

Fall 2020

FINANCIALLY Speaking

Donald P. Speakman: MSFS, CLU, ChFC, CFP, CRPC, AAMS, CMFC

Michael P. Speakman: CFP

Charlene Logan: CFS, ChFC, CLU

Business Perspective

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 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.



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. The presidential 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. And please contact us if you have any questions.

Sincerely,
Don, Charlene and Michael

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.

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All data is provided as of September 30, 2020.

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All index data from FactSet.

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David's Retirement



Many of you may agree that at our core, The Speakman Financial Group values family. We feel our clients are an extension of our family. So, we want to share with you, dear family, this bittersweet news. After more than 20 years with The Speakman Financial Group, David Speakman, Don's brother, has decided to retire!

David joined Don's team in 1997 as an administrative assistant and transitioned into the role of office manager. Though you may have met him at one of our seminars or events, David's work has been primarily behind the scenes, ensuring that our finances and books are in order and making sure that our day-to-day operations run smoothly.

Likely the most rewarding (and stressful!) role in Dave's tenure was the creation of The Speakman Financial Group as an independent financial service firm in late 2003. He juggled a great deal of details for establishing our office in Penn Center West. From ensuring the copier had toner and our guests had coffee, to negotiating leases and seeing to it the bills were paid, he did it all with equal measured dedication to The Speakman Financial Group family.

Perhaps we will see him perfecting his pool game or driving down the road on his motorcycle now! We are sure that David will enjoy spending this time with his new bride, Colleen, as together they make plans for some long-awaited travel and spending time with family. We thank him for his tremendous contribution to our team and wish him all the best in his new chapter.

Don's Personal Perspective



It's hard to believe how much our world has changed since the beginning of the year. Who would have thought that we would be going through these challenges? For many younger people, this the first real threat they have personally experienced in their lives. My heart goes out to the countless people who have lost their businesses or much of their life savings, struggling to stay afloat with little or no money coming in and expenses mounting. I personally know a number of families where both earners work in industries that shut down early when Coronavirus hit. They are still nowhere close to the revenue they had before the pandemic. It is so unfortunate; they didn't do anything wrong except get unlucky. This is another great reminder to count your blessings.

Fortunately, from a market perspective, we have had a great recovery so far. None of the experts I talked to predicted anything close to the speedy recovery we have had. Some say it will be the shortest recession in history, which would be nice. During times like this, I can't help but think of the story that I have shared at seminars for many years – if you get on a train and stay patient, eventually, you will always arrive at your destination. But, if you jump off a train while it is moving fast, you will surely hurt yourself. I am very pleased that not a single client gave up and jumped off the train during this crazy volatile period.

On a personal note, things are going well. As I get older, the status quo keeps looking better and better. I continue to remain healthy and the medication for my Parkinson's is working well. I am doing everything possible to slow it down including physical therapy, special boxing classes, Reiki treatments, and massages on a regular basis. I walk an average of about 60 miles per week. Recently, I underwent a minor foot surgery and will be wearing a non-weight bearing boot for six weeks, followed by four weeks of physical therapy. I am concerned with how my body is going to react to a month and a half of virtually no aerobic, calorie burning exercises. There may be a little more of me to hug when we are allowed to hug again! Jamie continues to take great care of my diet and nutritional supplement program. I am blessed to have a wife who is a first class cook and incredibly knowledgeable in regards to vitamins and supplements. She also accompanies me to all of my doctors' appointments to make sure we understand everything that is going on. The kids and the grandkids are doing great. I know the parents are a little stressed out

by the crazy changes taking place in our education system and they, like all of us, are anxious for things to get back to some sort of normal! We have not been able to visit the kids but hope to make up for that in the near future.

