What Next?

The Coronavirus and Indian Country Webinar Series

Presenters:
Shawn Spruce, Consultant
Robert Mascio, FINRA Investor Education Foundation

Thursday, November 19th, 2020
Your Hosts

Shawn Spruce

Autumn Romero

Robert Mascio
The U.S. is currently in a recession.

- Yes
- No
- Maybe
Which of the following companies has announced a highly effective experimental COVID-19 vaccine?

- Pfizer
- Moderna
- BioNTech
- All of the above
Which of the following three stocks has been the best performer in 2020?

- Carrier Global
- Tesla
- Zoom
Stocks tend to perform better under presidents of which political party?

- Democrats
- Republicans
- Neither
Today’s Topics

• Market update

• Election impacts

• Trends

• Key takeaways
U.S. Gross Domestic Product (GDP)
U.S. Gross Domestic Product

Percent change from preceding quarter

Source: U.S. Bureau of Economic Analysis
U.S. Unemployment Rate

Source: U.S. Bureau of Labor Statistics
China reports first death on January 11th

U.S. reports 100,000 deaths on May 23rd

U.S. surpasses 200,000 deaths on September 15th

U.S. Presidential Election on November 3rd

Source: Yahoo Finance
S&P 500 Sector Performance
YTD as of November 18th, 2020

Source: Fidelity
Recessions
1969 to Present

2020-?: 5 months
2007-2009: 18 months
2001: 8 months
1990-1991: 8 months
1981-1982: 16 months
1980: 11 months
1970-1975: 16 months
1969-1970: 11 months

Source: Wall Street Journal
Positives

• Economy by some measures is headed in the right direction

• Vaccines look promising

• The virus is better understood

• Consumer spending is improving
Negatives

• Virus is back in full force

• Stimulus is running out and CARES benefits are expiring

• The U.S. has borrowed heavily to fund stimulus
Election Impacts

• Investors like divided governments

• Investors like stability and predictability

• Some industries win and some lose
Winners

- E-commerce
- Vaccines and biotech
- Technology
- Health care
- Consumer staples
Losers

• Bricks and mortar stores
• Restaurants
• Travel
• Entertainment
• Fossil Fuels
Key Takeaways

• Markets are strong but volatility persists
• Other facets of the economy are not as robust
• The virus still poses many uncertainties
• No guarantees for additional stimulus
• Thing long term
• Attendee prize
FINRA and COVID-19

Robert Mascio, Director, FINRA Foundation

Who Are We?

FINRA
- Not-for-profit regulator authorized by Congress
- Mission: investor protection and market integrity

FINRA Foundation
- Research and outreach
- Financial capability for all Americans
- Cultivates unique partnerships inside and
What Does FINRA Do?

- Regulates over 3,500 Brokerage firms and nearly 630,000 registered securities representatives
- Examines for compliance
- Deters misconduct
- Detects and prevents wrongdoing in the U.S. markets
- Disciplines rule breakers
- Educates investors
Why FINRA Educates Investors?

Supports FINRA Mission
- Investor Protection
- Market Integrity

Regulators Make Good Educators
- No sales
- Unbiased and unique information, tools, and resources
- Able to build and leverage partnerships

Regulation + Education = Reduced Risk
FINRA Foundation Initiatives

Smart investing @ your library ®
Disaster Grants to Libraries
Financial Wellness at Work
Military Financial Readiness Campaign

Investor Protection Campaign

National Financial Capability Study
Rapid Response & Financial Capability Research
Financial Fraud & Decision Making Capacity Research
Other Sponsored Research
More Resources from FINRA

(844) 57-HELPS
(844-574-3577)
Monday to Friday
9 am – 5 pm (Eastern)
Pre-Pandemic Research

• Collaboration with Rush University
  • Loneliness can contribute to scam vulnerability
  • Quality over Quantity

• Exposed to Scams Research
  • Social isolation increases risk
  • Financial insecurity is associated with victimization
  • Intervention can be a deterrent
  • Knowledge of scams decreases victimization

Download full report: www.FINRAFoundation.org
FINRA’s Response to COVID-19

www.FINRA.org

COVID-19 Task Force: Staying Innovative and Collaborative Through Crisis

PUBLIC

COVID-19 Task Force: Staying Innovative and Collaborative Through Crisis

JUNE 25, 2020

Investor Tips
CARES Act 2020: Retirement Fund Access and Student Loan Relief

Fraud
Fraud and Coronavirus (COVID-19)

Investing
The Vocabulary of Stressed Markets

Fraud
In a Search for Safety, Be Alert for Imposters

Brokerage Accounts
Fraud and Your Investment Accounts During COVID-19 Pandemic

Investing
Market Volatility

FINRA formed a COVID Fraud Task Force in March 2020 to establish a coordinated response across the organization to potential COVID-related fraud in the broker-dealer industry and in U.S. markets. The task force — a collaborative effort headed by Executive Vice President Greg Saretzky — manages a centralized repository of intelligence gathered from and accessed across the organization to help ensure efficiency and maximum coordination.

As part of the task force, FINRA’s National Cause and Financial Crimes Detection Programs (NCFD) is on the front lines of surveillance, investigations and examinations for potential fraud associated with the Coronavirus pandemic. NCFD regularly refers matters to the SEC involving public companies asserting fraudulent claims related to the COVID-19 outbreak that have, in turn, contributed to numerous SEC Traps.

In addition to its focus on market integrity, NCFD is also working to track any potential fraud associated with COVID-19 relief efforts.
Navigating a Remote Environment

- FINRA is fully operational
- Shared practices implemented by Firms to transition and supervise in a remote environment
- Shelter-in-Place and Stay-at-Home tracking
- Virtual OTRs and Hearings
- Virtual Investor Forums
- Virtual Conferences

Operating Status
Due to the COVID-19 outbreak, most FINRA staff are working remotely. FINRA remains fully operational through the support of our robust, remote work capabilities and continues to carry out all of our regulatory responsibilities, protecting investors and market integrity.

State “Shelter-in-Place” and “Stay-at-Home” Orders

In response to the COVID-19 pandemic, a growing number of states and counties have issued workplace restrictions as part of their efforts to contain the spread of the disease. These “shelter-in-place” or “stay-at-home” orders vary in scope and duration, but generally require businesses not considered “essential” to close their physical offices and continue operations remotely.

Many of the orders list financial services as essential businesses and permit critical on-site employees to continue; subject to limitations. Member firms should closely review the applicable state and locality orders’ impacts on their operations and make any necessary changes.

To aid member firms, FINRA is providing a list of State orders for which FINRA is aware. While FINRA will update this list periodically, it cannot provide an ongoing list of changes. Member firms should consult their local authorities for the latest developments. Firms are encouraged to contact FINRA with any questions.

Several of the state orders, guidance and FAQs issued in connection with the state orders, refer to the Department of Homeland Security’s Critical Infrastructure (CIS) Guidance issued on March 19, 2020. CIS guidance identifies financial services workers as essential to continued infrastructure viability during this turbulent time. In addition, on March 24, 2020, Treasury Secretary Steven T. Mnuchin issued a statement that he “strongly supports the Department of Homeland Security’s critical industry guidance identifying financial services workers as essential to critical infrastructure workers during the COVID-19 response and recovery.”

To the extent that member firms are aware of stay-at-home orders not listed below, please contact FINRA’s Office of Government Affairs at statehomeorders@finra.org with information regarding those orders.

States have begun to “re-open.” Those states are denoted with an asterisk below. Member firms should closely review the applicable state and locality restrictions for impacts on their operations and make any necessary changes.
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