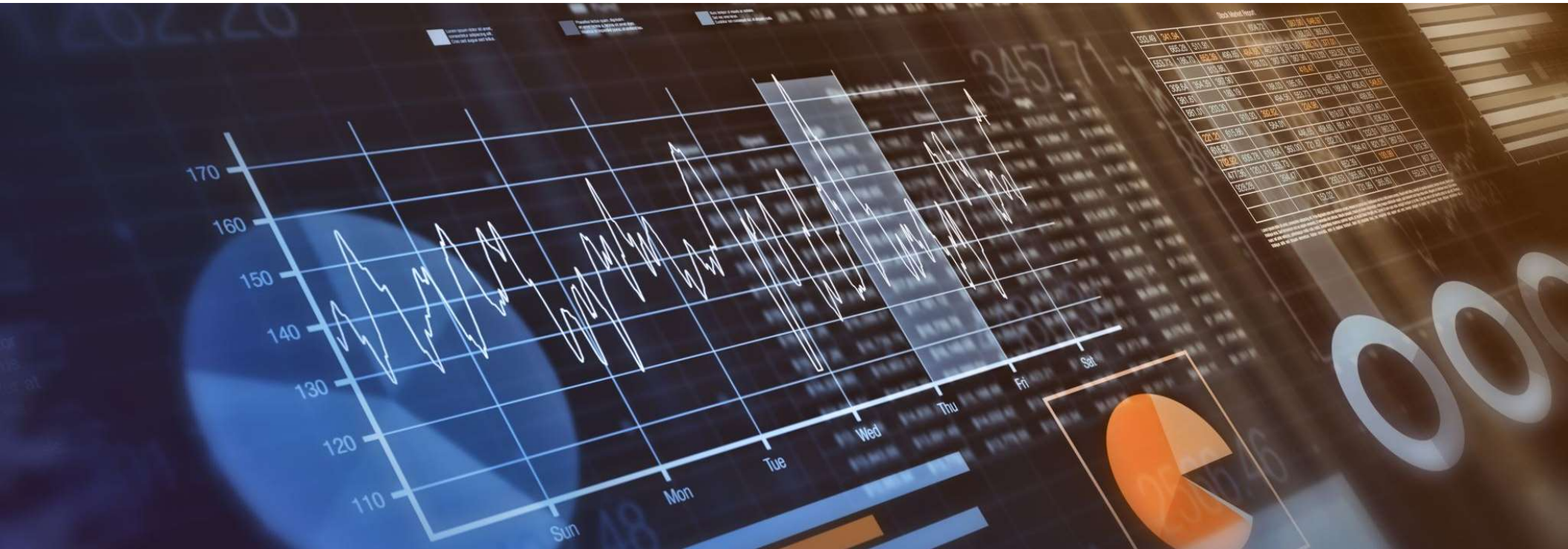


# HOW PRESIDENTIAL ELECTIONS CAN IMPACT YOUR FINANCES

PRESENTED BY JOHN PAK



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Trivia

**IT HAS BEEN MORE THAN A CENTURY  
SINCE AN INCUMBENT PRESIDENT WAS  
DEFEATED IN AN ELECTION BEFORE  
SCORING A COMEBACK WIN DURING THE  
SUBSEQUENT PRESIDENTIAL RACE.**

**CAN YOU GUESS THE FIRST PRESIDENT TO  
SERVE NONCONSECUTIVE TERMS?**

Hint: Home of the Rock and Roll Hall of Fame



22ND AND 24TH US  
PRESIDENT

# GROVER CLEVELAND



# WHAT TO EXPECT FROM A SECOND TRUMP TERM

- Back to deregulation
- Back to his anti-trust enforcement
- Back to his immigration policies
- Back to his environmental agenda
- Back to tariffs and tax reform