Jamie and I managed to take a trip to Las Vegas with a dear friend of ours who lost his wife of 50 years. We succeeded in cheering him up a little and enjoying some great laughs together. Michael and I were also able to go on our annual golf trip with two friends in September. We had a blast in Vegas and then went to Kiawah Island, South Carolina to play golf at some beautiful courses. We were supposed to go to the Ryder Cup this year, but it was cancelled so we took a raincheck for next year. My brother Dave got married on October 3 and we are very happy he found someone to share the rest of his life with. All things considered, we are doing great. We take time every single day to count our blessings and remind each other how fortunate we are. I look forward to seeing you soon and remember, try not to stress over things that are out of your control and to focus on the things you can do something about.

God Bless,
Don



Ingrid, Heidi, Anders, Aksel



Harper, Quinn, Coop



Quinn, Coop

Thoughts From Char

Everything has its Time- Ecclesiastes 3:1-8, 14

*For everything there is a season, and a time for every matter under heaven:
A time to be born, and a time to die; a time to plant, and a time to pluck up what was planted;...*

John would refer to it as the “biggest tree in Shaler Township” and while it wasn’t in our back yard, many of its menacing leaves would find their way there each autumn. We marveled at this mighty oak, which housed a family of raccoons one spring, welcomed countless birds every morning and was a real favorite of the squirrels too. Situated near a creek that runs behind our houses in my neighbor’s yard, it was quite the size and likely first took root long before Shaler was a township! Its massive limbs held up a lush canopy that shaded the three fair-skinned little ones who occupied the home with mom and dad. They didn’t realize how well it protected them from the sun. They just enjoyed the rope swing dad had installed earlier this year from one of its branches. The swing was a modest alternative to the amusement park trip that COVID cancelled, like so many other summertime plans and adjustments we’ve all made.

*...A time to embrace, and a time to refrain from embracing; a time to seek, and a time to lose;
A time to keep and a time to throw away;...*

Unfortunately, this season of COVID isn’t as fleeting as the summer, is it? Its remnants will remain. Our old normal is likely already giving way to a newer normal. Many an institution has had to adapt to a new way of operating. Schools and colleges, while they may have had the ability to offer virtual classrooms, have implemented “hybrid” classrooms this fall. Churches offer virtual video worship for congregations. We are all adapting to online shopping even more than before. We’re ordering pick-up or delivered groceries and dinners to feed our families. Some of us have traded in gym memberships for online or on-demand personal training sessions and I’d bet a number of us have experienced a “teledoc” appointment in lieu of a doctor’s office visit.

Don, Michael and I took part in the transforming nature of COVID as we experienced our very first virtual conference with LPL in August, after the actual conference planned for July in Chicago was cancelled. One recurring theme I took away from that experience was realizing COVID pushed all of us to adapting to technology quicker than we would have had it not been for this COVID disruption. Ask yourself, would you be using a teledoc appointment if it wasn’t for COVID?

*...A time to tear, and a time to sew; a time to keep silence and a time to speak;
A time to love, and a time to hate; a time for war, and a time for peace.*

Friends, we are creatures of habit and the longer we’ve had to rework our day-to-day activities around this pandemic, the more a new normal is taking hold. We have reached a watershed moment and the COVID genie isn’t going back into the bottle. As in other times of crises, we see positive results as once again, necessity becomes the mother of invention. But there is a pervasive dark side too. As I write this, we are heading into the final weeks of a contentious presidential election cycle in a time when our society has never felt more polarized. Has our individualism gotten the best of us and our society? People seem to really enjoy their anger! Family members who have differing viewpoints in their politics can’t see past the differences to appreciate what binds them together. Our civil discourse has lost civility. While these ailments were festering before the pandemic, the virus has added fuel to that flame. What will become of us?

Even mighty oaks can fall. Sadly, the tree that gave witness to so many seasons of growth and nature’s beauty developed a serious split and could not be saved. My grandson and I looked on as with surgical precision, each bough was carefully cut away until all that was left was the trunk. Its concentric circles told the story of just how many seasons it stood. We felt a hollowness as though we lost an old friend and a great soul.

