



## ***Ropes Wealth Considers Election Day and American Magic***

Election Day is upon us, marking a significant moment for our country's history. Over 90 million people have already voted, close to 70% of the 2016 total, with another 60 million expected to head to the polls today. We are all being inundated with opinions and analysis on what a Trump re-election or Biden win might mean for the economy and the stock market. These opinions range from the hopeful to the catastrophic. The lethal COVID-19 pandemic, combined with one of the most contentious elections the U.S. has ever seen, has left many people wondering if this is the end of the road for stock market gains.

While we agree that this election will have implications on a variety of factors that are important to investors (such as taxes, regulation, foreign affairs, and fiscal stimulus), let's pause on the idea that this moment is one that could or should define the trajectory of your investment plan.

Never forget that YOU and your financial goals are the most important ingredients to a successful investment plan—not the occupant of the White House. Planning liquidity for your short-term needs, saving and systemically investing for retirement, employing tax-aware and tax efficient investments, and staying invested but nimble in a mix of assets designed to achieve your long-term return goals in a way that fits with your risk tolerance offers the best path for financial success.

In other words, please do not be fooled or swayed by prognostications of doom and gloom. Please do not indulge seeds of doubt or despair that cause you to abruptly change the course of a well-made plan designed in calmer times. Instead, expect and trust that your Ropes Wealth team is adjusting those plans to best position you and your portfolio for the implications of the election results, though by degrees. Adjustments to the investments we select for you, and the dollars allocated to them, are what we do, both in good times and during the tempests large and small that erupt through the course of any and every calendar year, often without warning.

The stock market is not a thing unto itself, despite how often we discuss it that way or talk about investing as bets on outcomes of its collective results. Remember that the stock market is actually a market of stocks, and what lies beneath is a company with a product or service, a management team, a balance sheet, an income statement, customers, and competitors. With all of the financial product proliferation of the last 20 years, and the rise of index funds, we often lose sight of the fact that what we invest in are real live businesses and their prospects for the future.

To be sure, individual companies may falter in this period, and be disproportionately punished by the pandemic or the implications of a changing set of politics. But this is not the first time we have been challenged, and it won't be the last. Human ingenuity will persist, on its own merits, regardless of who is seated in the White House.

Time and again, our country and humanity have shown their resilience and remarkable innovation. We have overcome. We have persevered. We have forged incredible prosperity out of stunning challenges like war, inflation, fraud, recession, depression, social unrest, and yes, even pandemics, and have the grit and determination to do so again.

While this time may feel different, the long-term statistics show that regardless of the outcome tonight, we will find a way to move forward. Just as the last nine months have shown, people and companies adapt, collaborate, and make progress to better themselves and their customers' lives. As investors, we must remind each other that future earnings, not political parties, will drive stock market returns. Mixing financial decisions with political opinions can be a recipe for disaster, and often decreases your odds of achieving your financial goals. By entrusting us with your capital, we have made a pledge to abide by these principles with an unwavering commitment.

So, while today marks an important milestone in American politics, and we will all be watching, we want to keep in mind some wise words of advice from legendary investor Warren Buffet which he shared during Berkshire Hathaway's first ever virtual shareholders meeting this past spring:

*"The American miracle, the American magic, has always prevailed and it will do so again."*

Although the outcome of tonight's election will certainly evoke many different emotions, we want to remind you that your portfolios are invested in carefully selected investments in companies that deliver transformational products and services led by talented and ethical management teams that stand ready to take advantage of the next wave of American magic. Believe in them, and in your plan, and perceive the power of human progress as it unfolds.

If you have any questions or would like to speak to a member of the Ropes Wealth team, please click [here](#).

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