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We are in uncharted territory with the Covid-19 crisis, but the quick and massive financial support from the Federal Reserve and the federal government may have averted a further decline in the markets. Please read our Market View below.

Be sure to RSVP for our webinar, **Savvy Social Security: What Baby Boomers Need to Know to Maximize Retirement Income.** A replay will be available to all who RSVP. See page 3.

Market View



2020 Year-to-Date Performance of Capital Markets	
S&P 500 - The S&P 500 (Standard & Poor's Index) is a stock market index containing the stocks of 500 American corporations with large market capitalization that are considered to be widely held.	- 2.13%
MSCI EAFE - The MSCI EAFE serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia.	-10.13%
Barclays U.S. Aggregate Bond - The Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. corporate, government and mortgage-backed securities.	6.26%
10-Year Treasury Yield Rate (as of 06/30/20)	0.66%

Sources: Morningstar (Performance from 1/1/20 to 6/30/2020)
Treasury.gov (As of 6/30/2020)

The financial markets have responded well to the financial liquidity the feds provided to the financial markets and the stimulus provided to individuals and businesses through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The rebound has been strong, "The S&P 500 finished the second quarter up 515.70 points, or 20%, to 3100.29, its biggest percentage gain since the last three months of 1998."¹

This strong rebound is also attributed to stabilizing oil prices and improving employment numbers, which are glimmers of light on the horizon. The economy regained 4.8 million jobs in June, while the unemployment rate dropped to 11.1%.² Consumer spending also increased nicely in June to 8.2% after falling in March (-6.6%) and April (-12.6%).³

¹ Michael Wursthorn, "U.S. Stocks Finish Best Quarter in More Than 20 Years," The Wall Street Journal, June 30, 2020.

² Sarah Chaney, U.S. Unemployment Rate Fell to 11.1% in June," The Wall Street Journal, July 2, 2020.

³ BEA.gov

Consumer confidence is also improving but remains well below the pre-coronavirus levels.⁴ However, rising confidence and re-openings are supportive of economic activity.

These numbers are positive and could make this recession one of the shortest in history, but we are not out of the woods yet.

In his testimony before House Committee on June 30, Fed Chief Powell said, "Many businesses are opening their doors, hiring is picking up, and spending is increasing. Employment moved higher, and consumer spending rebounded strongly in May. We have entered an important new phase and have done so sooner than expected." But he also recognized the need to keep the virus in check. "The path forward for the economy is extraordinarily uncertain and will depend in large part on our success in containing the virus. A full recovery is unlikely until people are confident that it is safe to reengage in a broad range of activities,"⁵ Powell added.

Recent spikes in Covid-19 cases in a number of states are slowing the retail openings back down, but it appears that deaths per cases are trending lower which is a reflection of more effective treatments. A vaccine would put a lot of consumers at ease.

Financial Planning Lessons from the Covid-19 Crisis.

Life presents many challenges for us to learn from. *As Marie Curies states, "Nothing in life is to be feared, it is only to be understood."* Now is the time to understand more, so that we may fear less. So what can we understand better from this Covid-19 crisis?

Some of the lessons and key takeaways of the Covid-19 crisis are the same fundamentals—core financial precepts of any credible financial plan.

Money Management is Important. Saving for an emergency cannot be underestimated. For many people, having 3-6 months of expenses in

available cash can help consumers make it through times like today.

Identifying needs vs. wants is critical to master money management skills. There is a large gray area between needs and wants. It is not that wants are bad, but if someone is not on track financially for their long-term needs and goals, then a reality reset may be needed. The goal is to have money left at the end of the month, and not month left at the end of the money.

Debt is often used to finance many of our needs and wants, and low interest rate loans can be appropriate depending on one's financial situation. The accumulation of wants (not needs) with debt doesn't bring about true contentment. Debt can be a good tool if used wisely, but we should remember that "...the borrower is slave to the lender."⁶

Asset Allocation and Diversification Matters.

We have just witnessed an unusual amount of stock market volatility. Calling it a rollercoaster does not fully capture the experience.

The key is to ensure that your portfolio is properly allocated and diversified according to your risk tolerance, time horizon, and purpose of the investments, while also considering tax implications before a market correction.

