

Episode 131 The Impact of the Election on the Stock Market and Retirement Planning

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SPEAKERS

Bob French, Alex Murguia

Bob French 00:00

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Alex Murguia 00:48

Hey everyone, welcome to retire with style. Alex and Wade is in the Land of the Rising Sun in Japan, doing his yearly pilgrimage. I don't know where I want to say Osaka, because it sounds kind of cool, but I don't think it's there.

Bob French 01:08

I think it's just outside Tokyo, if I remember correctly.

Alex Murguia 01:11

So it's the something something prefecture, and out here, as you can see by Bob's grimace here with our favorite Bob French, and today we're going to be talking about the election and the stock market, right? Bob, absolutely. All right. All right. So what do you got for us? What do you what? What more or less are we going to cover here? Yeah, absolutely.

Bob French 01:41

So, you know, obviously, right now, especially this is, this is a topic on a lot of people's minds for really good reason. You know, it's kind of all we're starting to hear about. We're starting to get into the actual campaign season, you know. So we're, it's really top of mind. And, you know, we're starting to see a lot more questions about what happens if you know Trump wins or Biden wins, or, you know, who knows what happens? You know all the different permutations. You know, because there is a lot at stake in this election. You know, there is a lot of you know, things that are going on, and they have pretty darn different approaches to how they want to address that. And you know, a lot of people are looking at that, you know, from a lot of different angles, but one of them being, you know, their investments, their retirement, you know, how is

whatever happens going to impact, you know, what the stock market and their investments is going to be doing? Okay, go ahead and just kind of talk through that. You know, to kind of walk through, hey, here's how to start thinking about that. Here's some different ways to kind of contextualize what's going on, you know, from that pure investment standpoint, but, but also thinking about it from, you know, that retirement planning standpoint,

Alex Murguia 03:13

I think it's excellent. One thing I would say is that, yeah, this, this is kind of a Groundhog's Day episode, but it doesn't happen every day. It happens every whatever, two years, because the mentors as well. That being the case, though, a couple of caveats I want to lay out there for everyone listening in. We're going to be have some sort of where we're based out of DC, right? McLean, Virginia is effectively greater DC. And if you want to see us tightrope around political issues and not talk about them, while talking about them, while not talking about them, well, we've been doing this for a long time, and we never win. You never as an advisor, as an advisor firm, you never win. You know, taking some sort of side. Yes, we're human beings, and we all have our own proclivities, but we know, as it relates to talking about these things, it's never a good outcome. Saying, Hey, I'm not gonna vote for the crazy guy. Now, I'll give you an example. No, if you think it's Biden, you're on one side. If you thought, when I said crazy guy, you thought it was Trump. You thought, you know, it's, you know, who could it be, right? And so those are things we try to just separate ourselves from, because it's just a difficult conversation in that sense. Now, what we can do in terms of remove this sort of emotional link is just look at the numbers, you know, frankly, and that's what we will be doing now, even though we will be looking at the numbers, there will be some people listening Bob that will say, Excuse me, I have a terrible cough that will say something along the lines of, yes, but the way the current economy is going, such and such will happen, and that's unsustainable. Now you have the other side that will say, you. Yes, but if we don't continue the policies in place, and we let this other person take over, it's going to derail everything that was heading towards a positive outcome, and we're going to take five steps back, and that can't happen. You know, absolutely, that's that emotional connection that I How would you address that? Because that's very real. Because when we talk about numbers, I don't want to come across as tone deaf, like, yeah, I get that historically, but, man, did you just see what happened last weekend? Absolutely, that kind of

Bob French 05:27

thing, yeah. And, you know, the stakes certainly feel very, very high at this point, especially with with this election and the choices that are in front of us, you know, as a country. So I don't want to make light of that. There's, there's a couple things that I'm thinking about as we're looking at that. One is, there's certainly a bit of a recency effect here. You know, we're looking at this. We're in this right now. And, you know, like I said, there are some pretty stark choices. However, you know, we've said that for pretty much every election,

Alex Murguia 06:09

for what is the recency effect? Just, just introduce the recency of absolutely so you

