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ASSOCIATES, INC.

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Managing Your Money

STAN'S WORLD—PRACTICING GRATITUDE

I am incredibly grateful that none of my immediate family has been infected by the coronavirus because so many families have lost so much. Because of that, I try not to use the word 'loss' when speaking or writing about the coronavirus, but there certainly are things I miss.

Like so many of you, what I've missed the most over the past year is not being able to see my whole family. We have a daughter in Los Angeles; who knows when either one of us gets on a plane to visit. And when our daughter, son-in-law, and grandchildren in Upstate New York went back to teaching and attending in-person school, that ended our ability to see them safely. My greatest joy is when we're all together, and that dream continues to be pushed further into the future.

As with all of you, COVID disrupted more than family visits. This was, for example, the first Christmas in almost 20 years that I wasn't carving up turkeys at a soup kitchen in Morristown, NJ. Though I volunteer there throughout the year, Christmas is always the main event, and it always starts with carving 17 turkeys.

Cutting boards are color-coded for various uses, and I invariably use the wrong color or put the wrong tray into the wrong oven. Miss Betty is always quick to 'scold' me for my failures. "Is this your first day?" "How many years do I have to tell you how to make egg salad?" "Pearl never taught you how to cut up a pepper?" After I discovered where the secret stash of donated Girl Scout cookies are hidden for the volunteers, Betty always threatens to tell Pearl about my Thin Mint addiction. I can't begin to tell you how much I miss all of that.

I miss working in a food pantry in Elizabeth, NJ. I miss stocking the shelves and loudly bemoaning how my orderly work from my last visit had been undone in the interim. (That was the joke; the mission is to take the food off the shelves and give it away.) I miss trying to navigate a workspace that grew all too-small as we tried to stack the supplies that had been delivered for distribution. I miss filling bag after bag with provisions so the neediest could get by for a few more days.



STAN'S WORLD—PRACTICING GRATITUDE (CONT'D)

I don't know your definition for a life well-lived, but I hope it includes practicing gratitude. The coronavirus pandemic exposed vast disparities in American society, as evidenced by the extraordinary lines at food pantries. If you regret not doing more for others pre-COVID, perhaps you'll have the opportunity to rectify that at some point post-COVID.

What we've been through collectively over the past year also presents the opportunity for self-reflection because there will be second chances as we begin a return to some semblance of normalcy. In that regard, have you given any thought as to whether or not you want to return to the same life you lived pre-COVID? Do you regret that you never got to travel, or didn't travel enough? Do you regret that you never tried a different career? Any old friendships worth rekindling? What did you truly miss? Conversely, what did you learn you can live without?

As for me, aside from seeing my kids, both young and old, I can't wait for Miss Betty to help me to see the errors of my ways. In my infinitesimally small way, practicing gratitude makes me part of the solution.

2020: LESSONS LEARNED, AND A FEW PREDICTIONS MOVING FORWARD

While we all hope that 2020 is one and done, never to be repeated, we would be remiss if we fail to heed the lessons learned from what we've all been through (and continue to endure). In no specific order of importance, here are a few to ponder:

- **Tele-health is here to stay:** Why visit a doctor's office when you can walk your physician through your symptoms without leaving the comfort of your own home? You'd be shocked at the wealth of information you can provide a physician if you're armed with a thermometer, blood pressure monitor, pulse oximeter, a body weight scale, and blood glucose meter. And let's not forget the current and soon-to-come health apps for your smartphone. Obviously, the goal isn't for you to replicate the work of your doctor, but to have the ability to better inform your doctor so your visits to germ-laden offices are as infrequent as possible.
- **Tele-therapy is here to stay:** Do you really have to sit with a therapist in his/her office to get the most benefit? If you have a quiet space where you can talk uninterrupted during a session, you can even meet with a professional who happens to be located two time zones away. Think of the benefits for patients who require services but who live in an area with a shortage of professionals.



2020: LESSONS LEARNED, AND A FEW PREDICTIONS MOVING FORWARD (CONT'D)

- ***Tele-commuting is here to stay:*** Working from home used to be an exception; the coronavirus has made it the norm. For many, it will continue to be an option. For those who get the opportunity to work from home, the types of apartments or homes they rent or buy will have to reflect this new reality. Home offices used to be a desk in the living room; a history that's likely to evolve into so much more.
- ***When it comes to investing, slow and steady can still win the race:*** If you have a financial plan, market drops, even dramatic ones, are no reason to panic. From February 19, 2020 to March 23, 2020, the S&P 500 fell 35.4%, a knee-buckling occurrence for even long-time market veterans. But from March 23, 2020 to year-end, the same index jumped 71.4%¹. While the market drop proved to be a great opportunity to rebalance and record capital losses for tax purposes, it wasn't a great opportunity to practice market timing. (As an aside, we still don't know any opportunity to practice market timing.)
- ***Sometimes emergency savings need to be used for emergencies:*** If you were able to remain employed through the pandemic, consider yourself fortunate. Many of our fellow Americans didn't have that opportunity. If you were unemployed, your cash reserve was a valuable lifeline, as it was if you had a child, a parent, or other relatives who came up unexpectedly short of cash due to circumstances well beyond their control. While it may not be profitable to have cash on the sidelines when markets go up, this is the reason we try to remind every client to set some cash aside.
- ***We don't always control when we're going to retire:*** While many of us have ideas when we might want to retire, the pandemic taught us that we may not always be in control of that date. Pre-COVID, employees of larger firms worried about how their jobs might be impacted by outsourcing, mergers, or downsizing. The pandemic added even more stress, such as shut-downs, bankruptcies, and furloughs. For seniors who had hoped to work another year or two but lost that opportunity, the pandemic reinforced the idea that planning has to include contingencies.
- ***There's a reason why critically important legal documents are critically important:*** Daily reading about the deaths of more than 370,000 Americans reinforces the need for all of us to have current legal documents, to include wills, health care proxies, and powers of attorney. For example, when a loved one can't communicate his/her wishes to a medical team, that team can take instructions from a family member only if a health care proxy is in effect. Trying to get documents prepared during a crisis or pandemic is certainly not optimal. Things happened quickly with COVID, and they can happen just as quickly after COVID. If your legal documents aren't current (or worse, missing), today is a good day to start to rectify the situation.