The worst time to decide to reset your risk tolerance to be more conservative is in the midst of a market downturn, as you are locking in losses. In fact, if your risk tolerance and time horizon permits, perhaps you should consider reallocating your portfolio with more stocks if they are on sale at discounted prices.

Risk Management Matters: Expect and plan for the unexpected. A solid financial plan helps to prepare for the expected and unexpected.

Having sufficient insurance in place is insuring against future potential risk with pennies (premiums) on the dollar (protection).

Designing your retirement income plan with sufficient guaranteed or secure income during your retirement years is being proactive against future financial market unknowns.

⁴ Conference-board.org

⁵ Nick Timiraos, "Mnuchin, Powell Pledge Additional Relief to Prevent Lasting Damage to Economy," The Wall Street Journal, June 30, 2020.

⁶ Prov. 22:7 HCSB

Emergency Preparedness. The cash in emergency funds could not purchase many items needed during the Covid-19 crisis. It is prudent to ensure that we have sufficient food, medicines, and other supplies on hand for future unexpected emergencies and disasters. **Buy when it is NOT needed, so it will be there when needed.**

It is also prudent to store key information and important papers in a secure place. **Our clients have access to an online secure Vault on their personal website that allows them to store secure documents online with 24/7 access.**

Some good resources that can provide additional information on emergency preparedness are:

[Ready.gov](https://www.ready.gov)

[FEMA.gov](https://www.fema.gov)

[NSC.org](https://www.nsc.org)

[USA.gov](https://www.usa.gov)

[Redcross.org](https://www.redcross.org)

[Emergency.cdc.gov](https://www.emergency.cdc.gov)

Be Proactive, Not Reactive. Take Action. Life is much more productive and organized when a person is proactive rather than reactive. It is also cheaper to be proactive in that you pay less for things when they are NOT needed, rather than when they are in high demand. The rule of supply and demand applies here.

The issues discussed above are broad and individual circumstances vary. Taking inventory is critical. It is half of the battle.

Knowing where you are and where you want to be can provide contentment and less stress. We are here to help. Let us know if you wish to update your plan.

Wealth Planning Webinars

Savvy Social Security: What Baby Boomers Need to Know to Maximize Retirement Income

Tuesday, August 25, 6:00-7:00 pm

A REPLAY of this webinar will be sent to all who register! **Limited Registration.**

RSVP at www.SilverStarWealth.com under Upcoming Events or call us. Invite a friend!

Office News

Back in the Office

We are currently working back in the office and having client reviews in person (with precautions) as well as through webinars and phone calls.

Welcome Kasey Spann



We are very pleased to have Kasey Spann join our team as our Client Services Director with 3 plus years of experience in financial services and 16 plus years of experience in customer service. Kasey received her Bachelors in Business

Administration from LeTourneau University in Longview, Texas.

Kasey is married with 2 sons, one daughter, and lives in Houston, Texas. She enjoys spending time with her family, baking, gardening, projects, and watching movies. Please welcome Kasey.

Many Thanks to the Clients and Friends of SilverStar Wealth Management for cooking 400 Pounds of Crawfish for the Clients of Reach Unlimited.



The Crawfish Banditos!

Humor Matters



Source: dianedelgadolemaire.com

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Although the information has been gathered from sources believed to be reliable, it cannot be guaranteed. Federal tax laws are complex and subject to change. This material may contain forward looking statements and projections. There are no guarantees that these results will be achieved. It is our goal to help investors by identifying changing market conditions, however, investors should be aware that no investment advisor can accurately predict all of the changes that may occur in the economy or the stock market. The opinions expressed in this commentary are those of the author and may not necessarily reflect those held by Kestra Investment Services, LLC or Kestra Advisory Services, LLC.

RSVP for WEBINAR: Savvy Social Security: What Baby Boomers Need to Know to Maximize Retirement Income



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Please send us your favorite joke and if we use it, we will send you a gift certificate to your favorite restaurant.

Words of Wisdom

"The Darkest Hour is just before Dawn."

--English theologian and historian, Thomas Fuller, 1650. Referencing Scriptures; Psalms 46:5 and Romans 13:12.

Please call us if you have any questions, would like to review your portfolio, update your financial plan, or if we can help you in any other way.

The SilverStar Team