

Week 14. Turning Lemons into Lemonade!

Friday, June 19, 2020

To All Financial Journey Partners Clients,

Across the country businesses are reopening and people are trying to find the right balance between being safe to avoid the virus, earning a living and still enjoying life.

It is summertime and the time of the year when we can be outside and enjoy the weather. We encourage you to get out and enjoy the beautiful outdoors in your area.

We have heard lots of great stories from clients about how they have used these past few months to do things they might not normally do. Activities such as spending extra time with family, working on those projects around the house that never seem to get done, or taking longer walks as they enjoy their local neighborhood.

It can be easy in a time like this to focus on things we cannot do. In this week's email, we will point out some things we can do and opportunities we can take. One of Elaine's favorite sayings on handling difficult situations is "Let's turn this lemon into lemonade!"

Financial Journey Partners Community Stays Healthy

We are incredibly pleased to talk with you, our clients, and hear that all of you have been healthy through this pandemic.

Not one client has gotten the virus! Well done to everyone staying healthy and safe.

We may have collected more lemons than we planned at the beginning of the year. Our [weekly emails](#) tell the story of our shared experience through this challenging time. We know it has not been easy, but we are all persevering and staying healthy.

[We are always just a call away](#). Please give us a call if there is anything we can do to help you during this time. We also have a healthy growing business and we welcome introductions to others you think we can help.

Is it Time to Refinance Your Mortgage?

With the Federal Reserve lowering the Fed Funds Rate to zero, it has caused mortgage rates to drop. Clients are telling us they are getting 30-year fixed mortgages at interest rates around 3.25%.

If you have a 30 year fixed mortgage with an interest rate at 4% or higher, you might want to give your mortgage broker or your mortgage company a call to see if they can get you a loan with a lower interest rate and help you save some money.

A good example of sweetened lemonade.

Outdoor Dining is Back

Santa Clara County has finally reopened outdoor dining for restaurants in the county. It is a great way to enjoy the fresh air together. Elaine and Scott were thrilled to enjoy a nice dinner with friends at a restaurant with outside dining in downtown Sunnyvale.



The Economic Impact of the Coronavirus Webinar – Key Takeaways

About 50 people joined us for our webinar on Wednesday, titled "The Economic Impact of the Coronavirus". Our thanks to everyone that attended.

We were excited to have our guest speaker Tom Logan, Investment Strategist and Economist at BlackRock. He shared with us some of the challenges that come with a sharp drop in the economy due to the nationwide Shelter-in-Place, in response to COVID-19.

We discussed the unprecedented massive stimulus programs from the Federal Reserve and the Federal Government. With businesses starting to reopen across the country, he shared his insights that the economy is starting to recover, but it will likely take some time to get back to the levels of employment and earnings we saw earlier in the year.

Attend our Webinar - Megatrends for the Future

When significant change occurs, that often provides opportunities. One of America's strengths is innovation. Our next webinar will cover some of the amazing developments happening now and over the next 5 years.

We are hosting the webinar "[Megatrends for the Future](#)" on Tuesday, July 28th from Noon to 1 pm. Our special guest speaker will be Jeff Spiegel, Director and Head of iShares Megatrends and International ETFs at BlackRock.



During the webinar plan to join us with some lemonade, iced tea, or your favorite beverage.

RSPV to [Arielle](mailto:arielle@financialjourney.com) to get the login information at arielle@financialjourney.com or call her at 408-963-2889. Please invite your friends, co-workers or neighbors who might be interested.

It is Official. We are in a Recession. No Kidding!

The National Bureau of Economic Research is the organization that gives the official declaration on when a recession begins and ends. On June 8th, the committee announced that a peak in monthly economic activity occurred in the U.S. business cycle in February 2020.

The peak marks the end of the expansion that began in June 2009, and therefore marks the beginning of a recession. This expansion lasted 128 months, the longest in the history of the U.S. dating back to 1854.

Per the NBER:

"The usual definition of a recession involves a decline in economic activity that lasts a few months. However, in deciding whether to identify a recession, the committee weighs the depth of the contraction, its duration, and whether economic activity declined broadly across the economy.

The committee recognizes that the pandemic and the public health response have resulted in a downturn with different characteristics and dynamics than prior recessions. Nonetheless, it concluded that the unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warrants the designation of this episode as a recession, even if it turns out to be briefer than earlier contractions."¹

What goes up, must eventually come down. A recession begins when the economy reaches a peak of economic activity and ends when the economy reaches its trough. Between trough and peak, the economy is in an expansion.

What goes down must eventually go up. As our economy reopens, we can look forward to marking the beginning of our next expansion period. Perhaps even longer than the last.

Professional Sports, Theme Parks, Cruise Lines, Las Vegas, Caribbean

Here are a few highlights from the past week:

- Las Vegas continues to open more hotels and casinos each week. Disney is preparing their theme parks to reopen in July.
- The big news in the cruise industry is Norwegian Cruise line has delayed their sailings starting on August 1 through October 1. The industry is waiting to see if Carnival and Royal Caribbean will do the same.
- The PGA held a tournament this past weekend without fans with more golf to follow this weekend. The NBA, NHL and NFL are preparing to start playing games in July and August. And Major League Baseball still has not been able to come to agreement between the owners and players on the number of games they will play and the pay for the players.
- After NASCAR allowed 1000 service members and first responders last weekend, this Sunday it welcomes 5000 fans to the famed Talladega Superspeedway. Face masks will be required for all fans with limited seating to small clusters spread across 43,000 seats.²
- The USTA made tennis fans happy this week, when they announced that the 2020 US Open is set to be played without fans in Flushing Meadows, New York, on its originally scheduled dates of August 31 to September 13. It will be immediately preceded by the relocated Western & Southern Open, which will take place at the same iconic site, allowing for a month of televised high-level tennis.³



The FJP Summer Photo Contest is Back in 2020

Celebrate the summer as America reopens with the FJP Summer Photo Contest. Thank you to clients who have already sent us some of their photos. You can find photos as close as in your own neighborhood or backyard.

If you have not sent us a photo yet, it is time to get going! The contest was launched on June 1 and will run through August 31. We hope you participate and have fun sending us your best photos. See our website for our [Summer Photo Contest details](#).

Happy Father's Day This Sunday

We want to wish all the Dads and father figures a fantastic day this Sunday. We hope you take the day to do your favorite things with family and friends.



Where Do We Go from Here?

Let's take a look at things from the view of the glass half full of lemonade.

Metro Plaza, where our FJP office is located, reopened this past week. In Santa Clara County, our main shopping mall, Westfield Valley Fair also reopened. Even our local fitness centers are making plans to reopen, with hair and nail salons soon as well.

Summer is here and the weather has been beautiful in Northern California and around the country. It is Bing cherry season, one of our favorite times of the year. There is a wide range of fresh fruits and vegetables available at our local farmers market. In our area, restaurants are open for outdoor dining and in some areas of the country, restaurants are also open for indoor dining.

We hope you get a chance to head out to see what is happening in your area. And maybe even do a few new activities that are now available for you.

If there is anything we can do to help, or you just want to talk, [give us a call](#).

We hope everyone stays healthy and safe.

[Elaine](#), [Scott](#) and [Linda](#)

[COVID-19 Resource Page](#) – visit our website for a wide range of resources and our archive of weekly emails.

References

¹ National Bureau of Economic Research - [Determination of the February 2020 Peak in US Economic Activity](#)

² ABC News - [Talladega Superspeedway prepares for limited fans at GEICO 500](#)

³ US Open - [2020 US Open, Western & Southern Open to be held in New York](#)



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