

*Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.*

*Delta manages portfolios at TD Ameritrade and Schwab.*

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August 6, 2021

## **Go for the Gold**

My favorite Olympic memory (by far) is the “Miracle on Ice” in the 1980 Winter Olympics in Lake Placid. Coach Herb Brooks’ inspirational speech before the team faced the Soviets never gets old. “Great moments are born from great opportunity. And that’s what you have here tonight, boys. That’s what you’ve earned here, tonight. One game. Tonight, we stay with ‘em and we shut them down because we can! Tonight, we are the greatest hockey team in the world.”

Many of the athletes in Tokyo started their journeys 10 years ago. It started with a step, a throw, a swing. They have put in their 10,000+ hours. Some of the athletes have been honing their skill for more than 20 years. Going for the gold takes years of practice and planning. Planning for our golden years takes long term vision, commitment and hard work.

## **Golden Advice**

When my teenage children earn money over the summer and ask where they should invest it, I say let’s get it in the market and let the eighth wonder of the world (the Law of Compound Interest) start working its magic, its miracle.

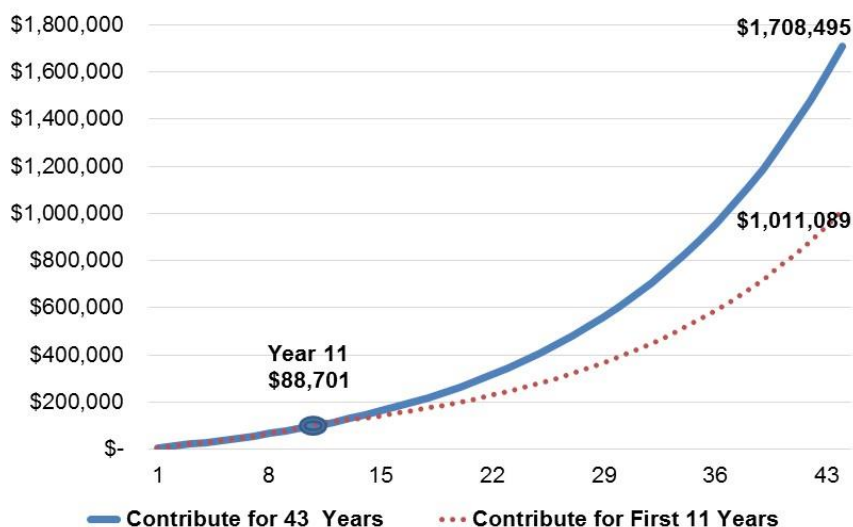
In addition to individual accounts, I had them open Roth IRAs. “But why two accounts Dad? What is a Roth IRA?” Mad Money’s Jim Cramer says the Roth IRA may be “the single greatest thing our government has done.” I explained how the Roth grows tax free (like other retirement accounts) and the withdrawals are tax free. “But what’s the catch?” “You have to wait 40-plus years to withdraw it.” 59 ½ seems a long way off to a 16-year-old.

## **Roth IRA key takeaways:**

- Roth distributions which include earnings, capital gains & dividends on your contributions are not taxable. (No one knows what future tax rates will be, so having a portion of your savings in this bucket may end up looking very smart).

- Roths don't have RMDs (required minimum distributions) so you can let the account grow as long as you want.
- Roth IRA contribution limits (\$6,000 annually and \$7,000 if you're age 50 or older) are reduced or eliminated at higher incomes.

## Roth IRA Growth



### Put the Plan in Place

There are two scenarios in the chart above. First, the dotted red curve has the teenager add \$6,000 for 11 years for a total of \$66K. After 43 years, the account would be \$1M (assuming the market grows at 7% - roughly the stock market average over the past 200 years). The second scenario has contributions for 43 years for a total of \$258K. In this case, the solid blue curve would grow to \$1.7M (again assuming 7% annual growth).

One way to accumulate wealth is to start investing at a young age and live a long time. Not all of us have that luxury anymore (talking about youth), but our children and grandchildren do and we should do everything we can to encourage working, saving and investing.

### Let Us Help You Position Your Portfolio – Give Us a Call Today

We have unique and sophisticated investment methods that seek to capture the stock market's gains while minimizing drawdowns in bear markets. If you would like to learn more about how we manage money, we invite you to give us a call at **(415) 249-6337**, visit [www.deltaim.com](http://www.deltaim.com) or email us at [info@deltaim.com](mailto:info@deltaim.com).



*Samuel Johnson*

*“Remember, son, these are your tax-free years.  
Make the most of them.”*

## Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BEARISH**

THIS WEEK'S NUMBER IS

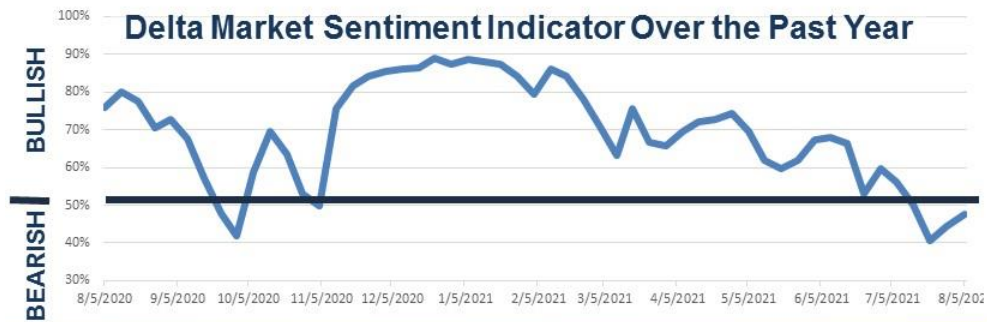
**47.7**

Our technical indicator increased  
from 44.5 to 47.7 this week

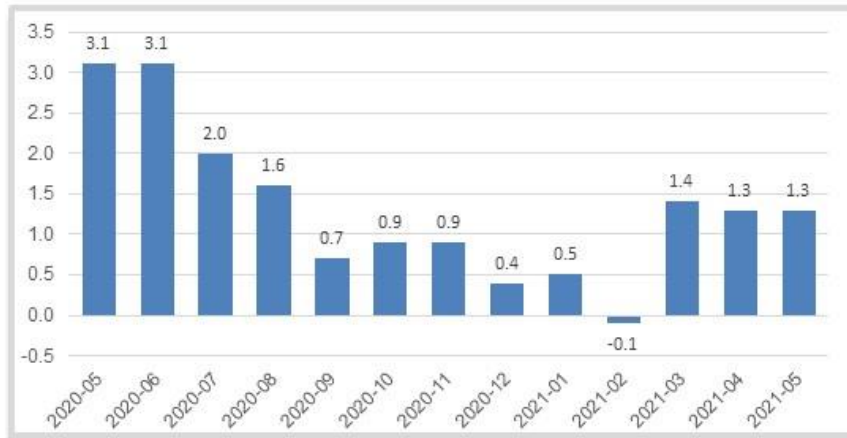
### INDICATOR STATISTICS

Consecutive Bearish Weeks:	3
Cycle Inception Date:	7/22/2021
Range:	40.5-47.7
Mean:	44.2
Bullish Weeks YTD:	27
Bearish Weeks YTD:	3
*S&P 500	1.2%
*DJIA	0.1%
*NASDAQ	0.9%

\* Percentage change during current cycle



## Leading Economic Index % Change Monthly May 2020 – May 2021



Source: The Conference Board – last update 06/17/2021

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