

Speculating About Presidential Elections is Not Fruitful

written by Warburton Capital | August 10, 2020

So, I'm chatting with a buddy. We are doing our best to maintain Social Distancing, wearing masks and sincere in our determination to avoid spraying potentially contagious droplets on one another.

My buddy opened up with *"I am very worried about the stock market if Joe Biden gets elected"*. (*"Market Worry"* is not what we want our clients to experience.) Of course, just the day before, a conversation with someone else opened with the same worry about Donald Trump's potential re-election.

To assist our buddy with calming the *'Market Worry'* surrounding the upcoming Presidential Election I produced a slide titled [*'Markets Have Rewarded Long-Term Investors Under a Variety of Presidents'*](#). Upon even cursory examination it is revealed that, in spite of whether our President is a Republican or a Democrat, markets have trended up!

For further information - you might enjoy clicking through to this link:

[Click Here to read more.](#)

OUR VIEW: Any prediction that the market will Decline (Or Advance) if a Democrat or Republican is elected is a Speculation with no basis in historical evidence.

My hope is that I was able reduce my buddy's *'Market Worry,'* which she cannot control, by pointing out that she has planned for market volatility by controlling what she can control. For retired investors, that could look like setting aside several years of expected *'Cash Withdrawal Need'* in Short-Term, Investment-Grade, Globally-Diversified Fixed Income.

Think about it: If an investor were to set aside 15 years of spending in Fixed Income at age 65, and let the rest of her portfolio ride in equities, she would not have to worry much about short term stock market volatility. As the enclosed chart indicates, investors have historically had a good shot at positive returns over long periods of time.

My buddy then commented "*I Feel Better About Not Outliving My Money*"!
Hooray - Mission Accomplished!

Trusting you are living your life well, maintaining Social Distance and, finding comfort in a Purposefully Derived portfolio, I remain

On Behalf of the Firm,

Tom Warburton