

DECEMBER 2020



AERO CREW NEWS

Your Source for Pilot Hiring and More..

A.D

Aquiline Drones



A FINANCIAL PARTNER TO HELP YOU ALTER COURSE

As the ripple effects of this pandemic continue to create turbulence in every area of our daily lives, we understand that you and your loved ones are uncertain about the future of your career, your goals, and your financial security.

Whether you're facing the possibility of an early retirement, change in seat or equipment, going back to training, or concerned about furlough, it's likely that the challenges facing the aviation industry are leading you and your family to adjust for changes in your income and lifestyle.

It's perfectly normal to be concerned, and we want to support and provide you actionable guidance and resources during this difficult time.

Our airline-specialized advisors can run the numbers and help you feel confident as you make these important decisions about your future. There's no obligation to speak with us, just objective, clear advice from an advisor who understands what you're going through, because we've helped thousands of pilots through similar types of situations over the past 30 years. Times of crisis and turmoil such as this are when we feel we can add the most value and we're here to answer any questions you have.

» Request your free consultation at raa.com/partner.





AERO CREW NEWS

Your Source for Pilot Hiring and More..

For every leg
of your journey

AEROCREWNEWS.COM
AEROCREWSOLUTIONS.COM

contents

DECEMBER 2020

JUMP TO EACH SECTION BELOW
BY CLICKING ON THE TITLE OR PHOTO.



Also Featuring:

Letter from the Publisher	8
Aviator Bulletins	10
Mortgage - Mortgage Rate Influencers - Part Two	36
Making Financial Sense - Now What?	38

the grid

Display:   Date (default) Categories Filters

 iAero Airways <input type="checkbox"/> Add to Compare	 CapeAir <input type="checkbox"/> Add to Compare	 Silver Airways <input type="checkbox"/> Add to Compare	 Omni Air International <input type="checkbox"/> Add to Compare
 US Cargo ABX Air Alaska Seaplanes Ameriflight Atlas Air/Southern Air FedEx Express iAero Airways Kalitta Air Key Lime Air UPS US Cargo Regional Empire Airlines	 US Charter Airshare GMJ Air Shuttle Key Lime Air Omni Air International Ravn Air Group XOJET Aviation US Fractional FlexJet NetJets PlaneSense	 US Major Airlines Alaska Airlines Allegiant Air American Airlines Delta Air Lines Frontier Airlines Hawaiian Airlines JetBlue Airways Southwest Airlines Spirit Airlines Sun Country Airlines United Airlines	 US Regional Airlines Air Choice One Air Wisconsin Cape Air CommutAir Elite Airways Endeavor Air Envoy ExpressJet Airlines GoJet Airlines Grant Aviation Horizon Air Key Lime Air Mesa Airlines 'Ohana by Hawaiian Piedmont Airlines PSA Airlines Republic Airways Silver Airways Skywest Airlines Star Mania Air, Inc.

The Grid has moved online. Click on the airlines above to go directly to that airline, or go to www.AeroCrewNews.com/the-grid.



PROFESSIONAL PILOTS OF TOMORROW

Free mentor program • Unbiased info • Connect to a growing network

Professional Pilots of Tomorrow is a mentor program comprised of volunteers and designed to assist up-and-coming pilots make informed decisions regarding which regional airline will best suit their needs.

Our aim is to provide confidential, insightful, and unbiased mentoring to pilots by more experience and seasoned professional pilots from the airlines throughout the aviation industry.

We've created an environment where aspiring pilots are well prepared to make the critical early career and lifestyle choices unique to the aviation industry.



JOIN US!

Visit our website, and fill out the "interested pilot" form

www.theppot.org info@theppot.org

@ **AERO CREW NEWS**
Your Source for Pilot Hiring Information and more...

Working hard to make your childhood dreams come true...

JOIN!

ngpa.org

DISCOUNTS!

Annual Events,
Pilot Gear and Apparel,
Tuition, Car Rental,
Financial Planning,
Lodging,
Interview Prep.

