

**Fall  
2020**



**Volume 7  
Issue 4**



**Quarterly Investment Newsletter**



WEALTH MANAGEMENT  
M I D W E S T I N C

**20 N. Lake Street  
Suite 310  
Forest Lake, MN 55025  
Phone: 651-464-2664  
Toll Free: 888-600-2664**

**Website:**  
wealthmanagementmidwest.com

**David E. Purdy**  
Founder & CEO  
david.purdy@lpl.com

**Chad P. Olson**  
President/Operations Manager  
chad.olson@lpl.com

**Kayla Hauble**  
Client Services Manager  
kayla.hauble@lpl.com

**Danielle Urman**  
Client Services Assistant  
danielle.urman@lpl.com

**Lorelei N. Purdy**  
Client Events & Marketing  
lori.purdy@lpl.com

Securities and Advisory Services  
Offered Through LPL Financial  
A Registered Investment Advisor  
Member FINRA/SIPC

## As I See It

Autumn has arrived, with students back in school, baseball playoffs beginning, and football in full swing. Life is trying to get back to as normal as possible despite the ongoing impact from COVID-19. While the number of new daily cases and hospitalizations from COVID-19 has steadied in the United States, cases in Western Europe are increasing again, and many are concerned the United States could follow Europe with another spike higher.

Although there are still reasons to worry, a number of positives are on the horizon. A major vaccine breakthrough possibly could be here by the end of the year. The US government has plans to ship 100 million Abbott Labs 15-minute COVID-19 tests over the next several weeks to help accelerate reopening of the economy. Meanwhile, Pfizer's clinical trial is expected to produce conclusive results later this month, with Food and Drug Administration (FDA) authorization potentially coming soon thereafter. Johnson & Johnson's vaccine is in the final stages of testing, and promising vaccines from AstraZeneca and Moderna are in the pipeline as well. All of these point to the potential for an improving global economy in 2021.

In another sign of strength, the S&P 500 Index rallied 60% off its March 23 bottom through early September, although it has pulled back some over the past several weeks. After such a strong rally, a 10% correction is perfectly normal and to be expected. Add to this seasonal weakness—the historically poor stock market performance typical of September and October—and investors' pre-election jitters, and this pullback could be viewed as an opportunity for suitable investors to consider adding to longer-term holdings.

Technology stocks have shown strength during the pandemic, but this group also has pulled back lately, causing many to claim this might be another "tech bubble" similar to the late 1990s. This seems unlikely, as the technology sector has experienced explosive growth, with tech earnings estimates above their pre-pandemic levels, justifying the valuations.

While the economy is showing signs of improvement, it also continues to reflect areas of concern. Initial jobless claims have remained stubbornly high. Dave and Buster's reported revenue in the second quarter was

*As I See It Continued on Page 2*

*As I See It-Continued From Page 1*

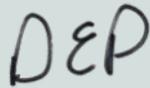
down 85%, and Live Nation's revenue was down 98%, as no one was seeing live shows. On the other hand, existing and new home sales both recently hit 14-year highs, and manufacturing has increased for four consecutive months, suggesting the recession is likely over. Amazon has announced it will hire 33,000 new employees at an average salary of \$150,000. Certain industries may be years away from fully recovering, while others are moving along like nothing is wrong.

The contrasts in Washington are evident as well, with the presidential election only one month away, but all isn't lost. There's growing optimism that a new coronavirus relief package may still be possible before the end of the year. The Federal Reserve also is doing what it can to help spur confidence and liquidity in the markets. November's winner will inherit an improving economy and one that will likely see strong growth in 2021, as multiple vaccines and therapeutics help spur the economy to open up more fully.

These signs of market and economic strength tell us that better times likely are coming in 2021. Stay safe these final months of what's been a very challenging year. If you have any questions or concerns, I encourage you to contact me, I am just a phone call or email away.

Let's stay healthy and positive.

Sincerely,



David E. Purdy

Important Information: This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change. References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results. All data is provided as of September 30, 2020. Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial doesn't provide research on individual equities. All index data from FactSet.

This Research material was prepared by LPL Financial, LLC. All information is believed to be from reliable sources; however LPL Financial makes no representation as to its completeness or accuracy.