Bob French 06:15

know, what I'm getting at is, you know, we just psychologically tend to focus and almost fixate on things that have happened recently, things that are currently happening, things that are are basically easier to remember to a very large degree. And you know, we we inflate the importance thereof. You know, so things that have happened more recently, things that are, you

know, happening now, we tend to think they're, they're more important than something that happened 20 years ago. And sometimes that's true, you know, sometimes that's absolutely true, but it's always something that's that's really important to kind of keep in mind, especially as we're looking at something, that we do have some historical data on this type of stuff. We do have some ways of viewing what might be going on here. The other thing I'm going to call out, there's two pieces to this. The first is, we're talking about the stock market here, so we're not talking about the broader economy. Now they're definitely related over the long term, they're going to be tied, but they're not exactly the same thing. They're not going to be kind of moving in that same lockstep. Now the other piece of that is that, because we are talking about the stock market, all of this data, all of this stuff we know or we think or we expect is already in prices. It's already included in how the market has already moved, and we'll talk about this a little bit later on, but we can actually see this really clearly when we look at, you know, the market returns the day after an election. You know, there's actually a negative correlation on the absolute value, how much the stock market moved the day after an election with how big the margin of victory was. So a bigger margin of victory for whoever happened to win, I was looking at the presidency. Whoever won the presidency, the bigger the margin of victory was in terms of popular vote percent, which, obviously there's some conversations there, but if there was a big margin of victory, stock market didn't move that much the next day, which seems to suggest, you know, they kind of expected what was going to happen. So that was already priced in. And you know, we can see that across any number of elections that we look at, you know, if the market is constantly incorporating that new information, both in terms of who's going to win, which I was just talking about, but also what's going to happen if they win. You know, they're, they're looking at kind of the expected value, if you will, of you know what will happen if someone were to win? So you know the market is already incorporating that information. So trying to make, trying to move your portfolio based on what you are currently expecting. Right now, it's the same issue you have when you're trying to time the market based on you know, what you know right now, on anything else, unless you personally have you know, some way of really understanding this better than everyone else. It's going to be a pretty, pretty tough. Thing to be doing there

Alex Murguia 10:04

real quick. So when Dewey defeated Truman, how much did the stock market move? You know,

Bob French 10:09

I as soon as you started saying that, I knew I should have had that spreadsheet open. But that one I believe, I believe, was one of the bigger ones. I believe so. And, you know, I mean, there were some where, you know, I mean, the market basically didn't move, you know, some of the bigger ones, you know, I think when, when Reagan won, you know, the market didn't have a big day. You know, that next day, because, you know, it was not a surprise. Everyone kind of knew that was going to happen.

Alex Murguia 10:43

So it's probably fair to say there'll be a there'll be some. If the market, if the elections were held tomorrow, they'd be a big swing.

Bob French 10:51

Probably, yeah, right. All the numbers are saying, you know, it's pretty darn close to 5050, at this point in time, or at least there's a big degree of uncertainty as to what's going to be

happening. So obviously, everyone listening to this, looking at margin of victory, because of how we do elections, that's not a perfect proxy, but for our purposes and Turners of talking about this. It's good enough for what we're trying to talk about here.

Alex Murguia 11:24

So then Bob, just to make that bring that statement, hold a little bit close. Elections kind of bit more volatility, elections that are more known, that you know, that you know Reagan Mondo, you kind of know how that story is going to end a month before the election. So with this one in particular, how does that, why would that be? And I think the dynamic about how market prices reflect current information is priced in, you know, it's kind of running tally, and then it's the unexpected information that comes in randomly that begins to move the needle, right? And so what is that leading up to the election going to look like?