SCHOLARSHIPS!

Support LGBT
Aviators and Allies,
Fund Flight Training,
Private through ATP,
Promote Diversity.

SUPPORT!

Military, Transgender,
General Aviation,
Women, Students,
Flight Attendants,
Family.



SOCIAL NETWORKING!

Make new friends,
Meet LGBT Pilots,
Coordinate Fly-ins,
Make Connections,
Find a Flying Job.

CHAPTERS!

Connect with local
LGBT Pilots &
Aviation Enthusiasts,
Hangar Parties, Meet and
Greets, Shared Flying
Expenses, and more.



RESOURCES!

Member Directory,
Web Forum,
Aeromedical Assistance,
Flight Instructor Directory,
Job Search.

EVENTS!

Annual Palm Springs
and Provincetown Galas,
NGPA Industry Expos,
Pride Festivals,
and Fly-ins.



VOLUNTEER!

Outreach, Mentoring,
Events, Fundraising,
Organizing, Program
Development.

PUBLICATIONS!

NGPA Contrails Magazine,
Monthly NavEgaytor
Newsletter.

ADVOCACY!

LGBT Inclusivity,
Transgender support,
Discrimination Tracking,
Industry Outreach,
Training.

ENCOURAGE

Encourage members of
the LGBT community to
pursue their dreams in
aviation.

FOSTER

Foster equal treatment
of the LGBT aviation
community through
advocacy and outreach.

PROMOTE

Promote aviation
safety through training,
seminars, publications,
and best practices.

PROVIDE

Provide an affirming
social and professional
network for the LGBT
aviation community.



The Worldwide LGBT Aviation Community



Dear readers,

As we near the end of 2020, we can only hope that 2021 brings a better year for all. With vaccines nearing approval and distribution on the horizon, let's count on travel restrictions being a thing of the past, so that we airline pilots and all our support teams, can get back to business as usual.

From all of us at Aero Crew News and Aero Crew Solutions, we wish you a Merry Christmas, Happy Kwanzaa or Happy Hanukkah (and for those I have missed, Happy Holidays)! Next time you hear from me it will be 2021 and we will have happily kissed 2020 goodbye.

Fly Safe,

Craig D. Pieper

Craig D. Pieper

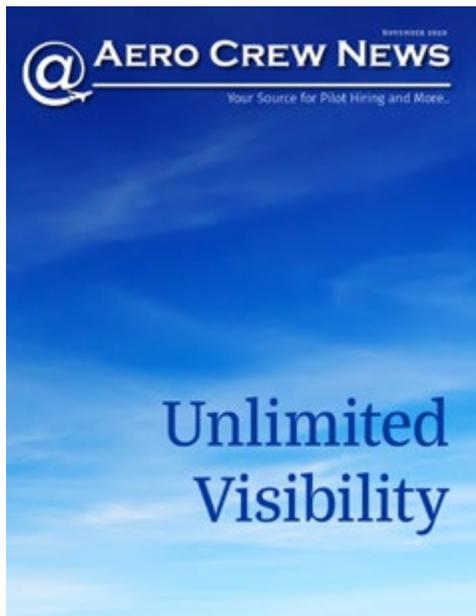


About the Publisher

Craig Pieper is the Publisher and Founder of Aero Crew News. Craig obtained his Bachelors of Science in Aeronautical Science, along with a minor in Aviation Weather, from Embry-Riddle Aeronautical University in 2001. Craig is also a First Officer for a major airline with a type rating in the Boeing 737 & Embraer 145 and has logged over 8,000 hours of flying time since his introductory flight on November 14th, 1992.

