

## 2020 Recession—The Year of the Mask

2020 has brought us new terminology: Covid-19, social distancing, work from home, small holiday gatherings, no handshakes, in the bubble, Zoom meetings, Facetime happy hours, stimulus checks, PPP money, restaurants closed and the Minnesota stay at home rules. This year has produced many similar narratives for everyone, but in the end, each individual has felt a different impact. With the New Year, I am going to focus on the positive business and financial stories I have heard this year from family, friends and WFG clients. I believe that even a small transaction today can create a very meaningful impact for an individual's future.



Michael Bischoff, CFP®

- Countless people have refinanced their primary mortgage with an interest rate from 2.5% to 3.5%. Many 30-year payment structures are now down to 20 or 15 years. Lowering payments and having shorter terms can both free up excess cash flow.
- Many have sold homes at historically high prices and families have moved, down-sized or as I like to call it, “right sized” to put themselves in a better financial position for the future.
- Both the Dow Jones Industrial Average (DOW) & S&P 500 have hit record levels this year after being down over 35% in April. Several Minnesota based companies have hit all-time price highs including Target, UnitedHealthcare, Best Buy, Ecolab and General Mills.
- Household debt services have declined to historically low levels. This ratio has been cut almost in half since the 2008 recession. This means individual's cash reserves are at record numbers and the average American's household net worth almost doubled in 10 years.
- Some baby boomers have crossed the finish line into retirement and many others are one step closer to this goal. They have been helped by many years of systematic retirement saving plans, pension buyouts, early retirement packages, family inheritances and above average investment account returns over the past two years making retirement a reality for many.
- Many of the analysts we track started to talk about the beginning of the next economic cycle back in early-summer. The DOW ended the year over the 30,000 mark. I remember Jerry Webb, the founder of WFG, talking about the DOW at 25,000 many years ago. Think about where it will be in another 10 years! 2020 has once again taught long-term investors to stay invested and be patient as markets will hit new all-time highs every few years.

This has been a different type of recession with the demand for both housing and cabin purchases going crazy, and home construction projects creating overflow parking lots at Home Depot and Menards. Appliances and other products being on back order for months, and a shortage of inventory for leisure items, such as boats, bicycles and many other toys. All the empty shelves at the grocery stores and there being a complete euphoria over buying toilet paper. I never imagined stockpiling consumer products would become a pastime.

I understand that 2020 was not personally good for everyone. If that is the case for you, I am truly sorry and I wish you good fortune in 2021! My last note is that vaccinations are underway in 2021 and, with an over 90% success rate, this is very exciting. Hope is on the rise for many older Americans who have spent most of 2020 at home and alone. Get out as soon as you are comfortable: go out to dinner, spend time with friends and family, travel, and get back to living life.

Happy New Year everyone!

*Stay safe &  stay healthy*

## ANNOUNCEMENT

*We would like to welcome Ryan Cobb to our team!*



Ryan joined WFG as a Client Advisor Associate in January 2021. He has held a number of accounting and finance roles since 2014 at both

PricewaterhouseCoopers LLP and UnitedHealth Group.

Born and raised in Minnesota with a love of friends and family, Ryan went to Eagan High School and elected to stay close to home, attending the University of St. Thomas for degrees in both Accounting and Economics.

When he is not working Ryan enjoys spending time with his wife, Emily, and one-year old son, Arthur. He loves hiking new trails, reading when his son lets him, and meeting with friends for food and drinks.

A reluctant golfer, Ryan hopes to improve his handicap enough to golf with Mike and Tim without making them laugh.

In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

**Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over thirty-nine years, we have helped our clients achieve financial security.**

Michael Bischoff, CFP® & COO  
Gary Webb, RFC®, CKA® & CEO  
Dave Verbeke, Financial Advisor  
Tim Greife, Financial Advisor  
Leslie Webb, Investment Advisor  
Michelle Brennan, FPQP™  
Financial Paraplanner™  
Kristi Mattiuz, Contoller  
Ryan Cobb, Client Advisor Associate

## What if you live too long?

There are two parts to a successful financial plan. Most people only focus on investment management. Equally important is the risk management aspect of planning. Declining health can put a good plan in jeopardy. Preserving and building your assets is the key element to providing adequate income replacement for the remainder of your life, and the life of the surviving spouse. Odds are about 75% of us will need some type of help as we get older. In most cases that is assistance from a healthier spouse or one of your children. At the end of life, skilled nursing care may be required, which could spend down your assets to a point where there isn't enough left for the surviving spouse.

Traditional long-term care insurance hasn't effectively addressed the concerns of buyers who then did nothing, exposing themselves to unnecessary risk. New hybrid products have dominated new sales because they provide a death benefit if you don't use it for long-term care, or a much larger benefit if care expenses are incurred. Care benefits can be used to pay for in-home care including informal caretakers like a spouse or child who has taken time off work to help out. The best part of this solution, is that the money you pay to buy the policy will be paid back in either a death benefit or care benefits. You're not paying for something that you'll never use.

In the first quarter we'll be reaching out to our clients between the ages of 50 & 70 to discuss the advantages of these new hybrid policies.



Dave Verbeke  
Financial Advisor

## Our Office Remains open and Fully-Operational During Covid-19

While many offices are closed during this unfortunate and difficult time, WFG will remain open.

We can operate our office from various locations, and have the experience and technology to support those efforts. Our advisors are available by phone, email, in person and videoconference. Our phone system is fully operational, and we are able to meet with clients in-person or virtually. We are able to send documents for completion electronically. Our firm has utilized this type of technology for years as we have provided streamlined, efficient service to our clients using these tools.

While the COVID-19 Coronavirus situation is extremely unfortunate, we will remain open and immediately available to service our clients. We understand there are still concerns surrounding the virus so we want to make sure we keep our clients and ourselves safe during these challenging times. We will continue following the CDC guidelines.

We are happy to announce WFG has signed another five year lease at Southtown Office Park, with a minor remodel project planned in the beginning of 2021. Please call our office or your advisor and schedule an annual review in person or virtually. We would love to see and hear from you!

OFFICE *hours*

Monday–Thursday 8:30-4:30

Fridays 8:30-3:30 (May-September)

952-837-3200

*yes, we're*  
**OPEN**

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