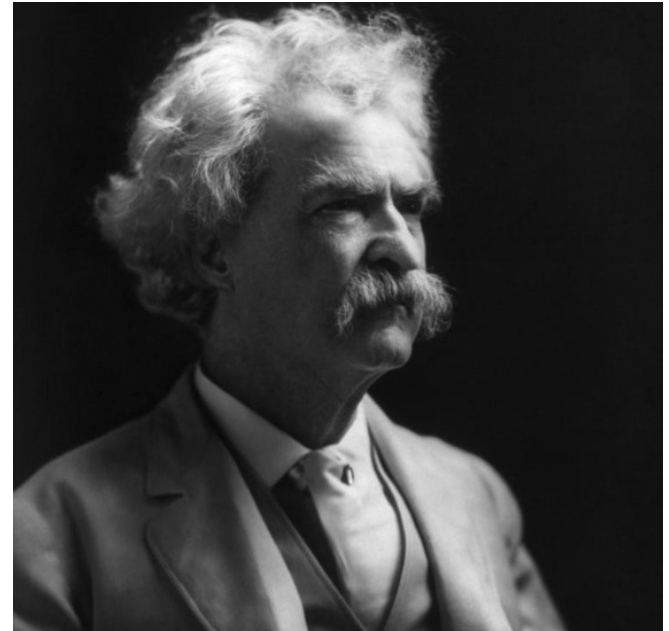
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“History doesn’t repeat  
itself, but it often rhymes.”

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Mark Twain

(no supporting evidence)