November 2020

Our FEATURE last month, titled Unlimited Visibility by Frank Girges, introduces a variety of professional pursuits, some in industries you may not have otherwise given any thought. Needless to say, drone pilots are a growth sector and the piece has some interesting insight into this realm. In Reini Thijssen's FITNESS column, the subject of added pounds as a result of quarantining is addressed. Much like the "Freshman-15" you might have experienced in college, a lot of people are facing The Quarentine-15. Reini has some solid ideas on how to avoid, tackle and overcome the menacing extra weight. Beyond flying, we all have another thing in common —income. We want to help you get the most out of yours and our MORTGAGE and MONEY columns do just that. Understanding how mortgages are calculated can help you plan to get the most from yours. Eric Hoolihan will unveil some of the mystery for us in his column titled, Mortgage Rate Influencers. From a new contributor, Gary Krasnov, be sure to read, Using an HSA as a Retirement Account. As we all are keenly aware, planning is necessary to both execute a successful flight and to accumulate and protect our assets. Reading the KNOWLEDGE BASE column will not only provide insight into IFR navigation, now and into the future, but it will elicit some good laughs if you read it aloud to someone outside our profession. It's written in our alien-to-others language, Acronymese! Really. It's a thing! As always, SQUALL LINE aims to edify on the subject of weather. This month, Anthony Lorenti shows us leaves- not the kind we admire in autumn but baroclinic leaf patters as seen on satellite. Learning is living! Remember to vote in our photo contest that concludes this month. Your feedback is always encouraged and always welcome at info@aerocrewnews.com.



CREDITS

Publisher / Founder
Craig Pieper

Aero Crew Solutions, CEO
Scott Rehn

Editor
Deborah Bandy

Layout Design
Michelle Harvey

Additional Contributors
Reini Thijssen, James C. Knapp
Eric Hoolihan, Anthony Lorenti,
Sergio Sovero, Katherine T. Schraeder

Aviator Bulletins
Provided by the companies listed

Photographs By
Photographs as noted.

Grid Updates Email:
GridUpdates@AeroCrewNews.com

Social Media Marketing By
Aero Crew Marketing
Nate Racine, Tyler Sutton
[Aerocrewsolutions.com/marketing](https://aerocrewsolutions.com/marketing)



United Introduces Customer COVID-19 Testing from Houston to Latin American and Caribbean Destinations

United and Advanced Diagnostic Laboratory team up to offer self-collected, mail-in COVID-19 tests to help ensure travelers meet country entry requirements

United announced today it is [expanding its customer COVID-19 testing efforts](#) to include flights out of Houston to select destinations in Latin America and the Caribbean. Starting for flights departing on December 7, customers originating from George Bush Intercontinental Airport (IAH) will have the option to take a self-collected, mail-in test that meets local entry requirements for the following destinations, allowing them to reunite with family or start their vacation immediately:

- **Aruba (AUA)**
- **Belize City, Belize (BZE)**
- **Guatemala City, Guatemala (GUA)**
- **Lima, Peru (LIM)**
- **Nassau, Bahamas (NAS)**
- **Panama City, Panama (PTY)**
- **Roatan, Honduras (RTB)**
- **San Pedro Sula, Honduras (SAP)**
- **San Salvador, El Salvador (SAL)**
- **Tegucigalpa, Honduras (TGU)**

“Widespread testing is key to unlocking international borders and safely reopening global travel. This is particularly important for our customers in Houston, who rely on United to keep them connected with their family and friends in Latin America and the Caribbean,” said Toby Enqvist, chief customer officer for United. “We’ll continue to lead the way on testing – United was the first to announce a customer COVID-19 testing program and the first to offer free tests on flights across the Atlantic – and we’ll look at new, innovative ways to make the travel experience even safer.”

The self-collected, mail-in COVID-19 test is \$119. The test will be administered by [Advanced Diagnostic Laboratory \(ADL\)](#) and processed at their COVID-19 testing laboratory in San Antonio, Texas. United will reach out to customers 14 days ahead of their flights to provide instructions on ordering a test and the testing process. United encourages customers to research the local requirements for further questions specific to their destination. Customers are advised to take the tests 72 hours before departure and should expect to receive results via email within 24-48 hours of mailing in their test.

