slowly at first, then all at once. Before long, days become busier than anticipated, leading to the popular realization, "How did I ever have time to work?" The transition from the "working self" to a comfortable retirement identity happens quickly.

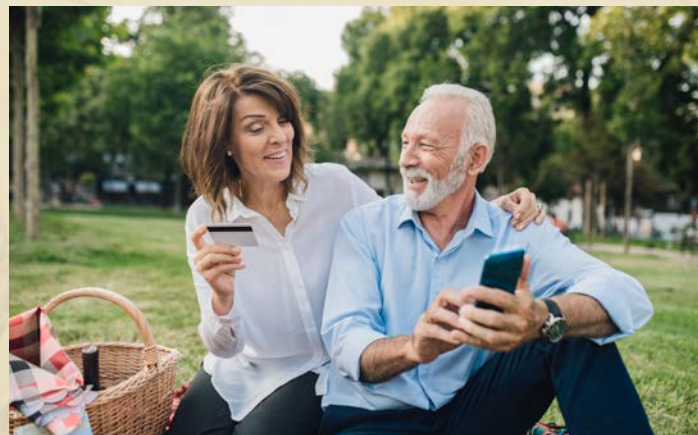
THE FINANCIAL SIDE

A crucial aspect of retirement, often overlooked, is the financial adjustment. The absence of a regular paycheck every two weeks is a significant change, and it requires conscious effort to adjust to a new financial reality without a 9-to-5 job. This financial shift is key to living a responsible retirement. While many can estimate what retirement expenses might look like, the true cost of a new lifestyle is only revealed after experiencing a full year of retirement. Questions arise about whether there will be more travel, visits to grandkids on both coasts, or extended stays at an Airbnb in California for a few months each year, followed by time in Florida.

The initial year of retirement often involves a bit of celebration and vacation from the routine of working life, which can lead to higher spending. However, it is crucial to track expenses carefully during this period. Both individuals and their spouses (if applicable) should understand where all the money is going in that first year. At the end of the year, there will be a clearer picture of the actual spending. It's also essential to distinguish which expenses are recurring and which were one-time splurges.

THE BIG REVEAL

This careful tracking leads to a big reveal—a clearer understanding of what the new lifestyle will entail, what it won't, and what it will cost. This information is vital for planning finances and sustaining an ideal retirement lifestyle. For those involved in retirement and investment planning, this data is critical for providing ongoing guidance. Without it, planning becomes a shot in the dark. The common question of "How much do I need to retire?" can only be answered with, "How much will your retirement cost?"



Although the first year of retirement requires significant adjustment and introspection, keeping a close eye on the financial side will help ensure that the golden years are filled with activities and experiences that bring joy and fulfillment. The realization will likely come that it's a wonder there was ever time to work!

WHAT FUN PLANS DO YOU HAVE FOR
RETIREMENT?

WE WANT TO KNOW!

IF YOU EVER HAVE QUESTIONS OR CONCERNS,
PLEASE CONTACT US. WE WANT TO HELP YOU!

PLEASE WELCOME DRAKE GUERRA

Born in Cheyenne, WY, Drake pursued a higher education at the University of Wyoming, where he earned a bachelor's degree in criminal justice with honors. He had the amazing opportunity of being an intern with the Drug Enforcement Administration as well as a semester at the Wyoming Division of Criminal Investigation office in Cheyenne. Following his graduation, Drake dedicated 14 years to working in his family's business, gaining extensive experience and honing his skills. For two of those years, he held the position of Finance Manager, where Drake developed a strong foundation in financial management and operations. Drake's previous roll was working for JPMorgan Chase & Co as a Private Client Banker.

Drake's personal life is filled with joy and love, as he shares it with his wonderful wife, Taylor, and their energetic cat, Poe. Outside of his professional endeavors, Drake has a passion for golf, (which he tries to enjoy whenever the weather permits), filming, and photography. Additionally, spending quality time with family and friends is something he deeply treasures.

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KNOW SOMEONE WHO WOULD BENEFIT?

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- ↓ FINANCIAL PLANNING
- ↓ RETIREMENT PLANNING
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- ↓ PORTFOLIO MANAGEMENT
- ↓ CHARITABLE GIFT PLANNING
- ↓ BUSINESS PLANNING
- ↓ LONG-TERM CARE, LIFE & DISABILITY

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