

Week 1 of Shelter-In-Place Complete. What's Next?

Sunday, March 22, 2020

To All Financial Journey Partners Clients,

It is Sunday afternoon and Elaine and Scott are reflecting on the events of the first week of shelter-in-place. We have rain and thunder outside our window – almost like a movie. Here are our thoughts of the current situation and where we think things could go from here.

The cases of the Coronavirus continue to grow in many parts of the world. Italy is hardest hit with 59,138 cases and 5,476 deaths per the Johns Hopkins Interactive Map¹. The country has implemented strong shelter-in-place orders to try to stop the spread of the virus.

In the US, the states that have issued shelter-in-place orders include California, New York, Illinois, Connecticut, Oregon and New Jersey. On Monday, Ohio, Louisiana, Delaware, Massachusetts, Indiana will join the list. Major cities like Philadelphia, St Louis and Dallas are issuing have stay-at-home orders and Pennsylvania and Kentucky have ordered all non-essential businesses closed³. We may see other states joining this list over the next week.

New York City has become the hotspot for Coronavirus cases in the US. During a press conference on Sunday by New York City Mayor Bill de Blasio reported in New York City there are 9,654 cases and 63 deaths². This is roughly 1/3rd of the cases in the US.

Our hope is a simple and inexpensive solution happens very quickly. The brightest of minds around the world and tremendous artificial intelligence capabilities are all working towards a solution.

We believe with everyone doing their part we have a better chance of successfully turning things around. The work is not yet done but as long as all work together to find optimal solutions, we will see things improve over time.

Financial Journey Partners is Here to Help You

Last week, all the team members of Financial Journey Partners successfully made the transition to working at home. Our work phone numbers are rolling over to our cell phones.

We have someone stopping at the office each day to ensure that mail, and important items such as checks, are processed in a timely manner. If there is anything we can do to help, give us a call.

Stock Market

As the number of cases with the Coronavirus and unemployment grow, we may continue to see volatility in the stock market. We have moved the model accounts to a more defensive position to try to smooth out the journey over the near future.

Certain holdings have been kept as we think they might rebound more quickly, and it could be difficult to “get in” fast enough. Others have been kept to prevent a possibly significant tax impact from selling only to later buy it back. We do estimate the market could recover rather quickly once we see the number of cases decline and companies get back to work.

Unfortunately, no one knows how this will all go as this type of impact and the subsequent government actions worldwide has not occurred previously. We appreciate your patience as we work through this.

Tax filing and payment delayed till July 15, 2020

For some good news: The IRS recently announced that the taxes due April 15 for 2019 as well as the estimated first quarter 2020 payments can be delayed until July 15, 2020. The filing of your personal tax return has also been delayed to this date.

Please work with your tax professional to make sure you coordinate how you will handle your personal taxes. You can learn more at the [IRS website](#).

Paper Products Shortage

One of the strangest things that has occurred in the past few weeks is the hoarding of paper products (toilet paper, facial tissue and paper towels). The shelves of most local stores are empty of these paper products.

Many of you may know that Scott grew up in Green Bay, Wisconsin. In addition to the Green Bay Packers, Green Bay is also known for having three large paper factories. We hear from friends and family from Green Bay that the paper factories are working at maximum capacity and there are 50 semis a day filling up with paper products at one of the factories, to deliver products around the country.

As soon as we can get through the health crisis and people return to work, we are hopeful the vast majority of people and firms recover quickly.

What can you do to stay healthy and safe?

There are plenty of things that you can do to keep yourself healthy and prevent getting sick. As we have been hearing on the news, this starts with keeping a distance from other people since the virus spreads mainly person-to-person.

Wash your hands often. If you do get sick, keep your distance from other people, except to get medical care. The [Centers for Disease Control and Prevention](#) has an excellent website with important things to know about the Coronavirus.

Great American Success Stories

There are stories of Americans doing great things to help slow or stop the spread of the Coronavirus. IBM's CEO Ginni Rometty explains in this [video](#), what IBM is doing to help by using artificial intelligence to speed up the search for solutions as well as helping students with technology for online studies.

There are also many pharmaceutical companies working to create faster testing methods and possible cures. Cepheid, a local Silicon Valley company and part of Danaher, has gotten FDA emergency authorization approval for a test that can be used in hospitals with results returning in less than an hour and they expect to start shipping tests next week⁴.

Where do we go from here?

With non-essential businesses being ordered to close around the country, the number of unemployed is expected to grow into the millions. We will get a better idea when the jobs reports are published over the next few weeks. We would encourage anyone that has been laid off recently to file for unemployment immediately.

Congress is working on legislation to help workers and companies that are struggling due to the orders to shelter-in-place and close non-essential businesses. The details of the legislation are being worked out now and we will find out what is included in the final bill in the next few days.

There is expected to be enhanced health care and unemployment benefits for people who are laid off. There is also expected to be aid for small businesses so they can survive over the next few months and be there for the employees to come back to when people can go back to work. Many things are being done to try to manage through all this, but it is a large task.

In the meantime, we encourage you to call people you care about and say hi and offer words of encouragement to those you think might need it. And call those that make you smile. Use Facetime and other means to have live conversations since most of us can't visit in person.

We are all in this together so let's help each other out. For example, Elaine checked on an elderly neighbor to make sure they were OK. More people are kinder than ever, and it's appreciated by all, whether the grocery store or the customer service person on the phone.

Try cleaning out closets and cabinets and catching up on filing or watching an inspirational movie. We also encourage you to take a night or two this week and order take-out food from (or delivery) from your favorite restaurant to support – they appreciate the business and you got to eat a favorite meal!

If you would like to discuss the market and our strategy more with your advisor, please give us a call at 408-963-2858.

Take care,

[Elaine, Scott and Linda](#)

References:

- [1 Johns Hopkins Live Interactive Map of Coronavirus Cases](#)
- [2 New York Times, New York Update](#)
- [3 USA Today Shelter in Place Stay at Home State List](#)
- [4 Bloomberg News FDA Approves First Bedside Covid-19 Test](#)



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