

We Are All on the Front Line

My sister Lesley spends 100%

of her workday with the sick and dying. She is a registered nurse in the ICU of a Massachusetts hospital. She cares for the sickest COVID-19 patients until they either recover or die. Thus far, fewer have recovered.

For the past month Lesley's ward has been overflowing. She works 12-hour shifts, plus overtime, as do her colleagues – the hospital is still short-staffed. Supplies are tightly controlled – my sister gets one mask a day; the rest are locked up with the gloves and gowns in the supply closet, to which only the floor manager has a key.

My sister cares for her patients, and also really cares about them. "The COVID patients are REALLY REALLY sick," she said. "It's emotionally exhausting. The worst part is that families can't



be in the room with the patients when they die. They are looking through the glass, and we are the ones holding the patients' hands."

In a medical crisis, my sister is unflappable. It's what she's trained for, it's her craft. But when she wakes in the morning and puts on regular clothes, she fulfills a different, uncomfortable, brand-new role. She becomes a homeschooling instructor to her three young kids. She prints out agendas and homework, reviews lessons, corrects assignments. It's harder than what she does



professionally. This other role is sudden, and novel.

Her kids' teachers also have new roles, as distance-educators. They keep on track with learning plans while reigning in 20 antsy students, far away in their respective living rooms, tempted by video games and snacks. (Those kids have new expectations put on them, and new roles, too.)

New Roles. Fewer Resources.

We're all fulfilling new roles with fewer resources. Oh, and doing so simultaneously. No wonder alcoholic-beverage sales rose 55% the last week of March compared to 2019 ¹. We're coping.

As we personally take on new roles, business does the same. Brooks Brothers is fabricating medical masks. General Motors is producing ventilators, and Louis Vuitton is making hand sanitizer. ²

Definitions

- **Resistance (medical, n):** The ability to remain unaffected by a harmful agent such as disease.
- **Resistance (non-medical, n):** The capability of withstanding the effect of something.

I see two distinct dimensions to this crisis:

1. Medical
2. Financial

Medically, we are fighting this on every level – ICU nurses all the way up to the CDC.

Financially, the Federal government, in passing the \$2 trillion CARES Act, has made what I believe to be a strong first step in stemming small business closings and individual layoffs, and giving large firms a chance to pull through.

Don't get complacent. Or impatient.

We're still in the midst of the pandemic. The biggest mistake would be to become complacent, to take precautions less seriously, to be less conscientious about distancing because we're fatigued. We must remain consistent, and careful. I ventured out last week in my hometown of San Francisco to pick up my daughter's medicine. There were many more people out and about. It would be nice to think we've been through the worst of it. But it's self-fulfilling. My personal opinion is that it's best to be conservative.

The financial dimension echoes the medical one. In the last three weeks, the S&P is up 21%. People have relaxed a bit. Headlines are cheerier. But still, we stick to our financial plans. We take more risk only for savings that have a long runway. We take risk off for cash we need to deploy sooner. We don't overreact either way.

Vaccine development takes time. So does distribution of CARES Act payments. We calibrate our expectations.

Some Financial Thoughts

Because I run a financial planning practice, a scientist friend asked my advice for her savings. Here are some proactive strategies I am reviewing and building into clients' financial plans, as appropriate:

- Tax-loss selling
- Diversifying concentrated stock positions (when earnings blackout periods end)
- Selective Roth conversions (even for clients in the top tax bracket)
- Mortgage refinancing

For small-business clients, we're applying for the CARES Payroll Protection Program. If client retirement is a decade away, we're re-balancing 401ks to minimize bonds and position for a recovery.

The Good News

We are experiencing a time that our children will look back on and recount to their children. "In 2020, I stayed home from school for six months. No birthday parties, no airplane rides. I saw my whole family every day. And we had no idea when everything would turn back to 'normal.'"

Still: *someday, we will look back at this time.* We find hope in a few things. The vast majority of COVID patients will make a full recovery - medical stats



suggest over 90%. Individual recovery can be lengthy. One of my sister's patients survived the coronavirus and was discharged last week. Now he's recovering (a 2 to 6-week process.) Slow, but steady.

Our economy is similar. We don't know how long an economic contraction will last and some businesses won't survive. But most will. Recovery is slow – it will be a while until we return to restaurants, cruises and business conferences. But inevitably, we will. Of course we will.

Life is asking a lot of us right now, and we're playing new roles without a dress rehearsal. But at the end, we are resilient, and we'll do what we always do – hunker down, get through it, recover and thrive. It's inevitable.

—Adrienne

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¹ Associated Press News, March 31, 2020 ² Financial Times, March 23, 2020

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Definitions

Earnings Blackout Period means the period of time prior to and following the Company's public release of quarterly or annual earnings results during which none of the Company's directors and officers are permitted to trade in the Company's securities pursuant to the Company's customary securities trading policies and procedures, as in effect from time to time.

Tax-loss selling is selling investments with accrued losses at year end to offset capital gains realized elsewhere in one's portfolio.

Roth IRA is a retirement savings account that allows one to pay taxes on the money he/she puts into it up front. The growth in one's Roth IRA and any withdrawals made after age 59 1/2 are tax-free, as long as he/she has had the account for more than five years.