

Investment Themes for Post Covid-19 Pandemic

One of the most famous quotes attributed to the hockey great, Wayne Gretzky is, “I don’t skate to where the puck is, I skate to where the puck is going”. That is good advice for investors too. As I try to “look through” the current pandemic to see what could be the trends that investors might want to be prepared for, several areas come to mind. Some are obvious, others, not so much.

Travel. Airplane travel, cruising, and vacations should come roaring back after there are vaccines and better treatments. Since we have been in our homes most of 2020 and perhaps the beginning of 2021, I look for travel to pick up starting in mid-2021. Everyone who had a 25th anniversary trip or a 50th birthday trip in 2020 will be taking that trip in 2021 or 2022. Investments in airlines, hotels, and cruise lines should benefit.

Pandemic preparations. Hopefully, we will be more prepared for the next pandemic. The restocking and resupply of medical equipment and supplies should provide a boost to production. Individual families will want to be better prepared for any type of emergency. Upgrading homes with more freezers, better home electronics, as well as state and federal stockpiles of medical supplies and more personal protective equipment will be necessary.

Home office. The home office is here to stay. Many of us had to quickly set up an office in a room of our house not prepared to be used as an office. Looking at our background on Teams or Zoom compared to some of the professionals on TV indicates we have some work to do. Upgrades of the home office will be a priority with new furnishings, technology and equipment as the home office becomes a permanent reality of working in the Post-pandemic world.

Baby boom. Many young couples have put off having children during the pandemic. It makes sense, even if you are young and healthy, who wants to end up in a hospital during the pandemic? Look for a new “baby boom” starting in 2021 for several years. Investments in housing, theme parks, and baby supplies should do well.

Retirements. The youngest Baby Boomers are 56 this year. A large group of them will say after this pandemic, “I’m done!”. Many federal and municipal employees can retire with full retirement and medical coverage at age 55. Those employees and others who have saved enough and can draw Social Security early (at 62) will determine it is time to leave the work force. This could also help the travel and leisure industry.

Another benefit to increasing early retirements is the opportunity for younger employees to get hired and promoted. If you are in your 30’s or 40’s be sure to put yourself in a good position to take advantage of those opportunities too!

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