# FIVE AREAS THAT WILL IMPACT YOUR PERSONAL FINANCES



INFLATION AND  
UNEMPLOYMENT



TAXES



HEALTHCARE



SOCIAL  
SECURITY +  
MEDICARE



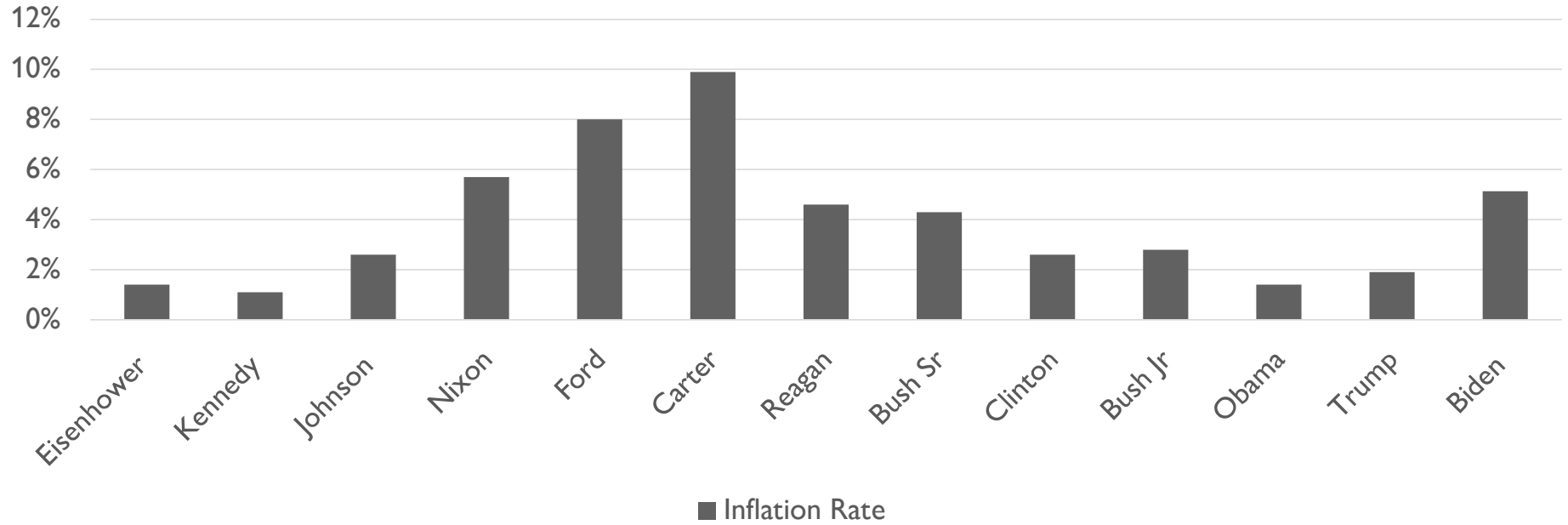
STOCK  
MARKET

INFLATION AND  
UNEMPLOYMENT





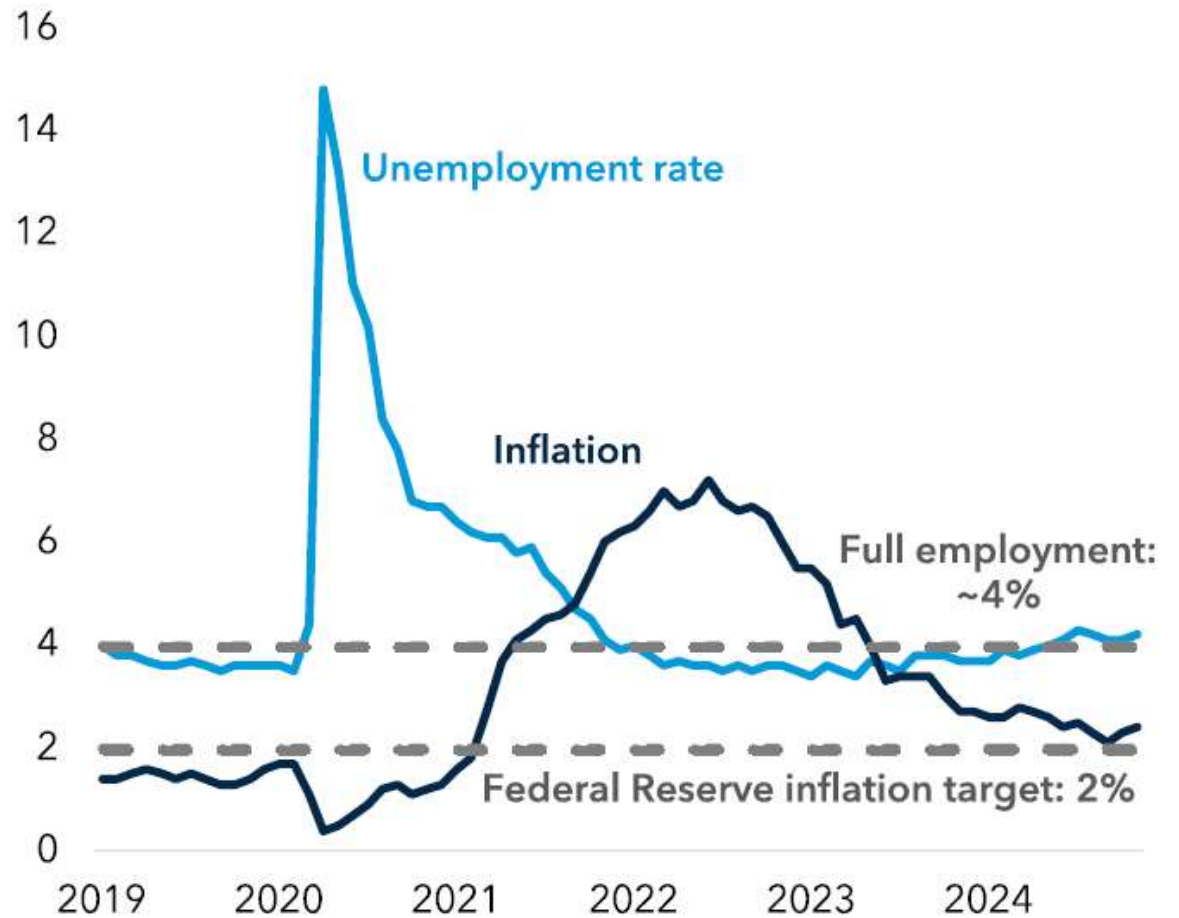
### Inflation Rate



**HISTORIC INFLATION RATE**

# INFLATION AND UNEMPLOYMENT

## U.S. inflation and unemployment rate\*



Source: Capital Group

# HARBINGER OF THINGS TO COME?

“There is rightly a worry that Donald Trump will reignite this inflation, with his fiscally irresponsible budgets.” A letter signed by 16 Noble Prize-Winning Economists

