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Where Trust And Confidence Are Paramount™

The observations in this newsletter are the views and opinions of Raymond F. Saleeby Jr.

U.S. Presidential Election

The national presidential election is quickly approaching. In my opinion, the repercussions and ramifications of this election are larger than any other election since Jimmy Carter's presidency. Why do I say this? I feel the two presidential candidates do not represent the best we have in America nor the way the average American thinks. Neither candidate has provided a solution for tackling America's biggest problems (national debt and deficit). Plus, their political views are extreme... the Republican candidate is extremely right while the Democratic candidate is extremely left. The Republican candidate, Donald Trump, believes in tariffs which can be viewed as inflationary and a barrier to free trade. On the other hand, the Democratic candidate, Kamala Harris, believes in higher corporate and individual taxes which can certainly tip the economy into a recession.



In my opinion, the stock market does not want either of these candidates to have a mandate due to their excessive spending proposals and policies. They are hoping the election has a Republican or Democratic president with majority opposition party Congress. I believe the stock market wants the government to stay divided going forward so neither candidate will be able to pass an agenda that is too far right or left. In addition, both candidates are the wrong people at the wrong time. Their policies are short term oriented to get the votes rather than tackling our out-of-control debts and deficits. We need a president that has the financial acumen to help guide us through risky times. What we really need is a president that understands business.

What has happened over the last eight years is tragic. We had President Trump who spent \$7.2 trillion during his four years and President Biden has spent over \$7 trillion as well. Neither has met a spending bill he didn't like. This country is at a point where its interest cost is bigger than the government spending for defense while only social security is a larger amount than interest cost. "The U.S. government's annual budget deficit rose by \$138B to \$1.8T in the fiscal year that ended in September, federal officials said this month. The FY24 estimate was 6.4% of gross domestic product, up from 6.2% in fiscal 2023."¹ The US debt to GDP ratio was 122.3% in 2023, compared to an average of 65.7% from 1940 to 2023. The ratio reached an all time high of 126.30% in 2020. Today, the U.S. takes in approximately \$5 trillion in tax revenue while it spends approximately \$7 trillion a year with a national debt of around \$35 trillion. This is an unsustainable path that will blow up especially if our politicians do not address these horrible trends.

The U.S. Presidential Election (Continued)

Both candidates have proposed poor fiscal policies and programs especially when they must deal with the current deficits and debt that we see today. Why does this matter? It will certainly affect our children and grandchildren, and it is an unsustainable path. This will probably have more consequences in the medium to long term if trends are not changed but no one really knows what kind of timeframe we are talking about. However, if these trends continue, I believe we are going to see a crisis in our country with possible crowding out of government social programs and private capital. One might see a day of reckoning from foreign or domestic investors boycotting our debt markets.

It is very difficult to win an election without politicians promising virtually everything under the sun to get votes, especially since we have a few days left with the national election. We are coming down to the last few days and the election is reported to be so close. We are seeing desperation from both sides offering different programs which our country will probably not pass and certainly cannot afford. What compounds the problem is the next president is taking over during two major wars, a divided country and poor financial trends. It is very important to watch who the candidates will pick for their cabinet and most importantly who they will select for their Treasury and Federal Reserve positions. The financial markets rely heavily upon confidence and adjust accordingly. Let's remember, despite our country's shortcomings we are fortunate to be born in this great country. As Warren Buffett once said, "Never bet against America."²

Optimistically Yours,



Raymond F. Saleeby
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P.S. After the election, I will send out a more comprehensive newsletter with my thoughts and possible investment strategy changes.