Bob French 12:06

Well, I mean, one of the things we're going to be looking at is, you know, campaigns, political campaigns are, if nothing else, just big information machines, they are constantly spewing out all sorts of information, you know, both good, bad, just random noise sometimes that everyone is going to be kind of looking at and making their expectations off of. So people are as things happen that's going to change the probabilities of success. You can kind of look at 538, as well, still around. There's the Iowa electronic betting markets. There's all sorts of other things you can be looking at to kind of get a gage on what's going to be happening. And you know, as things happen, you know, those are going to be moving around. Those are going to be, you know, proxies for what people think is going to be happening. And that information, in turn, is going to be, you know, pushing markets one way or the other. But you know, to the bigger question, campaigns are, are semi random. There's a lot of stuff that's just going to happen that is wildly unpredictable to everyone, just like the rest of the time in the stock market. And that's something that I think is really, important to remember as we're kind of looking at this type of stuff that, you know, and we'll, well, let's, we can do this a little out of order, you know, one of the things we've been seeing when I look at this, you know, if we look at, kind of the campaign season, so, you know, kind of that That summer up until, you know, end of October.

Alex Murguia 14:02

So where we are right now, where we are right now,

Bob French 14:05

exactly we're that's one of the reasons we're doing this right now, because we're jumping into that beginning of the campaign season. You know, during election years, during you know, that has a significantly higher standard deviation than any other point in time, you know, or the than the rest of the non campaign season and the non election years, because there is just so much concentrated new information happening, pushing markets every every which way.

Alex Murguia 14:41

So I would imagine something I have no this is me anecdotally speaking. By the way, I said anecdote is not evidence, you know your favorite thing. And then Wade said, but it did happen, so it technically is evidence, maybe not very good evidence. But you know the reliable, reliable. Maybe it's a data point. Maybe not reliable. I should have said data point to, wait Damn it. It should have been. But no, what about I think, what could happen? And again, I'm just, just here for kicks here, I think that they start signaling their policy like all of a sudden, maybe there's

a flyer, a press release that comes up, and you know what? We're gonna have capital gains on unrealized capital gains. Tax on unrealized gains, absolutely. And you're like what you know I mean, and some of that is just bluster, because, you know, the reality is, it's almost impossible to get through, nor should it. You know, in my opinion, that'll be my political signal.

Bob French 15:40

You're getting a little closer, Alex, but it's true, right?

Alex Murguia 15:44

There's no, you know, you can't. There's like, stupid stuff. That's it, right? And so from that standpoint, though, I think that's something that's added to the mixture the pot. And so the market does not interpret that. And so you get these sort of swings

Bob French 15:59

Absolutely. And I think, you know, we can actually use that as an example of how the market might look at that, some of the things they might be considering. So, you know, let's say, let's say Biden does come out and say we're going to start taxing unrealized capital gains. Because, you know, we can, and the market's going to look at that and start one, okay, what happens if, if that's a true statement, you know, how big of a deal is that? What's that going to be doing to his probability of the Elector, of being elected, of becoming the next president, and then, you know, okay, contingent on him becoming the next president. What's Congress going to look like? You know? What? You know, what's the chance this actually becomes law? You know, all of these things are going to play into it, you know, what's the chance this is not just a campaign statement, as you just said, Alex, what's the chance he's actually going to try and do this? He's going to expend some political capital and try and try and push this through? There's a lot of different kind of machinations in play here to really try and sort through what's the actual impact of this statement. How is the market going to interpret that? And, you know, as you can start seeing, there's, there's enough degrees of freedom here that this is not something that is, is easy to out, guess, is easy to truly understand. You know, even something is, you know, a statement like that, you know, we're going to tax, you know, unrealized capital gains as a big, broad statement, yeah, I think probably it's relatively safe to say, well, stock market's not going to love that, you know, by and large, no, no,

Alex Murguia 17:58

not the stock market, the people that own stocks, but not like, that's

Bob French 18:01

that actually really important point. That was where I was going next. Because

Alex Murguia 18:06

anthropomorph, whatever that word is, anthropomorphize.