According to the Pew Research Center, about 10 million unauthorized workers, (representing 6% of the US labor force) live and work in the US. Trump has stated he would carry out “the largest deportation program in American history.”

According to the Urban Institute, “aside from WA DC, unemployment rates in large metro areas would increase by 1 percent” if the TRUMP admin succeeds at cutting \$2-6 trillion dollars of federal budget by reducing the federal workforce.

# HOW DOES IT AFFECT YOU?

## **Inflation**

- Higher cost of living
- Increased borrowing costs
- Stock and Bond market volatility
- Savings rate rise, but erosion of purchasing power

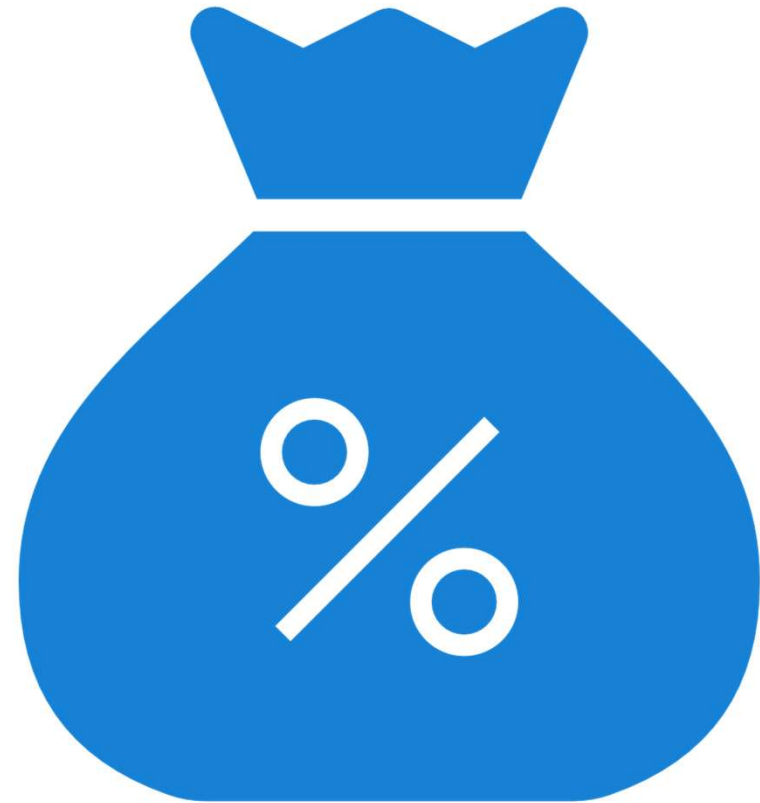
## **Unemployment**

- Reduced consumer spending
- Slower economic growth
- Increased government spending on assistance programs
- Social and psychological impact

# WHAT CAN YOU DO?

- Make sure you have a **minimum of six months of emergency reserves**. If not, start building one.
- Make sure the **cash is growing** at a rate on par or above inflation
- **Track your spending** and stick to your budget (or adjust your budget to account for higher expenses)
- If you have **debt**, transfer the balance to a lower rate or create a schedule to pay down/off
- Next, **inspect your portfolio** performance to ensure that you have positions that perform better during inflationary environments

