

Expect a Check!

By Dominic Garcia

You may have heard that lawmakers have come together to put in place a \$2 trillion stimulus bill to help support the average American. So, what can we expect?

Individuals, whose adjusted gross income is below \$75,000, will receive the full \$1,200. Married couples, whose adjusted gross income is below \$150,000, will receive the full \$2,400. Payments will start to phase out if your individual income is more than \$75,000. Those individuals making more than \$99,000 will not qualify. Income levels are based on 2019 tax returns. If not yet filed, they will be based on 2018 tax returns.

It pays to have kids... dependent on income, parents can expect to receive \$500 for each child under the age of 17. Checks are expected to go out towards the end of April or early part of May.

In reference to student loans, the bill would suspend payments without penalty through September 30.

The federal government has also stepped in to help jobless workers and students. In addition to state unemployment benefits, they plan to help with another \$600/week for four months. Michigan currently provides checks for 20 weeks; there is discussion to extend these for up to thirteen weeks. Student loan payments can be suspended without penalty through September 30.

Many other aspects of the bill are provided to help businesses, hospitals, and non-profit organizations.

Despite the understanding that things will get worse, there is plenty of light at the end of the tunnel. If we look at areas like South Korea, Singapore, Hong Kong, and Taiwan, they have all had success in battling the spread of Covid-19. After speaking with medical professionals in data analytics, many are predicting a potential peak in the US sometime near the end May.

In relation to your investments, it is important to realize that the stock market is considered a leading indicator; meaning that stocks reflect a worsening economy prior to a reflection in the actual data. This is good news as it has already priced in a recession, bad corporate earnings, and the potential for bankruptcies. The current unknown that we are faced with is how long will it take for the economy to get back on its feet.

In the meantime, it is refreshing to see our government officials come together in a time of need. The coronavirus has taken a toll on those throughout the world and has put perspective on what's truly important to us. Whether it be the stock market, our health, or our way of life, we must realize that we are all in this together. Stay safe and God bless.



Dominic Garcia is President of Rochester Wealth Strategies LLC, an Independent Registered Investment Adviser located in Downtown Rochester. RWS is a Fiduciary and Fee-Only financial advisory firm.