Bob French 18:08

That's right, you know, because the people who are going to hold those stocks, they're going interested in holding those stocks, are going to be willing to pay less for those things, because it's, you know, they're not going to get as big of a gain out of them. So, you know, yeah, but once we start layering on these levels of complexity, these layers of uncertainty, making a statement beyond that, kind of hard and then also the countervailing effects, you know, okay,

they're doing this to raise more money. How's that money going to be spent? You know, there might be some bigger economic multiplier off of that, I don't know, and that might end up having a positive effect on the economy and the stock market and things like that. So there's a lot of just, you kind of have to step back, just like with any other piece of news, kind of going to step back a little bit and really start understanding, you know, we're doing this for the long term. You know, the markets. We've had a lot of presidential elections in the past. Call it 100 years that we've got, you know, reliable financial data for and you know that's kind of in the data to a certain extent. Are you getting close to or are you in retirement? Well, investing during retirement is a little bit different than during your working years. Your investments are there to help you pay for retirement, and now is when they need to earn their keep to make sure you're on the right track. Download retirement researchers eight tips to becoming a retirement income investor by heading over to [retirementresearcher.com/eight tips](https://retirementresearcher.com/eight-tips) again, get retirement. Researchers, eight tips becoming a retirement income investor by going to [retirement researcher.com/eight tips](https://retirementresearcher.com/eight-tips). That's the number eight tips. Yeah,

Alex Murguia 20:10

and you're, you're look at this stage, you're going to see a lot of statements that are meant to appease the most common denominator of their party, or the people that are in the middle, you know, that can go either way at this point, and I personally just see that as all rhetoric, and I don't see on both sides, you know, I you'll see a lot of silliness on both sides, because when push comes to shove and you get into the how the bill becomes a law stage of the journey, how much of this really, really gets to, you know, in a manner that's significant. That's Bob's point. Then the, you know, theory meets reality, and you get what you get, right? So I don't play too much into that, but what we can and the issues that you're facing now, listen, they're always going to be different. You can say, Yeah, but this is a different election every year, is it? Every year. Is it? Every election is the most important election, you know, that kind of phrase, right? And so I don't put too much credence in that either, and maybe it's just the way I'm wired, you know, from that perspective. But the larger point I'm trying to make is that every election cycle there are significant issues at play that are different, but the economic valence, or the personal valence that you attribute them to, probably is the same amount from election to election. They're just different issues, but they're the same they have the same level of importance, if you will, at least to me, you know, election cycle in the 1980s 1984 8892 except etc, etc. They're all different issues, more or less, but they were, you know, you can there was economic the valence of those issues were just as important. And so this is where I take solace in looking at just the numbers of how things played out. Because as important as you think, the issues we're facing right now are the issues that we're facing in 1980 were just as important to the continued success of this country, and so that's where I'm fine with looking at the numbers and not responding by thinking, Yeah, but now it's different. It's different in like the letters we use to describe the issue, but they're kind of the same. And

Bob French 22:25

I think another good point is, when we're we're thinking about this, you know, whenever anyone talks about the stock market and looking at, you know, hey, this is what's happened historically this. You know, if we're not seeing exactly that same pattern. Now, there's always people talking about this time, it's different. You know, think about every kind of big market movement that you've been seeing. You know, the tech bubble this time, it's different. 2008 and the recovery that after that this time is different. You know, the pandemic this time is different. That actually was kind of different. Um, no, but here we are. Here we are. Yeah, you know, the pandemic is a

great example. You know, there was a period, kind of in the spring, early summer of 2020, where, you know, for like a month every single day was one of the biggest 100 days the stock market had ever had. You know, the biggest move the stock market had ever had. The

Alex Murguia 23:31

estimate what a time to be alive Bob, because there

Bob French 23:34

was just so much stuff

Alex Murguia 23:37

happening. And

Bob French 23:38

it's the, you know, it's not the same thing, but it's the same thing that we're talking about here. Yeah,

Alex Murguia 23:45

and so let's go to the numbers, then, oh, before we do that, we're going to have a more detailed breakdown of all of this. This is sort of a little chef's kiss, if you will. With regards to what's happened. Do you want to talk a little bit about that? Bob? About that?