**TAXES**

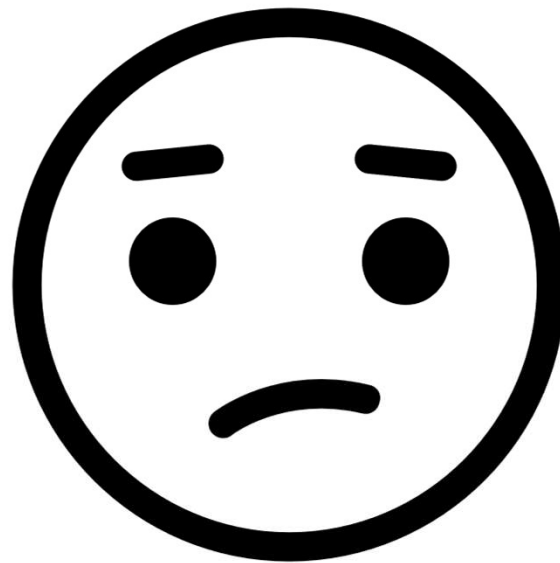


# TAX POLICIES

**Middle Class  
Tax Relief**

**Tariffs**

**WHAT IS A  
TARIFF?**







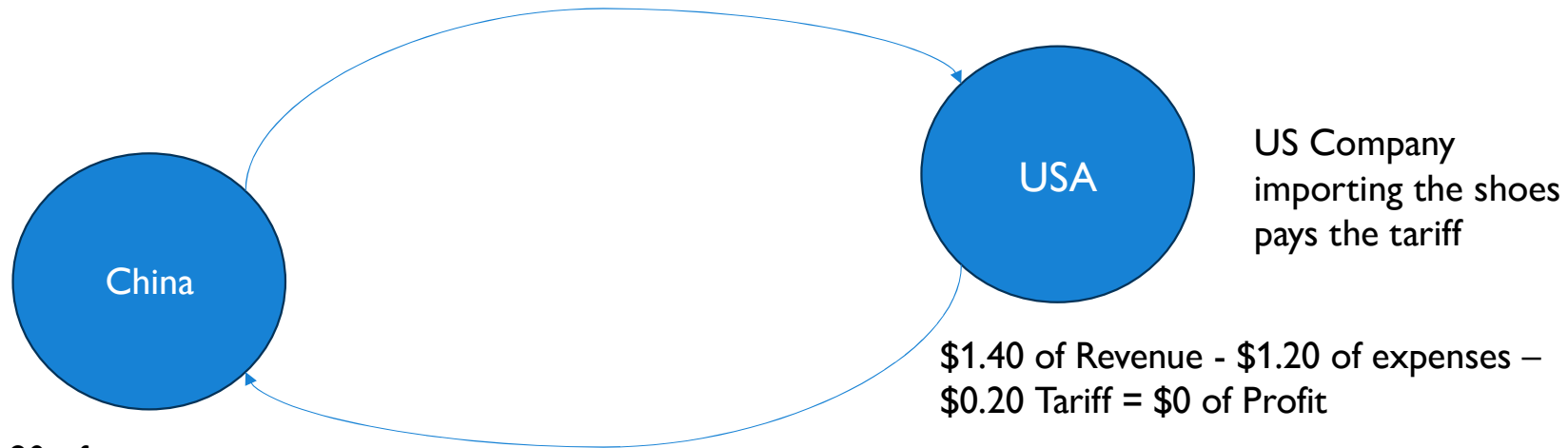
$\$1$  of Revenue –  $0.80$  of Expenses =  
 $0.20$  of Profit

$\$1.00$  to buy shoes +  $\$0.20$  of other  
expenses  
= $\$1.20$  of expenses