Did You Know

Going solo: How to plan for retirement when you're on your own

<https://www.nytimes.com/2024/09/21/business/retirement-single-alone-plan.html>

Converting to Roth IRA: A comprehensive guide

<https://www.businessinsider.com/personal-finance/investing/backdoor-roth-ira>

Those with large IRAs need Roth Conversions now, Ed Slott says

<https://www.fa-mag.com/news/large-ira-owners-need-roth-conversions-now--ed-slott-says-79307.html#:~:text=Now%20that%20the%20Internal%20Revenue,said%20IRA%20expert%20Ed%20Slott.>

St. Louis' highest-paid occupations

<https://www.bizjournals.com/stlouis/subscriber-only/2024/08/15/st-louis-highest-paid-occupations.html>

Roth IRA vs. Roth 401(k): Key differences and benefits

[https://www.businessinsider.com/personal-finance/investing/roth-401k-vs-roth-ira#:~:text=The%20Roth%20401\(k\)%20and,lower%20contributions%20and%20more%20flexibility](https://www.businessinsider.com/personal-finance/investing/roth-401k-vs-roth-ira#:~:text=The%20Roth%20401(k)%20and,lower%20contributions%20and%20more%20flexibility)

Changing jobs can put a \$300,000 dent in retirement savings

<https://www.wsj.com/personal-finance/retirement/changing-jobs-can-put-a-300-000-dent-in-retirement-savings-e4b88f58>

Memory loss isn't the only sign of dementia

<https://www.nytimes.com/2024/09/26/well/mind/dementia-signs-symptoms.html>

Cancer spread to Jimmy Carter's brain 9 years ago. Here's how he's lived so long.

<https://www.usatoday.com/story/news/health/2024/09/30/cancer-treatment-extended-jimmy-carter-life/75309888007/>

The science of why your body takes longer to bounce back after 40

<https://www.wsj.com/health/wellness/middle-age-injury-illness-healing-663a5173>

Why the Oura smart ring has a cult following

<https://www.wsj.com/tech/personal-tech/oura-smart-ring-review-12ece82c>

Healthy heart rates change with age – Here's what's normal for every age group

<https://malaysia.news.yahoo.com/healthy-heart-rates-change-age-093151316.html>

The hearing aid revolution that wasn't

<https://www.wsj.com/tech/personal-tech/apple-airpods-hearing-aids-over-the-counter-cb916621>

8 tax-reducing steps to take before 2024 ends, according to \$2 trillion wealth manager BNY

<https://www.businessinsider.com/reduce-tax-burden-retirement-roth-ira-capital-gains-bny-mellon-2024-9>

The 2025 tax brackets are here. See where you land.

<https://www.wsj.com/personal-finance/taxes/tax-brackets-2025-c47c9c66>

Did You Know

Estate planning in a Spooky 2024 landscape

<https://www.wealthmanagement.com/estate-planning/estate-planning-spooky-2024-landscape>

Cut your 2024 taxes before it's too late

<https://www.wsj.com/personal-finance/taxes/2024-taxes-ira-rules-fbd713ee>

How much umbrella insurance do I need?

<https://www.kiplinger.com/personal-finance/insurance/umbrella-insurance/603237/how-much-umbrella-insurance-do-i-need>

Super-rich Americans use these 4 techniques to protect their assets from lawsuits – should you use them, too?

<https://finance.yahoo.com/news/super-rich-americans-4-techniques-114000278.html>

The Mr. Beast memo is a guide to the Gen Z workforce

<https://ritholtz.com/2024/09/weekend-reads-632/>

13 American presidents who escaped attempts on their lives

<https://www.businessinsider.com/american-presidents-escaped-assassination-attempts-2017-5>

Billionaire investor warns of 'Worst Outcome' economy possible: Our approach

<https://seekingalpha.com/article/4721216-billionaire-investor-warns-of-worst-outcome-economy-possible-our-approach>

Footnotes

1. Mozee, Carla. (2024 22 Oct). "Paul Tudor Jones sees Treasury selloff, with debt to soar under either Trump or Harris". Seeking Alpha. Retrieved from <https://seekingalpha.com/news/4191247-paul-tudor-jones-warns-of-treasury-selloff-with-debt-to-soar-under-either-trump-or-harris> 2024 Oct 28
2. Ganuly, Aditi. (2024, Aug 1). "Never bet against America: Buffett's investment in dividend titans reaps billions". Benzinga. Retrieved from <https://finance.yahoo.com/news/never-bet-against-america-buffetts-130011894.html> 2024 Oct 28



YOUR VOTE IS YOUR VOICE

2024

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