Bob French 24:03

Bob, yeah, absolutely. So you know, as Alex is talking about, you know, we're going to be on June 25 Tuesday, June 25 so a week from when this came out, we're going to be having a webinar the election and the stock market at one Eastern, which I would definitely, really encourage you to come out for we'll be talking through all this type of stuff we've been discussing. But, you know, getting into a lot more of the numbers and really understanding, you know, why what's happened is actually truly important, and kind of how to interpret what's been happening historically. You know, sign up. Just head over to resaprofile.com/podcast and you'll be able to register for that session. It's something that I'm really excited to be talking about and really diving into the numbers. I think there's some really interesting stories that I think Alex will talk a little bit about here, but to really. Have the space to dive into, and we need to have that webinar. So if you you want to dive into the numbers with us, which, if you're listening to this, you probably like diving into the numbers. You know, head on over there again. Resaprofile.com/podcast,

Alex Murguia 25:14

all right, and now for the cocktail portion of this podcast, when you're in some sort of summer gathering eating hot dogs on July 4 or whatnot. And you want to whip out some numbers, you said we had 24 presidential elections. We've

Bob French 25:30

had 24 presidential elections, you know, since we've since 1926 when we've got good, good data on the S, p5, 100. So you know, one of the big questions people people always ask is, you know, which party is better for the stock market? You know, who's had better stock market returns, better returns for the S, p5, 100. And you know, this is an interesting question. I'm not sure how much I'd read into it, but going by the numbers, Democrats actually have been

substantially better than Republicans. They're on average for a year with a Democratic president versus a Republican President, the year with the Democratic President, on average had about a 5.4% premium. You know, the the average Democratic President year had a return of 14.13% the average Republican president year had a return of 8.74% now, some of this is the Great Depression. You know, Calvin Coolidge didn't have a particularly hot record there for the Republicans, you know, it's, that's not the whole story. You know, we can, we can argue all sorts of different ways. You know about why this is, you know, maybe Democratic presidents genuinely are better or but differently, they're not as bad as the stock market expected them to be as president. So, you know, they, you know, the market dipped when Democrats came into office and they came back up because it wasn't as bad as they expected.

Alex Murguia 27:18

You know, yeah, there's the other argument that, oh, they're benefiting from the previous administration's economy and all of that kind of good Absolutely. And when you do, the numbers are the numbers, but the numbers

Bob French 27:30

are the numbers. And when you do, put a lag on the numbers. What's a lag? What's

Alex Murguia 27:35

a lag? Just so everyone it

Bob French 27:37

lag. So if you So, let's say, basically, you give the net the previous president credit for the next year of the new president. So for instance, if you know the next term here, the new president comes into office in 2025 the Biden would get credit for 2025 no matter who was in office,

Alex Murguia 28:04

Trump will win. So

Bob French 28:06

that's, I chose a bad example there. So if we let's go back to the 80s credit for 1981

Alex Murguia 28:19

you get Carter credit for 81 exactly.

Bob French 28:21

So Carter get credit for 81 you know, it does smooth out the difference a little bit, but that premium still exists. It's not quite as big. You know, 5% over 5%

Alex Murguia 28:34

is not within the value premium. That's like, I guess I would look at the standard deviations to see. But this would tell me I think the t score would be significant here.

Bob French 28:44

Yeah, 724, but Right. But at the same time, it's worth keeping in mind there are some other weird patterns that are actually even bigger. Well, go

Alex Murguia 28:58

ahead, I'll say this with a comment, even though I see this in no way, shape or form, do I think the Democrats do better than the Republicans, or the Republicans do better than the Democrats, just by looking at this, I think there's just too much at play here to be able to just say, Aha, there it is,

Bob French 29:18

yeah, and it's it's important to keep in mind, the President is not a king. You know, they don't have a lot of they don't have, like, dictatorial power to control what's going on. And even if they not

Alex Murguia 29:32

yet, not yet

Bob French 29:35

did, there's no lever that they can pull. The economy is going to do well or the economy is going to do poorly.

Alex Murguia 29:41

Yeah, look at China. Look at a communist country that doesn't work,

Bob French 29:45

like it doesn't work. But what I was getting at here in terms of the numbers, is is worth keeping in mind that, you know, there are some examples here with even bigger premiums, you know, presidents who are. Over six feet versus short presidents like, like Alex, you know, James Madison.

Alex Murguia 30:07

I'm in the James Madison category,

Bob French 30:08

tall President

Alex Murguia 30:12

Lincoln category.