## Set A Reminder



### Medicare Open Enrollment runs from October 15 to December 7

Premiums for Medicare Advantage Plans are dropping to historic lows for 2021. This type of Medicare health plan, offered by a private company that contracts with Medicare, is an all-in-one alternative to Original Medicare. If you find yourself with questions or are not sure where to start, Kayla can be a helpful resource to you. There is no cost associated with Kayla's help and we do not offer supplemental Medicare insurance, this is just a value add for working with us!

Source: Medicare.gov

### Special message from Lori Here to help!

*I realize many of you are still nervous about going out because of a possible second wave of COVID 19. I am still here to help! To all of our retired/senior clients! During this time of the Coronavirus, I am happy to run special errands for you so you don't have to leave your home. I am can go to the grocery store, drug store, hardware store, pet store, or anything that you need that I can deliver to you. There is no cost for this, I am just glad to help! Please call our office (651) 464-2664 and leave a message and I will return your call promptly and work out a time that is convenient for you. Your safety is our number one concern!*



## Office News From Danielle



### You can now ZOOM with us for your account reviews!

We are doing meetings in the office with social distancing. For those of you who would prefer not to meet in person, we are happy to do telephone meetings at your convenience and for those of you who would prefer a ZOOM meeting, we are now doing that! Your personal health is our number one concern. Please don't hesitate to reach out to us with any questions or concerns. We are always here to help you!

Use **Zoom** because it's easy and free -**Zoom** is the leader in modern video communications. All you need is a cell phone, tablet or computer with a video camera. I am happy to walk you through the set up for a ZOOM meeting. Please reach out to me if you would like more information or schedule a ZOOM meeting. I am happy to teach you how to ZOOM with your family and friends too. This is so much fun! Please contact me at 651-464-2664 or at [Danielle.urman@jpl.com](mailto:Danielle.urman@jpl.com) to get started.



## 2020 HOLIDAY OPEN HOUSE CANCELED

Every year, we look forward to connecting with our friends and family at our Holiday Open House. But given the growing concerns around COVID-19, we've made the difficult decision to cancel our annual event. This was a tough call to make. Our Holiday Open House is an incredibly important event for Wealth Management Midwest and it's one of our favorite ways to celebrate the holidays with all of you, but we need to prioritize the health and safety of everyone who helps and attends the party.

In lieu of our event WMM will be making a donation to Toys For Tots in the name of "Friends and Family of WMM". We look forward to hopefully getting back to our in-person client events in

### Wealth Management Midwest: Mission & Vision

#### Mission

To inspire our clients to make sound financial choices, avoid costly mistakes, and live their best financial life.

#### Vision

Our industry needs leadership to move forward and be reshaped into a valued and supportive role in our clients' lives. We will help lead this change by committing to always do what we believe is in our clients' best interest. Our clients must have faith that our advice is drawn from our knowledge and desire to help them work towards their unique goals.

Like Us



Find Us



Follow Us



Check Out Our Website



[wealthmanagementmidwest.com](http://wealthmanagementmidwest.com)

Food for Thought From the Desk of Chad Olson, President/Operations Manager:



## High Cost Of An Early Social Security Benefit

Starting Social Security early typically means getting a smaller benefit for the rest of your life. The penalty is steep: Someone who applies this year at age 62 would see their monthly benefit check reduced by nearly 30%.

Many Americans have little choice but to accept the lower payments. Even before the pandemic, about half of retirees quit working earlier than they had planned, often due to job loss or health issues. Some have enough savings to delay claiming Social Security, but many don't.

But the penalty for early filing, and the bonus for delaying your application, are based on old formulas that don't reflect gains in life expectancy, said economist Alicia Munnell, director of the Center for Retirement Research at Boston College. The result is a system that unfairly penalizes early filers, unjustly benefits late filers — and hurts lower-income people the most.

Originally, Social Security had one retirement age: 65. In 1956, Congress passed a reduced benefit for women, to allow them to retire at the same time as their typically older husbands. Men received the reduced benefit option in 1961.

As life expectancies rose, though, early filers endured the penalty for longer. In 1956, a 65-year-old woman had an average life expectancy of 16.9 years. Today, it's 21.6 years, Munnell said.

On top of that, Social Security offers a bonus for those who can afford to wait. A 1% delayed retirement credit was introduced in 1972, and the amount increased over the years to the current 8%. So each year you put off claiming Social Security past your full retirement age adds 8% to your payment. Full retirement age varies according to birth year and is 67 for people born in 1960 or later.

Let's say your full retirement age is 67 and your benefit, if started then, would be \$1,000 a month. Starting at 62 would shrink the benefit to \$700, while waiting until 70 to begin would boost the amount to \$1,240.