“As the energy capital of the world and most diverse city in the United States, Houston plays an influential role in linking global economies,” said Sylvester Turner, City of Houston mayor. “As we fight against a second wave of the coronavirus, the private and public sectors, with guidance from public health experts, must work collaboratively and judiciously to reopen the global economy. Although a vaccine would be the ultimate solution, United’s expansion of its customer testing program is a step in the right direction. I commend United for their leadership and forward-thinking.”

ADL’s self-collection kit includes a plastic tube, a nasal swab and instructions on how to properly collect a specimen. ADL’s telehealth system will be available to support customers traveling to countries that require a health care professional to supervise the COVID-19 test. United has worked closely with officials in each country to ensure that any customer – both visitors and nationals returning home – who tests negative will be able to enter the country.

“Accurate and reliable testing is not only critical to reducing the spread of COVID-19, but essential in helping get this virus under control,” said Stan Crawford, chief operations officer for ADL. “We are invested in United’s commitment to ensuring customers not only meet their destination’s entry requirements but that, when they do travel, they do so in a way that is safer.”

[Click here for b-roll and visual assets of ADL's self-collection kit and testing](#)

In addition to adding another key element to its layered approach to safety, United has also seen a positive impact on travel demand and significant increases in customer load factors and revenue when testing options are available. For example, after United announced its COVID-19 test for customers traveling from San Francisco to Hawaii and allowing them to avoid a 14-day quarantine, the airline saw a nearly 95% increase in passengers compared to the prior two-week period. Last week, United launched the world's first free transatlantic COVID-19 testing pilot between Newark Liberty International Airport and London Heathrow Airport. Through this pilot program, all crew members and customers over the age of two on select flights will be required to take a rapid COVID-19 test and provide a negative result in order to take the flight, ensuring that everyone on board over the age of two has tested negative before departure.

A safer travel experience: United CleanPlusSM

Since the start of the pandemic, United has been a leader in enacting new policies and innovations designed to keep employees and passengers safer when traveling. It was the first U.S. airline to mandate masks for flight attendants, quickly following with all customers and employees. United was also among the first U.S. carriers to announce it wouldn't permit customers who refused to comply with the airline's mandatory mask policy to fly with them while the face mask policy is in place. United was also the first U.S. airline to roll out touchless check-in for customers with bags, and the first to require passengers take an online health assessment before traveling. United is applying Zoono Microbe Shield, an EPA-registered antimicrobial coating that forms a long-lasting bond with surfaces and inhibits the growth of microbes, to its entire mainline and express fleet before the end of the year.

The [latest research](#), including a recent study conducted by the U.S. Department of Defense, shows COVID-19 exposure risk on board United aircraft is almost zero due to the airline's advanced air filtration systems, mandated mask policy and diligent cleaning protocols.

For more details on all the ways United is helping keep customers safe during their journey, please visit [united.com/cleanplus](https://www.united.com/cleanplus).



Journey Aviation Grows its Charter Fleet with the Addition of a Falcon 2000 Now Offering Flights Worldwide

Journey Aviation – a worldwide private jet charter operator and aircraft management company – continues to grow its charter fleet with the recent addition of a Falcon 2000 registered N277XX. With this add, the company now has 17 aircraft in its charter fleet ranging from heavy to midsize jets and growing – all available for international and domestic flights.

With a 3,000 nautical miles range, the Falcon 2000 is the ideal choice for both business and leisure travel across the Americas. The aircraft offers a spacious cabin with its 10 passenger configuration and leather seating. The layout includes a forward 4-place club seating area and an aft 2-place club opposite a four-place conference area. The aircraft is equipped with a forward galley, microwave, oven, complimentary domestic WiFi, display monitors and Airshow.

Journey Aviation's Chief Executive Officer, Fabian Bello shared, "We are pleased to announce the newest heavy jet addition to our charter fleet and look forward to the continued growth of our company. Journey is incredibly grateful for this period of progression and we will continue to serve our clientele with premium service, utmost care and elevate expectations into the New Year."

