

M3 FINANCIAL PULSE

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THE MONTH IN BRIEF

Inaction on a second American fiscal stimulus bill and a rise in global COVID-19 cases put pressure on stock prices in October.

The Dow Jones Industrial Average, which has lagged much of the year, dropped 4.61%. The Standard & Poor's 500 Index lost 2.77% and the NASDAQ Composite slipped 2.29%.¹

1. The Wall Street Journal, October 31, 2020



FACT OF THE MONTH

Recent statistics say 14% of Americans owe over \$100,000.

However, that is the smallest percentage of people who are in debt. The largest proportion, 33%, owes between \$5,000 and \$25,000, whereas 20% owes below \$5,000.²

2. Statista, 2020

S&P 500 Index is an index of 500 of the largest exchange-traded stocks in the US from a broad range of industries whose collective performance mirrors the overall stock market. Investors cannot invest directly in an index. The Dow Jones Industrial Average is a widely watched index of 30 American stocks thought to represent the pulse of the American economy and markets. Investors cannot invest directly in an index.

The NASDAQ is an index that tracks the cumulative results on a market capitalization basis of all stocks trading in the NASDAQ system. Past performance is no guarantee of future results.

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ARE YOU ON THE SAME PAGE WITH YOUR PARTNER ABOUT YOUR MONEY?*

Keys to managing money as a couple.

When you marry or simply share a household with someone, your financial life changes — and your approach to managing your money may change as well. The good news is that it is usually not so difficult.

At some point, you will have to ask yourselves some money questions — questions that pertain not only to your shared finances but also to your individual finances. Waiting too long to ask (or answer) those questions might carry a price. In The 2019 TD Bank Money & Love survey of consumers who said they were in relationships, 40% of younger couples described having weekly arguments about their finances.³

First of all, how will you set priorities? One of your first priorities should be simply setting aside money that may help you build an emergency fund. But there are other questions to ask. Should you open joint accounts? Should you jointly title assets?

How much will you spend and save? Budgeting can help you arrive at your answer. A simple budget, an elaborate budget, or any attempt at a budget can prove more informative than none at all. A thorough, line-item budget may seem a little over the top, but what you learn from it may be truly eye-opening.

How often will you check up on your financial progress? When finances affect two people rather than one, credit card statements and bank balances become more important. Checking in on these details once a month (or at least once a quarter) can keep you both informed, so that neither one of you has misconceptions about household finances or assets. Arguments can start when money misunderstandings are upended by reality.

What degree of independence do you want to maintain? Do you want to keep some money separate? Some spouses need individual financial “space” of their own. There is nothing wrong with this approach.

Can you be businesslike about your finances? Spouses who are inattentive or nonchalant about financial matters may encounter more financial trouble than they anticipate. So, watch where your money goes, and think about ways to pay yourselves first rather than your creditors. Set shared short-term, medium-term, and long-term objectives, and strive to attain them.

Communication is key to all of this. Watching your progress together may very well have benefits beyond the financial planning, so a regular conversation should be a goal.³

Contact us to schedule an appointment to review your financial situation.

3. TD Bank, October 2, 2019