Bob French 30:13

We have, you know,

Alex Murguia 30:15

you're taller than you're like, 6465 I'm

Bob French 30:17

six four, yeah, tall presidents do substantially better than short presidents. That's an 8% premium for tall presidents versus short presidents. But

Alex Murguia 30:30

you know something I don't know, what's that? I know something you don't know.

Bob French 30:34

What's that, Alex,

Alex Murguia 30:35

I'm left handed.

Bob French 30:37

Well, there we go. Now, now we're talking because I don't know if you know this, but we've had a weirdly large number of left handed presidents, basically in the 20th century. So to give you a sense, about 10% of the population is left handed. So out of the 98 years I looked at 60 of them, we had a right handed president. 38 of those years, we had a left handed president. And those left handed presidents were a whole lot better for the stock market as well. You know, they had a premium of seven and a half percent. And these are incredibly large numbers. You know, if you know, if you look at just a little significance, you know, the numbers are saying this is real. You know, we really want to have that left handed president, yeah, but

Alex Murguia 31:32

the point, I just want to drive home, the point we're bringing this up is not because we think there's any thing to being left handed or to being tall, or anything like that. It's just you're gonna get numbers like this. Do I think, you know, it's completely random that the Republicans have underperformed Democrats over the time period? I don't know, because, you know, there is some economics behind all of this at the end of the day, but I think it's just impossible to line it up and provide attrition to why the market happened, you know, during this term versus that term and things like that. I think it's just there is some luck of the draw. Going back to Randalls regards to the economic cycle in which you're elected president. But you know, I think it's just tough to discern where you know, what premium goes to who, based on political affiliation with a lot of precision. A good

Bob French 32:28

example of that, in terms of luck of the draw, was, was Clinton. You know he was, he was in charge during the 90s, during that big during the run up portion, yeah, of the tech crash, and then he basically lucked out in terms of when he stopped being president, you know, he didn't get the downside of the tech bubble, yeah. So, you know, there's absolutely some randomness here, and I that's kind of the point of bringing up tall presidents and left handed presidents

Alex Murguia 33:04

and then bush walks into 911 on the second term, or something like that, which is still first term, no, but the effects of all that kind of stuff? Yeah, absolutely.

Bob French 33:13

So, I mean, it's and it's also worth calling out, you know, we don't just elect a president for the economic side of things for for, you know, tax policy and all this type of stuff. There's, there's a lot of other stuff that we're looking at as we're we're choosing who the President is going to be, who we're going to vote for. But, you know, it is worth calling out that, you know, it's something that a lot of people are going to fixate on. A lot of people are going to look at those numbers, and, you know, make judgment based off them. I'm not going to say it's wrong, you know, the

numbers are the numbers, but at the same time, you need to put that number in context and really think through what that's taught. I

Alex Murguia 33:54

say I see this more as things you can't say, you know, I wouldn't go out there and say Republicans underperform Democrats. But by the same token, I wouldn't go out there saying Democrats outperform Republicans, because it's a political affiliation thing. I don't, I don't see that. You know, in the same way, I wouldn't say left handed presidents are more brilliant than right handed presidents, because look at the numbers, yeah. I just wouldn't say

Bob French 34:19

exactly, so, what about

Alex Murguia 34:23

non election year? Oh, sorry, go on. But yeah, I

Bob French 34:25

was gonna say, I mean, we can get into something, we can make a little bit more of a definitive statement on, which is, you know, starting to look at, you know, election versus non election years, and we touched on this a little bit earlier, which is that, you know, during election years, and especially during campaign seasons. During those election years, the markets move a lot more again, there's more information coming out. There's more new things happening that are giving us some information about well, what does the future look like? You. And, you know, kind of makes sense that the more, the closer to the election you get, basically the more volatile the markets are. There's just more uncertainty that's happening there. So, you know, we'll, we can kind of get into the specifics on the numbers there, you know, I'll call that, and we'll talk to through the numbers there, you know, during our webinar again, that's a

Alex Murguia 35:26

good point. Yeah, yeah, for those that may be listening in what the webinar is, and we're practicing here on this podcast we're trying to do live, you know, quote, unquote ads, if you will, my work from me here, yeah, as opposed to Bob just giving us the these recordings, we'll get more detail during the webinar. When is that Bob