Journey specializes in 24/7, on demand, charter flights worldwide with a stringent focus on achieving excellence in personalized service and quality product. With the addition of N277XX, Journey's fleet of 19 aircraft comprises of Gulfstream G550, Gulfstream GV, Gulfstream G450, Gulfstream GIVSP, Gulfstream GIV, Challenger 300, Falcon 2000 and Hawker 4000 models. The company holds high industry standard safety certifications ARG/US Platinum, ISBAO Stage II and is Wyvern Rated.



Delta the only U.S. airline to block middle seats, limit onboard capacity through March 30, 2021

Delta will continue delivering on its industry-leading commitment to provide more space for customers as the [only U.S. airline blocking middle seats](#) for flights departing now through March 30, 2021.

[As more medical experts agree on the safety of air travel](#) thanks to the multiple layers of protection provided under the [Delta CareStandard](#), blocking seats into spring 2021 provides added confidence and reassurance for customers booking future travel plans.

“Several independent studies have validated the effectiveness of the Delta CareStandard’s multi-layered protection, like advanced ventilation and an extensive cleaning regimen, which together significantly reduce the risk of flight-related transmission,” said Bill Lentsch, Chief Customer Experience Officer. “However, we recognize some customers are still learning to live with this virus and desire extra space for their peace of mind. We are listening and will always take the appropriate steps to ensure our customers have complete confidence in their travel with us.”

The health and safety of our customers and employees remains our top priority. The Delta CareStandard encompasses more than 100 protective measures, such as sanitizing every flight, a comprehensive employee COVID testing program, and the use of industrial-grade HEPA filters that extract more than 99.99% of particles, including viruses. [Read more about the Delta CareStandard.](#)

Taking the Stress Out of Flying

Delta is making it easier to plan and book your next trip.

Delta launched [a new interactive map on delta.com](#) that gives customers the power to search, view and click-to-book their desired destination all in one place, giving full control and a better understanding of current travel restrictions and what to expect upon arrival.

The data is curated from government agencies and the International Air Transport Association to provide detailed insight into quarantine and testing requirements, travel forms and paperwork, local health information, local COVID-19 guidelines, and links to necessary forms and applications needed prior to travel.

In addition to a new trip planning tool, we’re offering greater flexibility if you ever need to change your plans, including:

- 1. No change fees for a U.S. domestic ticket or domestic award ticket, excluding Basic Economy fares.**
- 2. No change fees for all domestic and international tickets purchased through Dec. 31, 2020, even if scheduled to travel next year.**
- 3. Extending the use of travel credits through December 2022 for travel originally scheduled to depart before March 31, 2021 (if the ticket was purchased before April 17, 2020).**



Alaska Airlines further modernizes fleet with 13 new leased 737-9 MAX aircraft

Alaska Airlines announced a transaction today that continues the optimization of its mainline fleet. As part of the agreement, Alaska will sell 10 Airbus A320s to Air Lease Corporation, and subsequently lease 13 new Boeing 737-9 MAX aircraft from them. The 13 737-9 MAX aircraft will be delivered from fourth quarter 2021 through 2022. Alaska will lease the A320s back from Air Lease for a short period of time after the transaction closes.

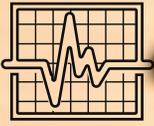
“Alaska’s relationship with Steve dates back to the early 1980s and we’re thrilled to work with him and ALC on an agreement that will enhance our fleet and advance our environmental, operational and financial performance,” said Brad Tilden, Alaska Air Group chairman and CEO. “We found an opportunity to sell 10 planes that are not in our long-term plans and replace them with 13 of the most efficient narrow-body aircraft available.”

“We are honored and pleased to renew our long association and partnership with our friends at Alaska Airlines,” said Steven F. Udvar-Házy, executive chairman of Air Lease Corporation. “These leased Boeing 737-9 aircraft from ALC will fill an important role on Alaska’s diverse route network, bringing the most technologically advanced and environmentally attractive aircraft type into Alaska’s fleet, just in time as we expect the airline industry will undergo a sustainable recovery starting in 2021.”