I pray and remain hopeful that we are moving closer to the other side of the COVID cloud. Let us not despair or grow more fearful. I’ll leave you with this final verse:

I know that whatever God does endures forever; nothing can be added to it, nor anything taken from it; God has done this, so that all should stand in awe before him. Ecclesiastes 3:14

May this awesome God who has blessed us so abundantly continue to bless you, your families, and our world.

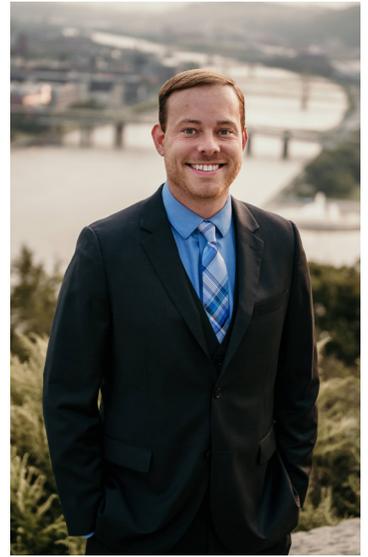


Living on the Bright Side

“Start by doing what's necessary; then do what's possible; and suddenly you are doing the impossible.”

- Francis of Assisi

Are we there yet? At times, it has been tempting to wish we were bears and could hibernate our way through this unprecedented year. Better yet, did you know that in times of inclement weather, a snail can sleep for up to 3 years? Considering the challenges this year has thrown at us, I have found it more important than ever to count my blessings. First and foremost, my friends and family are healthy and safe. One of the privileges of working mostly with older folks is learning never to take good health for granted. Many of our closest friends have passed along exciting news that babies are on the way. It seems all this extra time indoors may be spurring on a baby boom. Despite gentle reminders from our parents that another grandchild would be appreciated, Megan and I are continuing to enjoy our quiet life together. Patience may be a virtue, but it has never been an easy quality for The Speakman family to master. We are still living in our apartment on Mount Washington, but our search for our first home is in full swing. Prior to this year, we were rarely home, so having a small place made sense. We have both been working remotely for most of this year and we are both ready for a bit more space. Our newest goal for this fall has been following a keto diet. Keto mostly revolves around limiting carbs and sugars from your diet. Cutting pizza and ice cream from our diets has been tough, but it has been nice to lose a few pounds!



This year will go in the record books as one of the most volatile stock market years in history. Although the downturn earlier in the year was severe, I am thankful that the recovery came quickly. It is much more fun to look at our statements when things are moving in a positive direction! This year was a great example of the importance of having a plan and sticking to it. I have been very proud of the way our staff and our clients have worked together to get through these difficult times. One of my favorite analogies is comparing investing with our team to a long ride on an airplane. My dad, Charlene, and I are your pilots. Our team are the attendants. The goal is to get you to your destination as comfortably as possible. However, sometimes we hit unexpected turbulence and this year was particularly bumpy. Despite the unnerving feeling that turbulence brings, we count on your trust that we will steer the plane to safety. We will never recommend jumping out of the plane amid the storm!

My dad and I recently returned from our annual father/son golf trip. We had a great time in Charleston, South Carolina. Golf has been one of the few activities we have been able to enjoy throughout this year. We love the opportunity to get some fresh air, exercise, and have some laughs. With many other things being cancelled, I have spent more time golfing this year than usual. It has been fun to see my game improve with increased practice and effort.

As this year comes to a close, take a moment to look back on some of the positives that have come into your life. One of my favorite motivational speakers, Dr. Kevin Elko, often says, “Don’t ask for blessings, go out and be a blessing.” If there is anything our team can do to support you and your family, please reach out to us. We appreciate the opportunity to serve you.

Wishing you all the best,
Michael

Don's Quick Points

Here are a few interesting facts and figures that we wanted to share with you regarding our economy over the past few months.