The longer you live, the more you can benefit from a delayed filing. Before you sign up for Social Security please contact our office so we can run a complimentary Social Security analyzer to see exactly how various scenarios could play out for you. This is a big decision and we want to make sure you get it right.

*Source: Mpls.StarTribune 2020*

**MEDICARE**



**HEALTH INSURANCE**

### Complimentary Medicare Concierge Service!

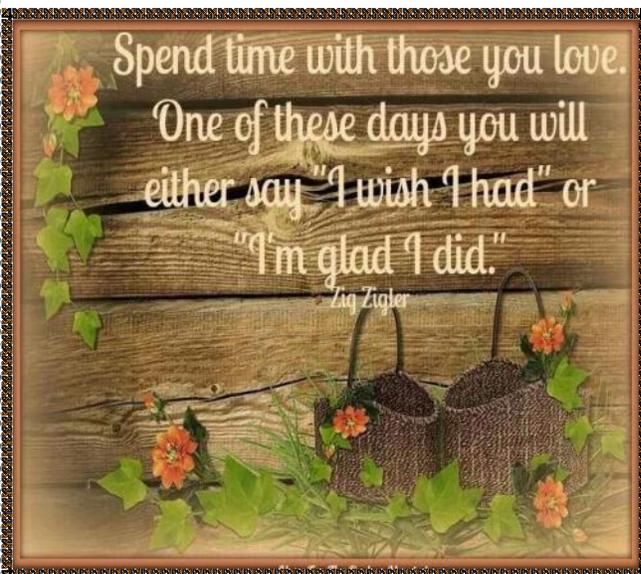
Are you concerned about applying for Medicare? Would you like to learn exactly how Medicare works and what the current plan options are? Are you enrolled in Medicare and really don't understand it? We have you covered with our Medicare concierge service! There is no cost for this and we don't offer Medicare insurance supplements or product sales of any kind. This is truly a value add convenience for being a client of ours. Don't lose sleep over anything having to do with Medicare, contact Kayla today to learn more about this value added service (651) 464-2664.



### Purdy Pups



Gnatt and Gibson have been in a few dog shows this Fall and both have earned several ribbons and titles.



### From the desk of Dave Purdy:



### The six main value propositions that Wealth Management Midwest provides:

**Organization.** We will help bring order to your financial life, by assisting you in getting your financial house in order (at both the "macro" level of investments, insurance, estate, taxes, etc., and also the "micro" level of household cash flow).

**Accountability.** We will help you follow through on financial commitments, by working with you to prioritize your goals, show you the steps you need to take, and regularly review your progress towards achieving them.

**Objectivity.** We bring insight from the outside to help you avoid emotionally driven decisions in important money matters, by being available to consult with you at key moments of decision-making, doing the research necessary to ensure you have all the information, and managing and disclosing any of our own potential conflicts of interest.

**Proactivity.** We work with you to anticipate your life transitions and to be financially prepared for them, by regularly assessing any potential life transitions that might be coming, and creating the action plan necessary to address and manage them ahead of time.

**Education.** We will explore what specific knowledge will be needed to succeed in your situation, by first thoroughly understanding your situation, then providing the necessary resources to facilitate your decisions, and explaining the options and risks associated with each choice.

**Partnership.** We attempt to help you achieve the best life possible but will work in concert with you, not just for you, to make this possible, by taking the time to clearly understand your background, philosophy, needs and objectives, work collaboratively with you and on your behalf (with your permission), and offer transparency around our own costs and compensation.

*From the desk of Dave Purdy:*

## The DOW's Shake-Up



First calculated on May 26, 1896, the Dow Jones Industrial Average, Dow Jones, or simply the Dow, is a stock market index that measures the stock performance of 30 large companies listed on stock exchanges in the United States. Three components of the Dow Jones industrial average, including its longest-standing member, were recently replaced as part of the venerable blue-chip index's biggest shake-up in years. The move was made in part to "diversify the index by removing overlap between companies of similar scope and adding new types of businesses that better reflect the American economy," according to S&P Dow Jones Indices, the global index provider that oversees the DJIA.