$\$1.40$  of Revenue -  $\$1.20$  of expenses =  
 $\$0.20$  of Profit



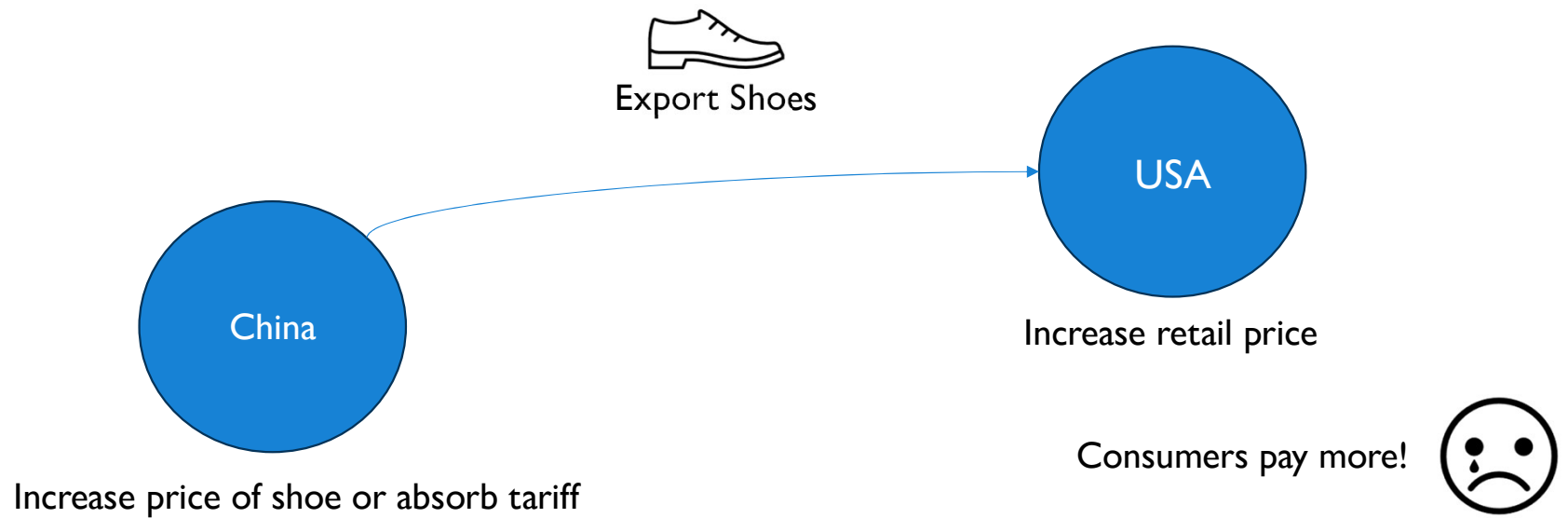
Export Shoes



\$1 of Revenue – \$0.80 of expenses  
= \$0.20 Profit

After 25% Tariffs are Imposed  
**\$0.80 Cost \* 25% Tariff = \$0.20**

# WHAT IS THE RESULT?



# TRUMP TRADE WAR

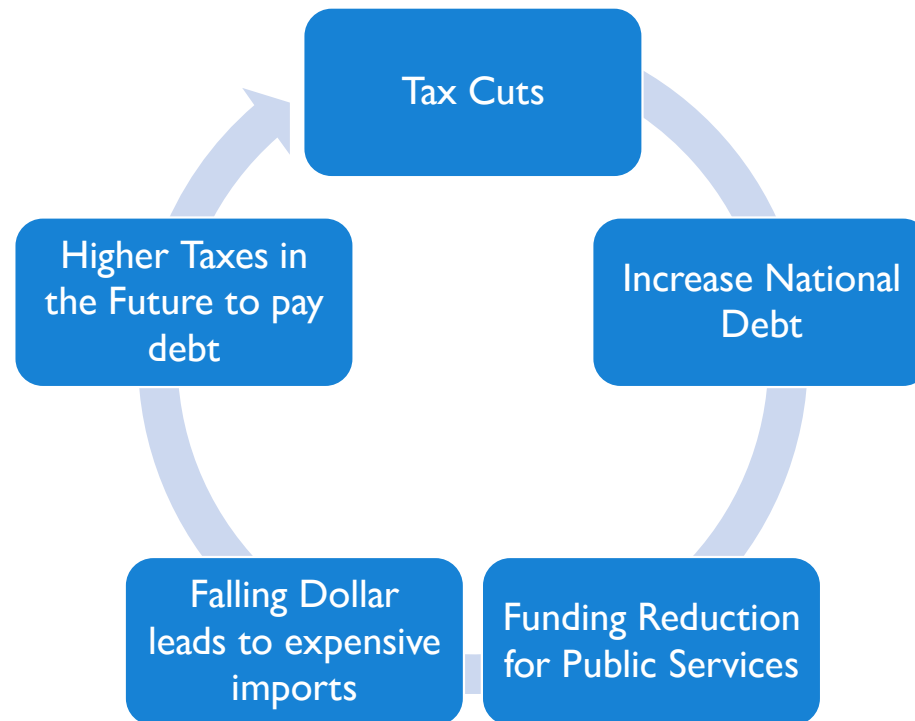
## **Peterson Institute**

“Trump’s tariffs on Canada, Mexico, and China would cost the typical US household over \$1,200 a year”


## **Tax Foundation**

“Trump’s Proposed China, Mexico, Canada Tariffs would reduce after-tax incomes by 0.8% on average.”

# HOW DOES IT AFFECT YOU?



# WHAT CAN YOU DO?

- Consult an experienced tax professional and find out how potential policy changes may affect your personal tax situation
  - Once you have a tax person, request and run scenario analyses and projections
  - Tariffs may increase the cost of imports. Explore domestic alternatives or international substitutes (from countries that may be less impacted or not at all).
- 

HEALTH-  
CARE  
EXPENSES







# REGULATORY CHANGES

Repeal or Modify  
Affordable Care  
Act (ACA)


Repeal or Modify  
Biden's Inflation  
Reduction Act



# HOW DOES IT AFFECT YOU?

- Deregulation  Possibly lower costs, but quality of care may be lower
- Healthcare Restructure  Reduces funding and limits access
- Affordable Care Act Repeal/Mod  Changes in insurance coverage
- Vaccine & Public Health Policies  Adversely influence vaccination programs

# WHAT CAN YOU DO?

- **Stay informed!** Pay attention to official government announcements to stay up to date. Cross reference with trusted medical sources (healthcare.gov) and providers (i.e., your Doctor).