1. The 10-year treasury note was .70% on 10/2 vs. a high of 15.84% 9/30/81.¹
2. The 30-year fixed mortgage rate, the most popular home loan product, recently sank to its lowest level on record of 2.88%.²
3. In fiscal year 2020, the U.S. Treasury will have issued about \$4.5T in new debt vs. \$1.3T in the previous fiscal year.³
4. 2020 projected spending on political ads is \$6.7B.⁴
5. New COVID-19 cases in the United States continued to rise, as the seven-day average increased 4.5% week over week to near 44,000 (source: COVID Tracking Project). Hospitalizations appear to have leveled off and fatalities are gradually decreasing.⁵
6. The Dow had its best quarter (Q2) since 1987 (33 years), up 17.8%. The S&P finished the second quarter up 20%, which is its biggest percentage gain since 1998 (22 years). The Nasdaq was up 31% in the second quarter, its best since 1999 (21 years).⁶
7. The airlines have taken an incredible hit due to COVID-19. Passengers going through U.S. airports dropped from an average of 2.3 million in April 2019 to about 87,000 in April 2020.⁷
8. Household debt payments, as a percentage of income, are at a record low of approximately 9%.⁸

1. JP Morgan weekly market update 10/5/2020

2. www.washingtonpost.com/business/2020/08/06/mortgage-rates-pulled-down-lowest-levels-history/

3. www.usj.com/articles/u-s-treasury-expects-to-borrow-2-99-trillion-in-second-quarter-as-stimulus-spending-soars-11588619567

4. www.nbcnews.com/politics/meet-the-press/blog/meet-press-blog-latest-news-analysis-data-driving-political-discussion-n988541/ncrd1207951#blogHeader

5. LPL Research – Daily Market Update 10/7/2020

6. www.usj.com/articles/global-stock-markets-dow-update-6-30-2020-11593508397#:~:text=The%20Dow%20Jones%20Industrial%20Average,tech%20stocks%20including%20Apple%20Inc.

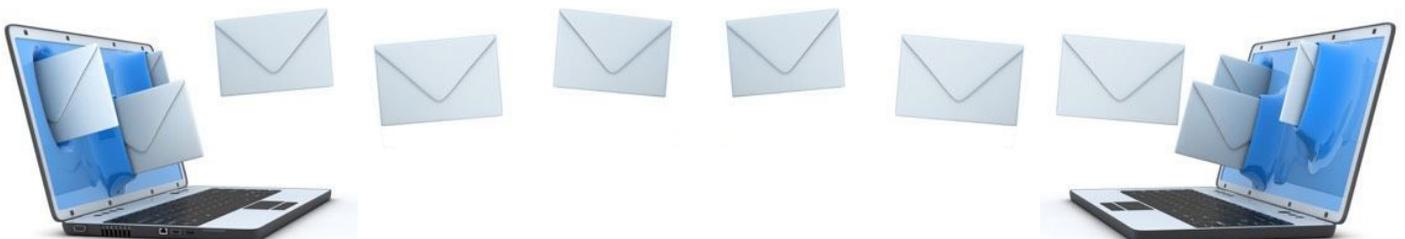
7. USA Today 5/18/2020

8. JP Morgan – Guide to the Markets Q4

Emails From Our Team

Are you having trouble receiving emails from our office? Are you finding old messages from our team in your spam/junk folder? Please be sure to add our email addresses to your “safe senders” list or create a filter to ensure that you can easily access our correspondence. The process will be different, depending on who your email provider is, but often you are able to make these changes in the settings.

Also, just a friendly reminder that if you have changed your email address or we don't already have your email address on file, please let us know so we can update our information!



How to Stay Happier this Winter During the COVID Pandemic

White House advisor Dr. Anthony Fauci said that Americans should brace for fall and winter, when the coronavirus is expected to surge due to cold weather and increased time indoors. “We need to hunker down and get through this fall and winter because it’s not going to be easy,” Fauci told Harvard Medical School on Sept. 10. That means Covid stress, never-ending days, Zoom happy hours and grocery delivery could once again become America’s reality. Combine that with the fact that people tend to start getting pessimistic in the winter, and for many the thought of being stuck at home for an extended period of time is bleak. But there are things that can make a difference. “Instead of approaching this with fear and trepidation and dread, we just need to prepare ourselves as much as possible,” says Jeff Gardere, board-certified clinical psychologist and associate professor at Touro College of Osteopathic Medicine in New York City.

