

Community

February 2021

“Alone, we can do so little; together, we can do so much.” – Helen Keller

Community is an important part of our everyday living. However, the definition of community is different for everyone. In addition, communities change as we move through our lives. The amount of interaction also ebbs and flows over time. The pandemic has certainly reinforced the need for community to work together. As part of the MGFIN community, we hope these newsletters are helpful for you. In addition, if you feel these might be helpful to other people you know, please do not hesitate to pass them along. You never know when someone in that group might just need a helpful note. We are in this together.

Markets

No matter the day, the future is always uncertain. We operate daily under a probable likelihood of events occurring. Having said that, we often hear about the phrases:

“These are unprecedented times. Never has the future been so uncertain. This time is different.”

Sure, some points in time seem more uncertain than others. However, I believe that is almost always true. We just choose to recognize and think more about it sometimes. Some of this is our own doing. Some of it is due to what we happen to read, watch, or listen to. The thought process goes:

- Noise: These are uncertain times.
- Investor: Yeah, these are scary times.
- Noise: Due to the uncertainty, I think this _____ could potentially happen.
- Investor: Huh, that is interesting. Had not thought of that.
- Noise: What are you doing about it?
- Investor: I don't know.
- Noise: You better do this _____
- Investor: That makes logical sense. I am going to do _____.

What the Investor does with the last blank above is important. Before tossing your current strategy to the curb because things “are different”, it is helpful to revisit your original strategy. Does it already contemplate this “uncertain” time? Maybe it does, but not in the way the Noise presented it. This is where your MGFIN team can step in and have a discussion with you if there are doubts. No strategy is risk free but knowing how the strategy performs in various scenarios is vital.

Also, revisit your goals. Even if it is just to reconfirm. Your goals are rarely the same as the Noise. This alone can unknowingly push you off your path. For instance, maybe Noise needs the excitement of changing strategies. Some need the thrill of the chase. Changing strategies might be one of their unwritten goals. Maybe that works out for them. However, if getting excitement from your investments is not your goal, maybe your strategy does not need to change like theirs.

One final word of caution. It is usually in these times of outlier gains that frauds become more prevalent. The difference between luck and being good sometimes becomes indistinguishable. People pitching new shiny things with recent spectacular gains appear more trustworthy than maybe they should. The solution to this issue is for people to understand their risk. No strategy works under all scenarios. If someone says

something works in all situations, your caution antenna should go up. If you have friends and family talking about exciting “opportunities”, maybe one clarifying question from you could save them.

Taxes

February 12th is the first day the IRS will begin accepting the filing of the 2020 income tax returns. Here are a few reminders as you put together your paperwork:

- For those that have not itemized deductions the past few years, a reminder for 2020 that up to \$300 in charitable contributions are deductible.
- For those that returned their 2020 Required Minimum Distribution back into their IRA after the requirement was eliminated, the Form 1099-R will still show this as a distribution. Your tax preparer will need to know that you returned it to correctly report it.
- For educators (K-12), a deduction of \$250 (\$500 if both spouses are eligible educators) is now available for COVID-19 protective items purchased after March 12, 2020.
- For those that believe they are eligible for the stimulus payments but did not receive the payment, the reconciliation of this will occur on the 2020 federal tax return.

We expect further legislation to be passed in the weeks ahead, so it's important to revisit 2021 tax plans as this situation continues to evolve.

Vaccine

We are in a fortunate position where our job is to continually talk with clients about what is happening in their lives. One item that expectedly has become a vocal point in the last few weeks is the vaccine process. There has been a consistent story throughout, no matter the state where the client resides. The story is the vaccine rollout has been a challenge. For those that have been able to get the vaccine, the success was credited to being very proactive and diligent in their use of technology.

Thus, the biggest hurdle to getting the vaccine seems to be insufficient use of technology. Some individuals are not aware of the multitude of vaccine sites. Even if they were, they would not be able to figure out the registration process or respond in timely enough fashion. They need help.

Our public service announcement is if you know someone (parent, relative, friend, or neighbor) that might be having trouble getting the vaccine, they might need yours or someone else's help. Unfortunately, sitting around waiting for a phone call does not seem to be the way people are getting the vaccine. As communities wait for enough vaccines to open back up, we are all in this together. There simply is not enough resources to help everyone, so the communities must come together to help each other.

We have been inspired by our client stories of helping other people in this process. We thought it would be helpful to share what we learned and maybe what to be aware of as we all work through this.

Warm Thoughts

This past week sunrise times in Milwaukee dipped below 7 am and sunset times went above 5 pm. Both will not be at that level again until November. Enjoy the ever-increasing sunlight!

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