



CONCENTURE
WEALTH MANAGEMENT

JANUARY 2021

MARKET OUTLOOK 2021

The market in 2020 was marked by the fastest slump into a bear market in history. The Dow lost 32% of its value as COVID-19 hysteria gripped the entire world.

What followed, however, was a surprisingly good year for investors, even as unemployment remained high, the job market stagnant, and government-mandated shutdowns applied inconsistently.

The markets reacted favorably to the election of Joe Biden to unseat President Trump. Although markets tend to prefer the status-quo that comes from gridlocked government, the markets gained value steadily throughout a week that threw control of the entire government to the Democrats with their sweep of both US Senate runoff elections in Georgia. This despite the shocking, deadly riot that swept through the Capitol on the same day.

Experts predict a continued recovery and a stock market that generally rises. However, despite the market's favorable reactions over one of the most tumultuous weeks in US history, we don't expect the road to that recovery to be smooth.

With the entire Federal government shifting to the Democrats for at least two years, big changes are coming, which portends a volatile time in the markets. Stocks may go up overall, but with some wild swings up and down along the way. Stock-heavy portfolios should stay the course. Trying to time the market for big gains will be a dangerous game.

Political instability in the US also bodes poorly for the dollar. While investment portfolios may gain value, loss of value of the currency means that every portfolio loses value. If the temperature lowers over the next few months, we will all be richer for it.

Q1 TAX PLANNING IDEAS

The close of another fiscal year means that tax time is right around the corner. The sooner you start preparing, the better.

Here's what to start pulling together to get a jump on the scramble:

- Last year's tax return, for your own reference or the reference of your tax preparer.
- Your Form W-2 if employed.
- All Form 1099s. This includes your 1099-DIV for dividend income and your 1099-INT for interest income.
- Any records of business income to be included on a Schedule C.
- Form 1098 for any mortgage interest paid.
- Form 1095 to document your health insurance for Affordable Care Act compliance.
- Form W2-G for any gambling winnings.
- Any receipts that document deductible expenses.

Many of these forms can be retrieved online. Your financial planner may have access to several of these forms.

If you expect a refund, brainstorm about the best way to use it. You can accept a cash refund from the IRS, but you can also roll your refund over to next year's taxes in case you have deposits to make next year. You can also use your refund as an extra contribution to a qualifying retirement account.

Deadlines to Keep in Mind

- **January 15:** Q4 2020 Estimated Payment Deadline.
- **March 15:** Corporate Tax Return Filing Deadline.
- **April 15:** Personal Tax Return Filing Deadline; Q1 2021 Estimated Payment Deadline; IRA and Roth IRA Contribution Deadline.
- **June 15:** Q2 2021 Estimated Payment Deadline
- **October 15:** Extended Tax Filing Deadline.
- **November 15:** Q3 2021 Estimated Payment Deadline

WHY YOU SHOULD REVISIT YOUR FINANCIAL PLAN AT THE BEGINNING OF THE YEAR

We recommend that you revisit your financial plan at major life turning points. Events like a marriage, home purchase, birth of new children or grandchildren, change in career, or move to a different city might throw your plan out of alignment with your goals.

But even if nothing changes in your life, external forces play a role. Changing market outlooks in light of political and economic cycles may merit a change in strategy. Breaking news might reveal conflicts between your investments and your values.

In other words, there are many reasons your portfolio may need a course correction for reasons you didn't see coming. That's why it's critical to check in with your financial plan at least once a year, even if you experienced no major life changes in the past 12 months.

The beginning of the year is an ideal time for this check-in. Elections have been decided, think tanks have released their data reports, and companies have released earnings statements.

Plus, the New Year is a time to set goals and resolutions. It's a great time to hit the reset button and look at your financial plan with fresh eyes.