So who's out? Energy giant ExxonMobil (**XOM**), which had been a part of the industrial average since 1928, as well as pharmaceutical firm Pfizer (**PFE**) and Raytheon Technologies (**RTX**). They are replaced by customer relationship management specialist Salesforce (**CRM**), biotech firm Amgen (**AMGN**) and industrial conglomerate Honeywell International (**HON**). The Dow has announced one-off changes over the past few years, such as Apple's (**AAPL**) replacement of AT&T (**T**) in 2015. However, this is the largest multi-component swap since 2013, when Goldman Sachs (**GS**), Nike (**NKE**) and Visa (**V**) replaced Alcoa (**AA**), Bank of America (**BAC**) and Hewlett-Packard.

*Source: S&P Dow Jones Indices LLC 2020*

### Advice from an old farmer

Your fences need to be horse-high, pig-tight and bull-strong.

Keep skunks and politicians at a distance.

Life is simpler when you plow around the stump.

Forgive your enemies; it messes up their heads.

Do not corner something that you know is meaner than you.

You cannot unsay a cruel word.

Every path has a few puddles.

When you wallow with pigs, expect to get dirty.

The best sermons are lived, not preached.

Most of the stuff people worry about ain't never gonna happen anyway.

Remember that silence is sometimes the best answer.

Live a good, honorable life... Then when you get older and think back, you'll enjoy it a second time.

Don't interfere with somethin' that ain't bothering you none.

If you find yourself in a hole, the first thing to do is stop diggin'.

The biggest troublemaker you'll probably ever have to deal with, watches you from the mirror every mornin'.

Always drink upstream from the herd.

Good judgment comes from experience, and a lotta that comes from bad judgment.

Lettin' the cat outta the bag is a whole lot easier than puttin' it back in.

If you get to thinkin' you're a person of some influence, try orderin' somebody else's dog around.

Live simply. Love generously. Care deeply. Speak kindly. Leave the rest to fate.

Most times, it just gets down to common sense.

*Source: NZ Farming*



Dave Purdy



With the pandemic many of our travel plans have been put on hold, however, we have had some memorable outings in the RV this summer. I had my annual Black Hills motorcycle trip in July. The weather was perfect and the riding was fantastic. We also have had a handful of Barn Hunt dog shows and Gnatt tried a new sport called FastCAT. This new dog sport is a timed 100 yd dash. On September 6, my father celebrated his 90<sup>th</sup> birthday! He is going strong and looking forward to a North Dakota duck hunting trip later this fall! Wishing you a fantastic fall and I look forward to being in touch!



Kayla Hauble

While these fall days get a little shorter, I hope you are able to get out and enjoy them! Recently, I went on a girl's trip to the Boundary Waters Canoe Area with my future mother-in-law Lori and her girlfriend Mary Jane. This was my first trip up there and it was truly an amazing time. A time to disconnect and create some great memories I'll never forget. I enjoyed



cooking meals over a fire, playing cards by the camp fire, and I even got a few calluses from paddling. I hope everyone will have a fun fall and enjoy the many things pumpkin spiced.

Danielle Urman



What a great time of year Fall is! At the end of September I went to Las Vegas with my boyfriend and we had the best time. We spent a lot of our time at the pools soaking up the sun since it was over 100 degrees there. We went on the high roller Ferris wheel which was kind of scary but the view was definitely worth it. It was a really fun couple of days. I also went and picked apples at the Pleasant Valley apple orchard with my family and went to the pumpkin patch. I hope everyone is out enjoying all of the nice days as much as you can!

I hope everyone enjoyed summer! It was definitely a very different summer than in the past, but I think we made the most of it and enjoyed a little more time around our home and taking care of some projects that we normally wouldn't have time to do. We took a quick trip out to Wisconsin Dells with the kids and it was so much fun. My daughter Aria just turned 5, and she was eager to go down each and every waterslide at the waterpark, regardless of how big it was! There were a couple of waterslides I was not sure I wanted to go down, but we did them together. Brielle and Aria each had birthday parties with friends in July and August, and they were so excited to finally see their friends again. Brielle is starting 3<sup>rd</sup> grade and Aria is in Kindergarten this year and they love being back in school. Speaking of being back, I am back in the office full time again. Working from my home office worked just fine, but I missed feeling like part of the team, so I am thrilled to be back in the office. Here is a picture of me with Aria and Brielle on the first day of school.



Chad Olson



WEALTH MANAGEMENT  
M I D W E S T I N C

"INDEPENDENT AND PROUD OF IT!"

