



# Advisers brace for the transition toward a President Trump

Republican power balance puts DOL rule into question

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By **Jeff Benjamin**  

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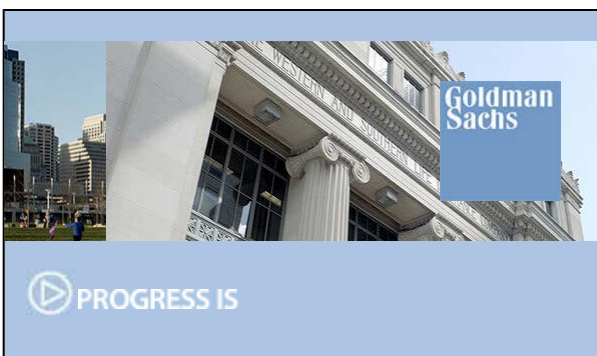


Donald Trump

Financial advisers, normally known for preaching calm in times of market stress, are already looking past any short-term volatility following the election of Donald Trump to focus on areas of opportunity.

“I think the Republican-led government will be more business friendly in general and provide a better business climate going forward,” said Tim Holsworth, president of AHP Financial Services.

“Hopefully, increased economic growth and a curtailment of spending will stop the deficit from growing so fast and reverse the course it has been on for the last eight years,” he added.



As the presidential election tilted toward Mr. Trump late Tuesday evening, the global financial markets were showing **signs of increased volatility**, including a drop of more 800 points by the Dow Jones Industrial Average futures.

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Most of that pullback was wiped by the time the U.S. stock market opened for trading Wednesday, and by mid-day the Dow was up more than 1%.

“Last night when I saw the market dropping after Ohio and Florida went to Trump, I was so happy because that was a buying opportunity,” said Rose Swanger, president of Advise Finance.

“It would have been awesome if the market opened down 3% or 4%, but now I will just have to keep looking for bargains,” she added.

Beyond the immediate market reaction, Ms. Swanger said she will be waiting to see how a Trump administration **deals with the Department of Labor's fiduciary rule**, the first part of which is scheduled to begin in April.

“The only uncertainty I see is the status of the DOL rule,” she said. “If they plan to repeal it, as they have suggested they would, how will that impact all the changes that the broker-dealers have already made?”

The status of the DOL rule was also on the mind of Douglas Boneparth, a partner at Longwave Financial.

“I don't think the outcome of the election will change how I work with my clients, but from an industry perspective the thing I have my eye on is whether Donald Trump will repeal the DOL rule,” he said. “Almost everything else is a wait-and-see situation, but the DOL rule is the one area that seems like there's something there.”

Mr. Boneparth said he was not surprised by the **short-term market volatility** that picked up as it became more clear that Mr. Trump would defeat Hillary Clinton.

“Most prudent advisers are telling their clients to remain calm, and stick to their strategies,” he said. “You don't want to catch a falling knife and make decisions based on emotions and headlines. The outcome of this election doesn't change what I'm doing today.”

Melissa Sotudeh, wealth adviser at Halpern Financial, said her firm has been bracing clients for whatever happened in the election, by warning them of year-end market **volatility related to the election** and a likely Fed interest-rate hike.

“We put out a blog every week and talk about being prepared for the unknown, because we know there is always something coming,” she said. “The way you address it is having a specific strategy and sticking with it. The things in your control are costs, tax efficiency, and rebalancing. All those things contribute to bottom line and you can do those things regardless of what happens.”

The fact that Republicans will have control of the White House as well as both Houses of Congress is welcome news for Ms. Sotudeh, who anticipates a more business-friendly environment.

“No matter what you think of Donald Trump, the truth is that the impact of his policies will not be fully known until he has been in office for a few months,” she said.

Ms. Sotudeh is banking on the Republican party's reputation for “reduced taxes, cost-cutting, and fewer regulations that tend to help markets.”

Kashif Ahmed, president of American Private Wealth, compared the market's knee-jerk reaction this summer's **Brexit vote** that was also unexpected.

“Right now, much of the electorate, the pundit class, and surely investors around the world are shocked,” he said. “As in the case of the Brexit vote, I stuck to my guns and cautioned folks not to completely dismiss the idea that Trump could win.”

As far as a longer-term impact on the financial markets and the financial advice industry, Mr. Ahmed said he expects Mr. Trump to quickly find his hands full of the overwhelming

realities of his new job.

“Mr. Trump will soon enough find out that draining the swamp will not be as easy as it sounds,” Mr. Ahmed said. “There is a dug-in machinery and interests that are deep in Washington. People will not simply let a newcomer reboot the system.”



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