START A NEW YEAR BY COMMITTING TO REDUCE YOUR VULNERABILITY TO FRAUD

AARP Bulletin² published several steps we can all take to protect ourselves from fraud in 2021. (Considering we're referencing AARP, you may be amused by one of their tips.)

- **Improve your password protection:** Many companies, financial and otherwise, now offer 'dual-factor authentication.' That means you sign-in to your account using your ID and password (Factor 1) and are then texted or emailed a unique digital code (Factor 2) as the last step for each time you log-in. While it's an extra step, "...it's a veritable fortress of extra security."
- **Protect your mail:** The U.S. Postal Service provides a FREE service called Informed Delivery "...in which the agency sends, via email, images of letter-sized mail expected to be delivered to you soon." If you have any concerns about thieves stealing personal information from your mailbox, this is a great tool to help prevent that. (InformedDelivery.usps.com)
- **Check your credit report:** This is an oldie but goodie that we've written about on numerous occasions. Due to the pandemic, Equifax, Experian, and TransUnion "...are offering free weekly online reports through April 2021." By viewing your credit reports, you should be able to spot fraud and also repair any errors. (AnnualCreditReport.com)
- **Filter your phone calls:** If you enter all of your trusted contacts into your smartphone, there will be no need to answer it if your caller ID doesn't recognize a caller. (Don't worry; they'll leave a message if it's important.) Use call-blocking apps on your smart and home phones to help reduce the amount of spam.
- **Manage your emails:** Merely deleting junk emails won't stop more from going into your inbox. Instead, use tools available through your email provider such as "block sender" to start routing junk to your trash folder.
- **Do a quick Facebook privacy checkup:** "Click the downward arrow button in the upper right corner of your Facebook page. Then click on Settings & Privacy and Privacy Checkup. This easy-to-use wizard will guide you through settings that will enable you to lock your profile so that only your friends can see it – and scammers will be locked out."
- **Research unfamiliar e-retailers:** Before purchasing from an online retailer you've never purchased from, "...do a web search for the company's name, followed by the words 'scam,' 'fraud' and 'complaints' to get a fast read on its veracity. Then read other user reviews."
- **Say no to gift cards:** "Pre-paid gift cards have become one of the fastest-growing requested forms of payment from criminals, and they are virtually untraceable...Gift cards should only be purchased for family and friends."



START A NEW YEAR BY COMMITTING TO REDUCE YOUR VULNERABILITY TO FRAUD (CONT'D)

- ***Don't send nudes! (Repeat; this is from the AARP.)***: Until reading this, we weren't aware that "...there has been a huge increase in extortion scammers who look for people on dating apps. After a few online conversations, when your defenses are down, they ask for nude pics." And then the extortion for money begins: "Pay me now, or I'll post them."
- ***Stop, breathe, ask***: Scammers work best when their victims are under pressure and rushed to make a decision. "Never let strangers force you into fast decisions. Pause, calm yourself, and think clearly and critically." If in doubt, take a moment to call a friend, family member, or us.



**S.F. EHRLICH
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S.F. Ehrlich Associates, Inc. has been providing financial advice on a fee-only, independent basis for over 25 years.

Managing Your Money is compiled entirely by Stanley F. Ehrlich and John Zeltmann.

Questions or comments are always welcome (and encouraged!).

Did we mention? If you have a friend or family member who you think might benefit from a discussion with us about financial planning and asset management, please pass along our phone number and email address. Long-term growth is not only crucial to portfolios, it's also critical to a business.

If you have a friend, co-worker, or relative who's in need of financial advice due to a pending or actual job loss, please give them our contact information. We're always glad to speak **pro bono** with people who need a hand.

CLIENTS: Please remember to contact S.F. Ehrlich if a) there are any changes in your financial situation or investment objectives, b) you wish to impose, add or modify any reasonable restrictions to our investment management services, or c) you've changed your permanent residence.

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¹ Yahoo! Finance; intra-day pricing, price return only; calculations available upon request

² Nofziger, Amy, and Mark Fetterhoff. "11 Ways to Protect Yourself From Fraud in 2021." AARP Bulletin, 22 Dec. 2020.

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