Bob French 35:49

again? That's going to be on Tuesday, June 25 at one Eastern. And to sign up again, just head to resaprofile.com/podcast, and you know, you'll be able to register and and get squared away. So it should be, should be a lot of fun, and we'll really have that opportunity to dive into the numbers, but, but again, that that big through line is honestly kind of the same through line that we have whenever we talk about new information in the through line, the same argument that goes through all those type of stuff, all right, you know, the same thing when we talk about, you know, hey, there's the, the big thing happening, AI, you know, how, how's AI going to impact the stock market in a lot of different ways? I don't know what they're going to be. So what I would relate, or what I would focus on, is, you know, all of the information that we currently have access to, and we in, in the broadest sense, is already in those prices. It's already in, you know, Microsoft. It's already in Apple, it's already in, you know, the cement company, because it's gonna impact them somehow. But

Alex Murguia 37:13

AI, Apple's lagging in. AI, they just had this, well, you know, they

Bob French 37:17

had that new announcement that

Alex Murguia 37:19

looks, I don't know. I don't feel good about giving them information that goes to chatgpt and blah, blah, blah, yeah, more of a Samsung guy. So yeah,

Bob French 37:29

you prefer to give it to Google to give

Alex Murguia 37:32

Yes, yes, I looked in their soul. Yeah,

Bob French 37:38

don't be evil.

Alex Murguia 37:42

I looked in his soul. I saw something nicer, right? Something like that. That was Trump who said that. Yeah, no, no, no, it's trying. I think Bush said that. No,

Bob French 37:50

you're right. Well, I don't, yeah, I'm

Alex Murguia 37:52

pretty sure I'm not, I'm not discounting Trump didn't say something like that. But I think, I think Bush said something like, oh, I looked into his soul and he's good, we're good, we're good. Here something like that, yeah, which is hilarious. That's right, that's

Bob French 38:06

right. That was with Condoleezza Rice That's right. So

Alex Murguia 38:09

that in there. Oh, that was with Condoleezza Rice That's right. Shut up. Yeah, whatever, yeah, so,

Bob French 38:22

but, but no. I mean, I think at the fundamental level, though, you know, it makes sense that campaigns, and the closer we get to elections, are going to be more volatile. The obvious next question there is, should I be doing anything about that, you know, does this, this matter for me as an investor? You know, what I would say is, yeah, sure if you're day trading, yeah, sure if you're, you know, trying to time the markets and do all the crazy short term stuff, if you focused on, you know, long term, you know, which we are, we're focused on retirement. You know, it's not something I'd be overly concerned about. It's definitely something that I'd keep in mind.

Alex Murguia 39:13

Look, I think you're making a good distinction. You're making a good distinction here. This is called retire with style this podcast, and so ultimately, we're about you know how to contextualize retirement income and provide yourself with a retirement paycheck, and what are the things that are important in doing so, right? Trying to outguess elections is not something that's important to having a successful investment experience that leads to a retirement income paycheck for you when you need it the most. So we you know. Now, to Bob's point, he's leaving it open, saying, Listen, if you're a trader, if you're somebody of that ilk, yeah, if you feel you have some informational advantage over others, okay, knock yourself out. Right? Yes, but that being the case, if you think your informational advantages, you woke up at five in the morning and saw something on Fox News or on CNN, Cup of Joe or whatever it is before before the 6am crowd, that's not it. You know. That's just not it. You know that that kind of thing, and so have at it, but all you're doing is it's probably improving the efficiency of the market. Yep,

Bob French 40:25

yeah, so I'll thank you for that, yeah, but you're costing yourself some money there. And you know what I would say is, if you're listening to this and it's not on your private island, you probably don't have that informational advantage, you know, it's something that is incredibly difficult. You have to be better than literally everyone else, the combined intelligence of everyone involved.