20 N. Lake Street, Suite 310  
Forest Lake, MN 55025  
651-464-2664



**David E. Purdy**

Founder, CEO

2012 • 2013 • 2014 • 2015 • 2016 • 2017 • 2018 • 2019 • 2020

*Award based on 10 objective criteria associated with providing quality services to clients such as credentials, experience, and assets under management among other factors. Wealth managers do not pay a fee to be considered or placed on the final list of 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 Five Star Wealth Managers.*

### **Need Financial Planning?**

**Contact us about our Five Step Financial Planning Process.**

1. We help you get financially organized. All of your information will be organized and understood.
2. We will help you identify what your goals, priorities and concerns are when it comes to your finances.
3. We review your current financial situation along with your goals and develop a plan for working towards those things that are most important to you.
4. We assist you in implementing the plan.
5. We review and update you with an annual progress report. We will review any changes in goals and objectives, and analyze your investments with the goal to make sure your plan is on course.

### **Loss of a Music Icon-R.I.P Eddie Van Halen**

1955-2020

Eddie Van Halen played a huge part in Dave's musical career and our office décor.





## The Next President Is Unlikely to Sink the Economy—or the Stock Market

Dire predictions about past presidents have usually proven to be wrong.

**AS ELECTION SEASON HEATS UP, YOU'RE GOING TO HEAR LOTS OF DIRE PREDICTIONS ABOUT WHAT WILL HAPPEN IF JOE BIDEN IS ELECTED OR IF PRESIDENT DONALD TRUMP IS RE-ELECTED.** If history is any guide, the US economy and the stock market will be fine in the long run no matter who gets elected.

 <b>Ronald Wilson Reagan</b> 40 <sup>th</sup> US President 1981-1989 		
In 1980 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Former actor lacks the experience to be president</li> <li>-Belligerence toward the Soviet Union could lead to nuclear war</li> <li>-Reaganomics is dangerous and won't work</li> </ul>	3.5%	14.2%
 <b>George Herbert Walker Bush</b> 41 <sup>st</sup> US President 1989-1993 		
In 1988 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Not a strong leader like Reagan</li> <li>-Lacks vision ("the vision thing")</li> <li>-Part of the Reagan administration that doubled the national debt</li> </ul>	2.2%	15.7%
 <b>William Jefferson Clinton</b> 42 <sup>nd</sup> US President 1993-2001 		
In 1992 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Governor of a small state—unproven on the national scale</li> <li>-Tax increases will sink the US economy</li> <li>-Government takeover of healthcare will nationalize 20% of the US economy</li> </ul>	3.9%	17.2%

# Client Conversations

 <b>George Walker Bush</b> 43 <sup>rd</sup> US President 2001-2009 		
In 2000 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Running for president because of his last name, not his accomplishments</li> <li>-Tax cuts will only benefit the wealthy</li> <li>-No foreign policy experience—not ready for a crisis</li> </ul>	2.2%	-2.9%
 <b>Barack Hussein Obama</b> 44 <sup>th</sup> US President 2009-2017 		
In 2008 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Inexperienced—only served in the US Senate for two years before running for president</li> <li>-Soaring rhetoric and exorbitant campaign promises are “just words”</li> <li>-Desire for a large stimulus bill and healthcare plan will explode the national debt</li> </ul>	1.6%	14.5%
 <b>Donald John Trump</b> 45 <sup>th</sup> US President 2017-Present 		
In 2016 His Critics Said:	Average US GDP Growth	S&P 500 Index Average Annual Return
<ul style="list-style-type: none"> <li>-Never held political office</li> <li>-Doesn't speak or act in a way that's presidential</li> <li>-Trade war with China will damage the US economy</li> </ul>	2.5%*	12.2%

Don't fret if your favorite candidate doesn't get elected in November! The US economy and stock market have generally marched higher through Democrat and Republican administrations alike. Dramatic events such as 9/11, the global financial crisis, and the COVID-19 pandemic can cause sharp market selloffs—but our economy and stock market have historically been resilient to these types of shocks.

**Your financial professional can help you stay focused on your long-term goals regardless of who's in the White House.**

GDP for President Trump is through 12/31/19. Data Sources: World Bank via FactSet, Morningstar, and Hartford Funds, 8/20.

**S&P 500 Index** is a market capitalization-weighted price index composed of 500 widely held common stocks.

**Past performance does not guarantee future results.** The index is unmanaged and not available for direct investment. For illustrative purposes only.

Investing involves risk, including the possible loss of principal.

This material is provided for educational purposes only.

Hartford Funds Distributors, LLC, Member FINRA.

CCWP094\_0820 219202