  - **Review your health insurance coverage** (see what is covered and what is not). Be ready to explore alternatives (e.g., DPC models, Medi-Share, and Telehealth Plans).
  - Start building an **emergency medical fund**
  - Prioritize **regular health check ups** (potentially reducing long term health expenses)
  - **Be ready to Budget!** If you anticipate potential increases in out-of-pocket health care costs, be ready to adjust your budget accordingly.
- 

SOCIAL  
SECURITY  
+  
MEDICARE



# **S O C I A L   P R O G R A M S**





A graphic element consisting of a blue rounded rectangle with a white rounded rectangle inside it, containing the text 'Social Security'.

**Social  
Security**


A graphic element consisting of a blue rounded rectangle with a white rounded rectangle inside it, containing the text 'Medicare'.

**Medicare**

# HOW DOES IT AFFECT YOU?

- Proposed tax cuts (less revenue)  Less funding for Social Security
- Deregulation  Access to more choices (e.g., telehealth)
- Economic Growth  Improve funding for Social Security.
- Immigration Policy  Accelerate insolvency window

# WHAT CAN YOU DO?

- If possible, **diversify income sources**
  - Learn how to **maximize Social Security** benefits
  - **Consult** with your **financial advisors** who specialize in retirement planning
  - **Stay up to date** via [medicare.gov](https://www.medicare.gov), [aarp.org](https://www.aarp.org), [medicarerights.org](https://www.medicarerights.org)
  - **Compare plans** between the original Medicare and Medicare Advantage, annually
  - **Consult your Healthcare provider** and/or Medicare Advisor (SHIP)
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**STOCK  
MARKET**