Here are some tangible tips that will help you maintain a positive and prepared mindset as the pandemic reaches into a new season:

Wake up at a normal time

Waking up when it’s still dark outside can feel like a bummer, but sleeping in later won’t improve your mood, Gardere says. It’s important to stick to your regular wake-up and bed times, even if you’re still working from home and don’t need to commute. Your entire sleep schedule can get thrown off by later wake-up times, or naps during the daytime, Rachel Manber, director of the Stanford Sleep Health and Insomnia Program told Stanford Medicine. “These behaviors have negative impact on the biological clock that regulates sleep and wakefulness and therefore lead to problems sleeping,” she said. Getting a good night’s sleep can help you respond to mental stressors, as well as help your immune system function optimally.

Get some light

Turn on your lights first thing in the morning because light exposure will signal to your brain that it’s time to wake up, Gardere says. Plus, the lack of natural light in colder months is one of the main contributors to seasonal affective disorder (or “SAD”), a type of depression that typically occurs each year during fall and winter. And exposure to artificial light from lamps can be just as beneficial to the brain as natural sunlight. Light exposure affects neurotransmitters such as serotonin, which is involved in mood regulation. Positioning a therapeutic “light box” (which is brighter than a standard indoor light) about 16 to 24 inches from your face for 20 to 30 minutes first thing in the morning has been shown to reduce symptoms of SAD and increase energy. You can find therapeutic light boxes on Amazon for \$30 to \$200. But experts say you should look for a light box that provides at least 10,000 lux, which is a measure of light intensity.

Find a way to be comfortable outdoors

Outdoor activities are safer than ones held indoors, because there’s more air flow and space to maintain social distance. For those who live in parts of the U.S. where it gets cold in the winter, make sure you have the supplies you need to comfortably gather outdoors, such as cold-weather clothing, Gardere says. “Get excited about your winter gear,” he says. If you have access to outdoor space, consider an outdoor heater or blankets.

Plus, prep your indoors

Since you’re going to be inside more than usual, it’s important that you “refashion your environment” to better suit your needs, Gardere says. For example, you may want to get a desk to have a proper remote workspace. Or display photos of things that make you feel relaxed, like a snowy landscape or beach scene, he says. And if you need another excuse to spruce up your interiors, studies suggest that when your indoor environment is organized and free of clutter, you’re less stressed and able to focus better.

Exercise — no, really

Gardere says he uses an indoor cycling bike every morning because it gets neurotransmitters flowing that help your mood and focus, such as endorphins, dopamine and serotonin. Find a type of exercise that you enjoy and can safely practice at home or outside. For example, Gardere suggests power-walking at a brisk pace with a friend, or taking a break during the workday to get outside for a short walk.

Find a hobby

Winter might be a good time to pick up a hobby, or an activity that you know can keep you entertained, Gardere says. Whether it’s baking or completing crossword puzzles, studies suggest that when people have hobbies they tend to be less stressed, more focused and less likely to experience burnout. To that end, if you find that you can no longer enjoy hobbies or activities that you once loved, or you feel isolated from others, you may want to talk to a therapist or mental health professional, Gardere says.



Penn Center West Two
Suite 325
Pittsburgh, PA 15276

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AT YOUR SERVICE

Our address is:
THE SPEAKMAN FINANCIAL GROUP
PENN CENTER WEST TWO, SUITE 325
PITTSBURGH, PA 15276

Email: don@speakmanfinancial.com
Phone: 412-787-3373
Out of town: 866-752-6734

Visit us online at:
www.speakmanfinancial.com

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