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Matt's Minutes: What Current and Pre-Retirees Need to Know Now

June 2, 2025 "Closed Captions"

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Hey everyone, it's Matt Curfman and Oliver here with Matt's Minutes edition for the early part of June 2025. A couple of changes going on in my life and Oliver and I wanted to let you know. You can see my background is quite bare compared to videos you used to see.

We are in the process of moving homes. Don't worry, I'm not going anywhere. My background might look a little bit different but we are actually moving around the corner from the home I've been in for 18 years.

Jason, my husband, has been renovating and restoring an older home and we've kind of been back and forth between the two but over the last week and in the next week we will officially be moving into the new place. So with all that, I wanted to kind of talk to you about changes going on in the world, in the markets, what's happened in the last two weeks since my last Matt's Minutes, what we expect kind of heading into the summer and why we still think safety nets are very important as a part of your overall plan if you're already working with us through Richmond Brothers. If you're not and you have questions about those safety nets, please be sure and let us know. Questions@richmondbrothers.com.

All right, Oliver is going to go play and we will get down to business. So back in early May, it was announced that the U.S. and China had signed an initial trade deal. However, if you read the fine print of that, there was somewhat like a 90-day period where they were going to negotiate back and forth.

And more recently, like on Monday, June 2nd, there was headlines out with accusations back and forth between the U.S. and China that each party was not living up to their end of the bargain, so to speak. So obviously China is a large trade partner and that's going to affect and have an impact on the market. So there's still a good amount of uncertainty there.

Then also in May, the second half of May, one of the ratings agencies downgraded U.S. debt. This was the third ratings agency, three of three, that have downgraded U.S. debt over time as a concern kind of around our deficit. And so that is certainly still going to be hanging out there.

And tied into that, there have been some proposals presented by the White House to the House and to the Senate with respect to the current tax code. The current tax code, which was set in place when President Trump was president before, is set to expire December 31st of 2025. So that is starting to be looked at in conjunction with all of the possibility around tariffs and getting some of that hopefully settled down.

So we will see what comes out of that. Usually there'll be some negotiation back and forth, but one thing does remain the same. Our deficit is quite large.

So we want to continue working with you for long-term planning to help figure out what are the things that you and I and Richmond Brothers can help you control. So with all of that, we just kind of look at allocation and say, what does that mean to you as a Richmond Brothers client? What does it mean to your portfolio? What are we thinking about from an allocation standpoint? So we do still believe that having safety nets in play for some of your investments will prove out a very prudent move over time. And we just don't know.

We're kind of entering now in early June and early July in the summertime, the period where the window of tariff negotiations is hopefully either going to come to a head or hopefully it will be settled. But in the middle of that, there's uncertainty and what markets don't like is uncertainty. So we could be lining up for a little bit of a choppy summer if these things are not settled.

And so is a buy and hold the right strategy? Is safety nets and getting defensive the right strategy? The answer is, it's a gray area and it depends on what happens next. When you're retired or when you've built up your life savings, it's really hard to sit on this side of the table and say, let's just ride the roller coaster and let's let everything go down if the markets go down dramatically and hope that it comes back. It could and sometimes it does.

It depends on what comes out of news headlines and current events and things like that. However, what we find mathematically is if we can avoid significant downturns in portfolios, especially those of you who are near or in retirement, then everything is really manageable long term. So we want to kind of keep an eye on that.

And as we head into the summer, it is starting to get nice in Jackson, Michigan where we are headquartered. And you can see in my background, the sun is shining as I'm recording this. Temps are getting a little bit warmer.

So with that in mind, I wish you all a wonderful start to your summer. If you have questions, we are honored to be here to support you and guide you through no matter what the world throws in our path. Please go ahead and reach out to questions@richmondbrothers.com. Hopefully my next Matt's Minutes in the coming few weeks will be with a new background that will still be a work in progress.

But thanks for tuning in and thanks for listening and thanks for being part of our Richmond Brothers family.

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