

The Election and Your Retirement Plan

by Steven DAWSON



The U.S. presidential election is arguably the world's most important political event with implications for global peace, economic stability and prosperity. Voters chose to shake up Washington and bring big change to the White House. As citizens, voters or interested bystanders, most of us had firm beliefs about which candidate best suited our personal interest, beliefs and principles.

Experience has taught us that it's probably best if we keep our voting and investing decisions separate. However, I understand for many people that can be a very challenging task. As a result, there are many people who, after each election, are either extremely elated or concerned, but asking the same questions. What do we do now? Should we change our strategy? How will the recent geopolitical changes affect my portfolio? The honest answer is it depends on the person.

Before one goes on to make any drastic moves within their retirement accounts, consider some relevant information. Annual stock returns going back to 1853 have been virtually



identical, regardless of which party sits in the Oval Office—at roughly 11 percent.

The U.S. president may be the leader of the free world, but even that much power doesn't allow for single-handed control of the economy or interest rates. History has shown that a presidential election doesn't, by itself,

alter the stock market over the long term. Other factors, such as how expensive stocks are relative to their earnings, and what the Federal Reserve is doing with interest rates, are more important factors than who sits in the White House.

One, if not the most important, thing to consider is your personal retirement circumstance. Elections are held every four years and one shouldn't base their long-term retirement plans on an ever-changing political climate. Successful investment is often achieved when emotions are ignored. Our emotions lead to what we think is informed action, when the action is simply emotionally tainted reaction.

The great thing about the market is you don't need a crystal ball to be successful. You simply need a sound and disciplined strategy to align with your goals. Take time to evaluate your specific situation and long-term goals for your family to determine what is best for you.

You should consult with your tax or financial advisor to determine whether your plan should be updated as a result of changes to the law or changes in your circumstances, and for reasons that may not have been identified or discussed here. ❖

Steven Dawson is an Allen resident, a CFP™ professional, educator, national speaker and president of Dawson Private Wealth. Raymond James and its advisors do not offer legal advice. You should discuss any legal matters with the appropriate professional. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete. Any opinions are those of Steven Dawson and not necessarily those of Raymond James.



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