



Basis Points – October 22, 2020

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Above the Fold

Some Companies Are Taking Dramatic Steps Ahead of Election

With the presidential election just weeks away, tech firms, mortgage lenders and other financial companies are working to rectify lingering cases with the Consumer Financial Protection Bureau (CFPB) ahead of a potential changing of the guard.

According to The Wall Street Journal, there's been an influx of corporations settling with the CFPB, a consumer watchdog that sets and enforces rules around how financial institutions interact with the public. The Bureau's mission is to protect consumers through regulation, supervision, enforcement and education, but its function and tactics have been debated mainly along party lines. Under President Trump, the CFPB, launched in 2011, has taken a less-

aggressive approach to enforcement, working with companies that may be pushing the boundaries of regulations. That said, the Bureau is still on track to file the highest number of enforcement actions in five years.

Experts close to the matter believe that a Biden win would likely mean a new director for the agency that could trigger “some pretty big changes pretty quickly, both on the enforcement and rule-making side,” says Dennis Kelleher, chief executive at advocacy group Better Markets. Other experts believe Biden could add scope, expand rule-making power and increase penalties for the CFPB, creating a less-favorable business climate for some companies.

Three Things

1. *“Code Red” at Google Getting Antitrust Focus* – The U.S. Department of Justice filed an antitrust lawsuit against Google relating to how Google gets data from iPhone users. Google is the default search engine on iPhone’s Safari, and the Department of Justice claims this gives Google an unfair advantage. The suit aims to reduce the company’s dominant market share in search (Google represents 92% of search traffic worldwide).
2. *Porsche Goes Portable* – Computer maker Acer has teamed up with luxury brand Porsche Design (a wholly owned subsidiary of Porsche AG), to create a high-end Windows laptop. Dubbed the “[Design one](#),” the multi-function device features a slick fit and finish, but is said to be “under-powered” based on its \$2,500 price tag. Acer is looking to increase market share with several other new product releases, including its new [Halo](#) device.
3. *This Gas-Guzzler Is Making a Comeback, but With a Major Twist* – General Motors’ Hummer line of trucks were known for their large bodies, big engines and overall poor fuel economy. But the Hummer EV, set for release in late 2022, will bring back this cult classic with a sleek, new all-electric design, including the ability to drive diagonally to navigate even the most extreme terrain. Prices will start in the \$112,000 range.

Did You Know?

In a World of Low Rates and Constant Inflation, Retirees Face the Biggest Challenges

Since 1990, the Consumer Price Index (CPI) has registered an average inflation of roughly 2.5%, but many experts agree that the limited index can underestimate the real effects of inflation that we experience day to day. In fact, the CPI does not actually measure changes in consumer prices, but rather estimates cost-of-living changes based on a basket of specific goods. Low rates and government stimulus can also add to inflation, and this constant devaluation of the U.S. dollar means that retirees’ nest eggs and savings targets are theoretically shrinking unless we do something about it. At just 3% a year, inflation could reduce the purchasing power of your income by more than 25% in 10 years. In short, it may be a good idea to save a little more than you think and plan for a longer retirement as our lifespans are also increasing, on average.

What to Expect as 2020 Comes to a Close | Market Update with Adrian Helfert

As we wrap up 2020, Adrian Helfert Senior Vice President and Director of Multi-Asset Portfolios, shares insight on the recent market volatility and purchasing behavior of consumers as well as an outlook on the future of interest rates and the rest of the year. Watch the full video on our YouTube page: <https://youtu.be/1Rfv-Q6GT0Q>.



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