Alex Murguia 40:54

The good news, and I don't mean this, Jim Simons passed away, so maybe, maybe you have an edge now. So good news. I don't mean it like good for him or his family, but, yeah, hey, the guy that kind of could do it is no longer among us. So about it, if you want to shout at the title,

Bob French 41:15

well, Peter Lynch is still kicking so he's still floating around out there. He hasn't

Alex Murguia 41:19

he hasn't maintained he regrets towards the main Yeah,

Bob French 41:25

so, but, but no, I mean, it's one of those where, you know, we want to be focused in on, you know, the long term. You know, we want to be focused in on, you know, the next decade or two, rather than, you know, the next couple months and so, and they're gonna see weird stuff happen. I don't that's just a true statement. The market's gonna do something weird. But so that's kind of how we have to build our portfolios.

Alex Murguia 41:54

So then for the webinar, what for someone thinking about, okay, you know, do I lock in or not? I heard the podcast already. The podcast is kind of a teaser into the webinar. Frankly, absolutely. We just wanted to lay the ground on where we're coming from and things we're talking about. What should someone expect to get out of the webinar that you're having next week? Absolutely.

Bob French 42:12

So you know what I would expect to get out of the webinar? One, we'll actually talk through the numbers, you know. So we'll put some, some actual numbers around this conversation, and

really again, dive even further into that context. But the big, excuse me, the big thing I would, I would expect to get out of that webinar, is a really deep understanding of, you know, why it is that, you know, we want to take that longer term view with regards to the election, how we can kind of look at what's happening in the market, look at what's happening, you know, because of these elections, or this election, I should say, and understand what's happened in the past, and understand how to think about what might happen in the future and why we want to be taking that kind of long term approach. You know, that's really, that's really the goal here, to provide that historical context, to provide that, that underlying understanding of what's actually at play and why it's doing the things that it's doing, and we

Alex Murguia 43:25

want to do it now, because, as Bob said, You're we're about to get into the thick of it. Yep. And so I would arm the best look, we're creatures of habit, and there's emotions involved, and the whole behavior of finance, of things, the psychology of it all. And the best thing you could do to fight that, because we have certain mental shortcuts that we that we take and we're going to take. And so giving yourself a framework for thinking about things is actually the best thing you could do to sort of help you against your you know, your inclinations to to maybe jump the gun when you shouldn't. And so I think Bob is Bob's is a master class on luck. Objectively speaking, this is what is going on. This is what has been going on throughout the entirety of this great nation, since the 1920s things are always different from one election cycle to the next granted and the next election is always the most important, as every news station will tell you, granted. But again, the the importance levels of these issues have been repeated over time, you know, and so I think what we're we're seeing is going to be very applicable to how you should interpret what you're going to be hearing in the next few months to help sort of ground you in your thinking, absolutely,

Bob French 44:44

especially from a investing standpoint. Yeah, you know, again, there's a lot more we want to be considering than just the pure economics and pure investing and who's better, say, the stock market. But you know, that is. Something that a lot of us are thinking about. So let's, let's understand that, yeah,

Alex Murguia 45:04

this is not about, like, human values or or, you know, no, I'm serious. This is not about absolutely, the religiosity of the government, yes or no, or things like that. We don't have a horse in that race, nor do we want it. This is more talking about how it affects the the income portion,

Bob French 45:24

absolutely so. And again, to sign up, just head to resaprofile.com/podcast, that's also going to be in the show notes here. So, you know, it's, it's something that I think is going to be really useful because, as Alex said, you know, we're we're going to be getting into kind of a crazy time, and understanding that framework, understanding, you know, what's happened in the past, can really help insulate you from at least this portion of the craziness.

Alex Murguia 46:02

There it is. Thank you, Bob.

Bob French 46:04

Thank you.

Alex Murguia 46:05

All right. Everyone, look at the show notes. There's a link to sign up and Bob gave the URL. Recent profile.com, forward slash podcast, yeah, there it is. All right, everyone, thank you for listening.

Bob French 46:20

Wade and Alex are both principals of McLean Asset Management and retirement researcher. Both are SEC registered investment advisors located in Tysons, Virginia. The opinions expressed in this program are for general informational and educational purposes only, and are not intended to provide specific advice or recommendations for any individual or on any specific securities to determine which investments may be appropriate for you, consult your financial advisor. All investing comes with a risk, including Risk of Loss past performance does not guarantee future results.

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