



Tony DiGiovanni - January 1, 2021

W.P. Journal



One day at a time. One day at a time.

This is what loops through my mind each day. Sometimes, I can only handle one moment at a time, and then I remind myself that if I can manage to string together enough moments during this pandemic, during this extremely trying political environment, during this severe recession, during this period of isolation, I might one day be able to look up and see I've come through to the other side.

One day at a time.

Remember back in January of last year when we feared the economy might dip into a mild recession because of the ongoing trade wars with China? That dreaded prediction looks desirable from where we sit today. A run-of-the-mill economic contraction is child's play compared to the severity of a pandemic. As awareness of that severity grew in early 2020, panic followed. The markets fell precipitously for three straight weeks. It felt like we were helplessly watching a slow-moving train wreck and wondering if there were any possible way to avert a crash.

Good information was hard to come by; the pandemic revealed a major flaw of our beloved Information Age: misinformation spreads just as easily, and often much more rapidly, as facts do. Our personal browsing choices and favored "news" sources create echo chambers. Once we step off the path of reliable news sources, we sink into a quicksand of sources promoting false or misleading statements. Instead of directing us back onto solid ground, many of our political leaders guided us further into the mire. Making wise choices and doing the right thing can be challenging in the best of times. It is nearly impossible when given inaccurate information. Overwhelmed by the pandemic and exhausted trying to discern reality from fiction, many of us inadvertently outsourced our critical thinking skills and simply accepted what we were told. This didn't help.

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Ultimately, governors across the nation shut down states in an effort to save lives. After agonizing months of stay-at-home orders, the virus retreated. Healthcare workers breathed a sigh of relief, and hospitals returned to running smoothly. The weather started to improve, and we could finally enjoy some normal outside activities. The economic damage, however, was done, and it was extensive, rivaling the early days of the Great Depression.

Unemployment skyrocketed at an unprecedented rate. Even during the Great Depression, it took three years for unemployment to jump from just under 10% to 25%. In 2020, it went from 3.5% to 15% overnight! Businesses teetered on the edge of extinction. Life as we knew it simply ceased to exist.

The damage spread beyond the economy.

The political environment turned toxic. Our debates were no longer about a difference of opinion about the role of government in our society. Instead, the other side became the embodiment of evil. Compassion, love, and empathy became scarce commodities. Long-term friendships and relationships with family members cracked and sometimes broke. Using the social media vernacular, we unfriended a lot of people. All of this as millions of people tried to cope with being sick, caring for someone with the disease, or grieving for a lost loved one. Nearly three-fourths of Americans know someone who has had COVID-19, and almost half know someone who has been hospitalized or died due to it. Loss is rampant throughout the country.



In spite of everything, the stock market ended up for the year. We wrote in detail about how this could be in our last quarterly report, so I won't dwell on it here. Suffice it to say, the markets are forward looking. This means the market is expecting a very strong recovery in the months ahead. It fully anticipates the government will create enough economic stimulus to bridge the gap between its current decimated state and its post-pandemic, functional state.

The pandemic will end, most likely some time in 2021. Before then, we will have to get through the cold winter months with the virus spreading at an accelerated rate. We're coming up on the year anniversary of COVID-19 reaching our country. It has been a very difficult year emotionally, professionally, and personally. I don't bring this up to unburden myself at your expense, but rather as an acknowledgement that we suffer in many of the same ways. I hope you all have found coping strategies that provide some measure of relief and enjoy the invaluable support of loved ones. If you ever need to talk, even if it isn't about your portfolio, I'm happy to take your call.

One of my coping strategies is to remind myself of all the good that still exists and happens every day. Reflecting back on the year, there were plenty of positives to celebrate. On the professional front, White Pine accelerated its technology deployment. Stay-at-home orders forced us to work through the kinks of delivering our reports online, and Irene has greatly improved their visual presentation. Hopefully, everyone now feels comfortable with how they are getting their information. If not, please give us a call. Technological changes can be difficult. The last thing we want is to make reading your reports challenging.

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Meetings have also changed. Other than the few months in the summer during which we had the opportunity to meet with a few of you (wearing masks and appropriately spread out in our conference room), we have been forced to conduct our meetings in the virtual world. While I still prefer face-to-face meetings, all of us have become much more comfortable with meeting online. For those who live far from our Livonia office, this will be an ongoing option for you even after we return to our new normal.

We also used this challenging time to address more mundane tasks. We hired a consultant to help ensure we meet or exceed all compliance standards. As anyone who runs a small business that is regulated by the government knows, compliance can be quite complicated. The government sets the standards with the intention of protecting consumers, and as we wade through the paperwork, we keep that admirable goal in mind. Amy is working with Schwab to offer electronic delivery of forms. This will mostly help new clients, but I'm sure there will be other efficiencies we gain along the way. The final company change worthy of mention here is that Will is now an owner of White Pine. This exciting change came as a result of Will's dedication to clients, his extensive knowledge of the industry, and his strong work ethic.



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Personally, a lot has changed in the past year. Our college and grad-school aged children all returned home during the first lockdown. We went from an empty nest to a full house. While the taste of empty nesting was sweet, we felt grateful to have most of the kids safe and sound at home during the pandemic. We'll get back to empty-nesting soon enough. Times of crisis do provide opportunities, and all four of our homebound kids made major strides in their schooling and careers, as did the two who live elsewhere. I'm proud of the two who have continued to do well in their schooling in spite of switching to online learning as well as the four who are using their talents to serve others (one with children in foster care, another with young adults who've aged out of foster care, another as an AmeriCorps volunteer, and another as a nurse on her way to being a midwife). Watching all the kids try to figure out what's important in life and how to achieve it has been a satisfying part of parenting.

The most exciting news on our front is that our oldest decided it was time to make me a grandfather. If all goes well, we'll be vaccinated in time to snuggle our new grandbaby in June. It's a long road until then, with COVID fatigue, short days, cold temperatures, and isolation. Each day feels the same. I miss seeing my fun coworkers and wonderful clients in person. I remind myself those interactions will happen again. We can get through this. We just need to take this one day at a time.

One day at a time.



Anthony J. DiGiovanni, CFA