# STOCK MARKET

Deregulation





Crypto & Energy Sector Support

Tariffs (Global Trade Wars)

Corporate Tax Cuts



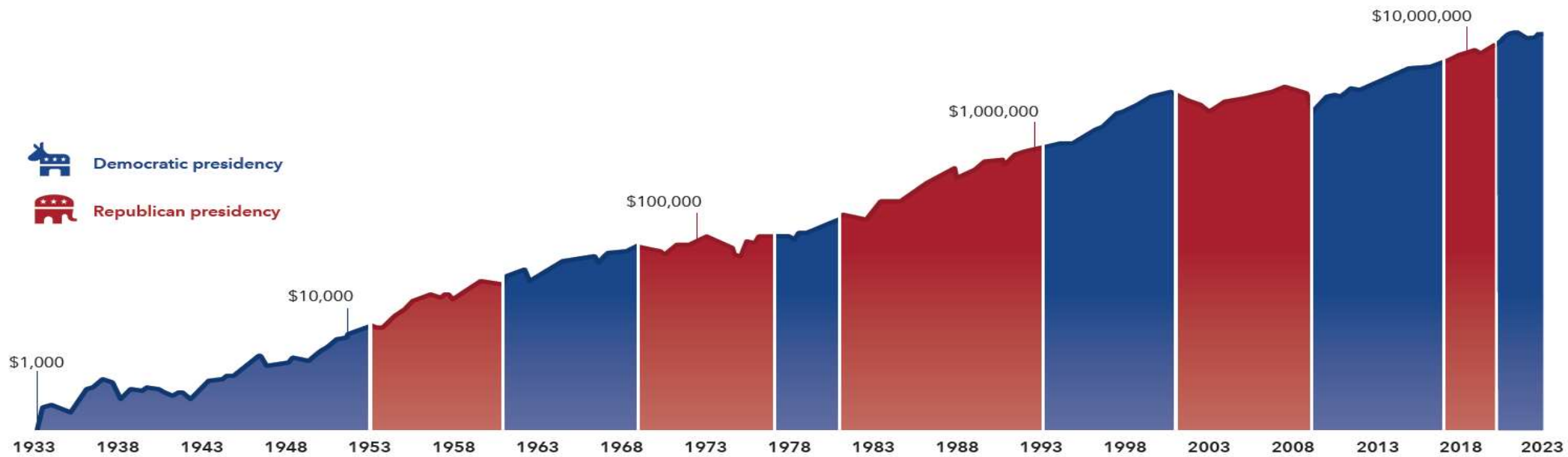
# HOW DOES IT AFFECT YOU?

- Deregulation  Profitability for Energy, Finance, and Healthcare Industries
- Endorsement of digital assets  Rise in speculative investments
- Tariffs and Protectionism  Higher Inflation
- Global Trade Wars  Rocky relations can impact the global stock market

# WHAT CAN YOU DO?

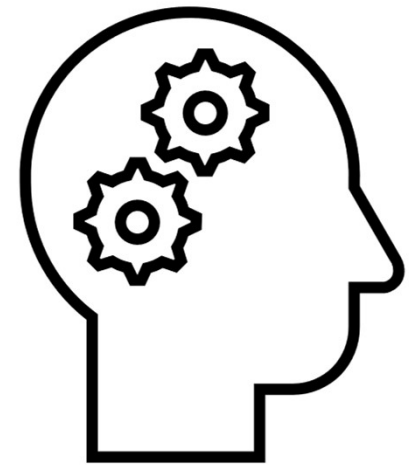
- Refer to your investment policy statement to make sure your current portfolio is designed based on your **objectives, timeline and risk preferences**. Don't have one? Use this opportunity to create one!
- **Stick with your plan**. Avoid making major changes to align with the political party in charge.
- **Diversification** and **long-term** focus
- Watch for **Opportunities to buy low**

# POSITIVE TRACK RECORD



Source: Morningstar

# CLOSING THOUGHTS



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**THANK YOU**