

LESSONS FROM COVID

Without a doubt, COVID-19 has disrupted our lives in many ways. In particular, we have seen dramatic swings in the financial markets. In a matter of four weeks from February to March we watched the U.S. Stock Market dive over 33%. Now, just a few months later, the market has returned to pre-pandemic levels. Surprisingly, the recovery began even before the economy reopened and people were able to return to work. 2020 has proven again that the market is unpredictable and can change quickly. Although it felt like the market was headed further down, it would have been a mistake to hastily sell out of investments at a loss. Prudent investors who exercised diligence did not panic and are now experiencing gains. Declining prices brought opportunities that were not available in earlier weeks. Having a solid financial plan in place is always important. Allowing flexibility to adjust that plan in order to take advantage of opportunities that arise is equally important.

WHERE ARE YOU AND WHAT CAN YOU DO?

Are you a long term investor?

If you are an investor with a long time frame, you are able to be patient while watching the markets. Even though you do not have an immediate need for cash, you should still see consistent growth to stay on track to meet your goals. Now is the time to analyze your investments. Do not fall into the “set it and forget it” trap. Take time to analyze what is in your portfolio and how much risk you are comfortable taking.



Has your employer stopped matching contributions at work?

It is like getting free money when an employer offers to match your retirement plan. Unfortunately, the current environment is forcing some employers to discontinue matching contributions of their employees' plans. If you have experienced a cut in benefits, it is time to explore other options. In many cases, there are more and better options available outside of the employer's plan.

Are you nearing retirement?

If you are over age 59 ½, now is a good time to consider protecting funds in your retirement accounts. Did you know that you might be eligible to roll money out of your work plan while still participating in the plan? Now is a great time to position assets for a long, successful retirement. Sometimes, people depend on target date index funds, which are designed to become more conservative as retirement nears. Such funds are often beneficial, but they are not a good solution for retirement income planning. Reliable retirement income planning works in spite of stock market declines and recessions. Planning well heightens your probability of not running out of money while keeping up with inflation.

At Blue Chip Financial, we want you to experience the benefits of being diligent with your finances. We're here to help. Let's get you to a place where you have a direction and understanding of your finances that

gives you confidence for today and for the future.

INTEREST RATES ARE LOW!

We are often asked what to do about money sitting in the bank earning almost nothing. We are the first to admit there is no perfect solution, but there are some great options. If you commit to a designated time frame, you can have an investment that earns daily and never decreases in value. If you accept a small amount of fluctuation, you can have complete access to your money whenever you need it, and you will still have the opportunity to earn more than the interest paid by the bank. Tired of earning cents instead of dollars from the bank? Let's schedule a time to get together and discuss what makes sense for you.

We welcome your questions and it would be our pleasure to meet with you.

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