



The Verdi View



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Newsletter – January 2021

Welcome to our quarterly newsletter. Below you will find our top Fast Facts, timely reminders, and life updates from the team. Feel free to pass along The Verdi View to your friends and family!

Not Coming Back: In the 6 months from 2/29/20 to 8/31/20, 163,735 US businesses have closed their doors, including 97,966 businesses (60%) that are likely closed for good (Source: Yelp Economic Average).

Many Can't Wait: An American worker may begin receiving a monthly Social Security retirement benefit as early as age 62, albeit at a reduced level from what is available at one's "full retirement age." Just under 50% of American "blue-collar" workers take their retirement benefits at age 62, while only 38% of "white-collar" workers begin their retirement benefits early (source: Center for Financial Security, December 2019).

Back in Time: The cover story for Time Magazine on 3/05/84 was "That Monster Deficit, America's Economic Black Hole." The article, written by Charles Alexander, chronicled how the nation's 1984 budget deficit threatened to derail the country's economic recovery. The fiscal year 1984 budget deficit was \$185 billion, or 6% of the size of the fiscal year 2020 deficit that reached a record \$3.132 trillion (source: Time Magazine).

Covid-19 Deaths: Approximately 40% of the American death toll from COVID-19 as of Sunday 12/06/20 are elderly patients in longterm care facilities across the country (source: Dr. Moncef Slaoui, Operation Warp Speed top scientist).

Is This You?: 62% of the average net worth of an American household comes from just 2 assets – the equity they have built up in their home and the value of their retirement accounts (source: Census Bureau).

Thirty Years: 2 of the 3 best months (by total return) for the S&P 500® over the last 30 years, i.e., the 360 months ending 11/30/20, occurred during the pandemic. April 2020 ranks # 1 (+12.82% gain) while November 2020 ranks # 3 (+10.95% gain). December 1991 (+11.44% gain) was the # 2 best month (source: BTN Research).

Not Going to the Mall: \$1 out of every \$6 spent on US retail sales (16.1%) during the 2nd quarter 2020 was transacted online (source: Census Bureau).

Last Four Years: From 11/08/16 to 11/03/20, i.e., the 4-years from the 2016 presidential election to the 2020 presidential election, the S&P 500 was up +70.3% (total return) or +14.2% per year. (source: BTN Research).

Cashing In: The median sales price of an existing home sold in the United States in August 2020 (\$310,600) is the highest ever recorded and is up +11% in the last 12 months (source: National Association of Realtors).

Missing the Best: The total return for the S&P 500® over the last 30 years (1991-2020) was a gain of +10.7% per year (total return). If you missed the 24 best percentage gain days over the last 30 years (i.e., 24 days in total, *not* 24 days per year), the +10.7% annual gain falls in half to a +5.3% annual gain (source: BTN Research).





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Team Update

Happy new year to all! As the Verdi groups reflects on 2020 we want to thank you all for your continued trust in our team. As an official team we are focused on enhancing our customer service even further and have spent a considerable amount of time breaking down our team members roles and responsibilities. Please see below for a break down of Who to Contact

Call Joe For: 563-505-5207

- Individual investment questions
- Market research
- News headlines
- Performance
- Estate and tax planning

Call Sydney For: 563-676-8007

- Retirement plan updates
- Social security questions
- Financial planning questions
- Insurance and annuities
- Account reports
- Stock reports

Call Connie For: 563-445-6274

- Scheduling meetings
- Account updates
- Issuing checks
- Gifting and money movement



Consider This:

If I were to call you 1 year ago and tell you a world wide pandemic is coming our way many investors might be tempted to sell everything and go to cash. As it turns out the S&P500 ended the year up 18.4%

If I were to call in early September of 2008 to tell you Lehman Brothers, one of the worlds largest financial institutions was going to collapse and fail, many investors might be tempted to sell everything and go to cash. As it turned out, October 2008 through 2020 was one of the biggest up markets in American history.

My point: no one can predict short term market moves and it is futile to try. The people on tv have to have something to talk about every day. They need ratings! They cannot predict short term market movements any better than we can as viewers. Don't let them scare you and run you out.

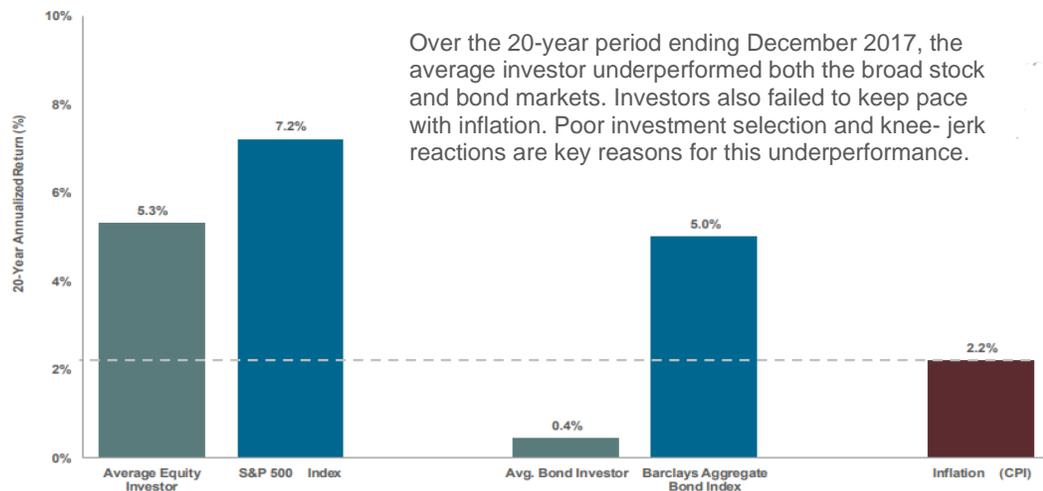
The stock market is not a get rich quick or go broke overnight institution. It actually is the best long term tool for wealth accumulation we have seen.

The solution: short term money that may be needed to fund immediate expenses over the next couple of years is better suited for more conservative and less volatile investments like bonds, cash, and money markets.

Money that is meant to grow over several market cycles for use in the future might best be invested in equities. In this manner, timing the market is not necessary.

Most Investors Underperform

How the Average Investor Has Fared



Over the 20-year period ending December 2017, the average investor underperformed both the broad stock and bond markets. Investors also failed to keep pace with inflation. Poor investment selection and knee-jerk reactions are key reasons for this underperformance.

Source: Dalbar, Inc. "Quantitative Analysis of Investor Behavior, Advisor Edition." April 2018. Average equity and bond investor returns are calculated using data from the Investment Company Institute for the 20-year period ending December 31, 2017. The "average" investor refers to the universe of all mutual fund investors whose actions and financial results are restated to represent a single investor. These returns are represented by a change in assets, excluding sales charges, fees, expenses and any other costs. While we believe this information to be accurate, no guarantees can be made to its authenticity or accuracy. Indices are unmanaged, and are not available for direct investment. Past performance is not a guarantee of future results