



BURNS INSIGHTS

STIFEL | Burns Investment Group

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Planning Post Pandemic

As California has seemingly opened back up, we can get back to normal, right? Not so fast! There is no going back, only forward to a “new normal.” Like with any crises, there are parts of our lives that will be changed forever. For example, out of 9/11, the way we relate to security changed. Out of the pandemic, certain areas, like where and how we conduct business, will never be the same. This is neither good nor bad – it just is.

Not only are we already through half of 2021, we hopefully now see the light at the end of the COVID tunnel. We assert that this is an excellent time to reexamine your current situation vis-à-vis your long-term planning goals. For most of our clients, it is about recommitting to the strategies that will continue to work toward a secure retirement. For the past few months, in our review meetings, we have suggested to several of our clients that we run an updated Wealth Strategist Report (aka a financial plan) to make sure you continue to move in the right direction. If you have any concerns about outliving your money, we need to do this sooner rather than later. Don't hesitate to call us today to schedule a meeting.

Our team loves what we do, and luckily, most of our clients have fared pretty well financially during the pandemic. We have confidence that our philosophy of the Successful Investor Mindset helps to set a course toward long-term success. On the other hand, we are quite concerned over ways our clients are at financial risk away from Stifel and out of our purview. Two categories we would like to highlight are cybercrimes and unplanned expenses. In both of these cases, some knowledge may help you to reduce your chances of being negatively impacted by them. I will make a few comments about cybersecurity, and Noah will discuss unplanned expenses.

Cybersecurity

First of all, I think we need to all check our egos at the door. Scammers are very good at what they do because they have a lot of practice. Don't think that you are not at risk because you are too smart or not susceptible to normal human foibles. The criminal element feeds on that mentality. Believe it or not, there were many smart and well-heeled investors that begged to get into Bernie Madoff's Ponzi scheme. Bottom Line: We all have the potential to be victims.

Next, take the target off your back. In many ways we inadvertently put ourselves in the line of sight of these scammers by our own actions. The two main ways of initial engagement are usually through the telephone or through the internet. My first suggestion, and this may sound obvious: Don't engage! With regard to the phone, make sure you have caller ID and NEVER answer a call from a number that is not known to you. If it is important or from someone you know, they will leave you a voice message. With the internet, and in there I am including e-mails, NEVER hit “reply” or click on a hyperlink that comes from an unrecognized e-mail address. If you feel there is some legitimacy, look up the client service number from a bill or online and call that number. Most companies and government organizations (this includes the Social Security Administration and the IRS) do not send important notifications via e-mail. The more you engage, the more likely these “bad actors” will continue to try to connect with you. By the way, your grandchildren will not likely call you if they are in a pickle, such as stuck in another country or in jail. Chances are, they will call their parents or friends before you. Third, greed is a very alluring emotion. Scammers are keenly aware of what “hot buttons” will motivate investors to take action. Always remember the adage, “If it's too good to be true, it probably is.” Or, remember PT Barnum's famous quote, “There is a sucker born every minute.” Read up on “The Greater Fool Theory” or any other past mania. You get the point.

What can you do to lessen the likelihood that you may be victimized? I encourage you to get your family or financial professionals (accountants and attorneys) involved. Don't be secretive about it. Oftentimes, when a scammer knows that others are involved, they may not want to pursue you. If they tell you not to tell anyone or that it is time-sensitive, then that is a major clue that something may be amiss.

How can the Burns Investment Group help? Easy! Call us. We are available to help you make good financial decisions that are consistent with your long-term goals. We welcome any of these type of conversations, and we promise to give you our honest opinion. If we don't have an answer, we will work diligently to direct you to someone who might. You have worked too hard for what you have for it to be taken from you. Thank you for allowing us to be part of your financial team. We consider it an honor to be there for you always. Here's to a Post-COVID second half of 2021!

Noah's Corner



Another Way to Protect Your Net Worth in Retirement

Over the last six months, Robert and I have been reviewing financial strategies for clients and looking for ways to reduce risk. Why? First, the U.S. stock market is near its all-time highs. Buy low, sell high is the objective, right? Second, remember that recession we had last

year? This market doesn't seem to remember. Third, interest rates are near all-time lows, which makes the fixed income markets less attractive.

That does not mean that our clients are 100% cash. We do not try to truly time the market like that, but in general, we have been discussing with clients increasing cash and short-term bond positions while decreasing positions in stocks. We still believe that stocks are going to be the drivers of potential growth in the portfolios, but we are getting nervous about the hubris of market participants.

Now that we've made allocation adjustments following review discussions with clients, we have to let time pass and circumstances change before we make further recommendations. However, we're still looking at ways to help you protect your net worth.

In the last half of 2021, we are going to focus on long-term care insurance. Most long-term care expenses are not covered by Medicare. In researching long-term care, I came across the following statistics that caused me a bit of shock:

- 15.2% of individuals that turned 65 between 2015 and 2019 will spend more than \$250,000 on long-term care during their lifetimes.
- 52.3% of people turning 65 will need long-term care at some point in their lifetimes.
- The average length of stay in an assisted-living facility is 28 months.

It's clear that a lot of us are going to need long-term care and that this type of care will eat into your net worth. We can help you test your retirement sustainability against car purchases,

home improvement, travel, and more, but long-term care is a true wildcard. Sometimes spending is simply out of our control and impossible to predict. Important, urgent, and large spending needs have the ability to wreak havoc on your retirement's sustainability. In most cases, all we can do is to include it in your retirement spending when stress-testing your retirement goals, but with long-term care, we have the opportunity to insure against it. Part of our job is identifying which of our clients are the right candidates for this type of insurance. It's a delicate balance of risk, affordability, chances of approval, age, and current means. If we reach out to you directly about long-term care, we hope you hear us out because we do not do it lightly and our primary motivation is to help our clients.

Sources:

www.morningstar.com/articles/823957/75-must-know-statistics-about-long-term-care

www.mylifesite.net/blog/post/so-ill-probably-need-long-term-care-but-for-how-long/

www.longtermcarelink.net/eldercare/nursing_home.htm

New Addition to the Burns Family!



On March 24, Nicolette and I welcomed our first child to the world! Her name is Cosette Annemarie Burns, and she is already a constant source of joy and pride to our families. Cosette and Nicolette are healthy, and Nicolette is a natural when it comes to being a mother. I am awed by both of them every day. Cosette's favorite things are beach

days with mom, dance parties with dad, kisses from our dog, and visits from all her friends and family members. Thank you to the outpouring of love from clients, colleagues, friends, and family!

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