The MAX aircraft are 20 percent more fuel efficient and generate 20 percent less carbon emissions per seat than the A320s they will replace. The aircraft is also able to fly 600 miles farther than Alaska’s current A320, which opens the possibility of additional nonstop routes and new destinations.

The 13 leased aircraft are in addition to the 32 MAX Alaska currently has on order with Boeing – five of which are expected to be flying by summer 2021. Alaska will begin flying the 737-9 MAX in March 2021. Read more about how Alaska will prepare to fly its first MAX at alaskaair.com/737MAX.

After permanently parking all A319s and some A320s earlier this summer, this deal leaves Alaska Airlines with 39 A320s in the operating fleet along with 10 A321neos.



- ♥ Wish
- ✓ Outcome
- ♥ Obstacle
- ♥ Plan

How To Make Your New Year's Resolutions Last

WRITTEN BY: REINI THIJSSSEN

When the end of the year approaches, traditionally, many of us take the time to reflect and set new goals for the following year. It is a common phenomenon to look back at the intentions and resolutions we had, only to realize that it might feel as if none of them have been accomplished. When it comes to goals for 2021 – However challenging the past year may have been, try not to let yourself be discouraged by the setbacks you may have endured. Instead, be proud of what you have accomplished!

Let Go

Maybe that is why it might be better to let go of setting goals and enjoy what you have achieved. Setting goals can cause immense stress. When making new year's resolutions, we decide that this year will be the year of change. A few months later, nothing has changed. The result is immense feelings of guilt and stress that might negatively impact your mood and other goals you were working on. Goal setting is personal: if it makes you productive and happy, then it works for you. If not, maybe it is better to let go of new year's resolutions.

Intrinsic Motivation

Resolutions have to do with behavioral change and long-term benefits. Generally, change is not fun in the short term. Without setting goals and sticking to them, most people get stuck in their so-called 'comfort zone.' We avoid behaviors that do not pay off in the short term or cause pain. When trying to change and set achievable goals, the goals must offer more positives than the current situation. For example, it might sound great to lose those extra 20 pounds when you want to lose weight. But is it realistic? Are you willing to change your diet and work out three to four times a week? The real motivation and intrinsic goals have to be greater than wanting to look great on the beach next summer. Often there is a deeper motivation, such as wanting to be fit to deal better with fatigue. Finding your intrinsic motivation helps to understand what really drives you!

WOOP

Have you decided that you want to set goals for 2021? Follow the four steps of the WOOP method to help achieve them:

1. Wish

Find a quiet and comfortable place to be alone without any distractions. Turn your phone in airplane mode and close your eyes. Set your phone alarm for five minutes and focus on the goals that you want to achieve. It is important to formulate them as concretely as possible. For example, instead of "lose weight," the goal will be to "lose 15 pounds in six months." Determine if the goal is achievable, challenging, and appealing enough for you. A goal that is too easy or one that prevents you from ever doing something again, doing something every day, or following someone else's might become counter-effective. "Never have unhealthy snacks again" is probably not feasible, and neither is "working out in the gym for two hours every day." These goals often lead to frustration, insecurity, and demotivation. Think about concrete, achievable wishes, such as "fit into my favorite jeans again," "start a new study," or "spend more time with my family."

2. Outcome

Once the wish is clear, try to envision what the wish will do for you. What will change for the better with that salary increase, a new degree, or without those extra ten pounds? Maybe it provides the opportunity to buy that house, a new career path, or to play football with your kids. When envisioning these results, focus on the pleasant feelings that come with the thought. The more detailed and rewarding you envision the change, the stronger the motivation grows. Positive and motivating examples would be: "I have more financial security," "I am proud of my intellectual development," or "I feel fit enough to entertain my kids."

3. Obstacle

When you know exactly what you want and why, it is time to convert these dreams and wishes into practical steps. Start with asking yourself what keeps you from realizing your wish. Why is it difficult to eat healthier and to work out twice a week? What keeps you from studying once a day for an hour? Concentrate and think about specific situations where you did not do what you wanted to do. Why did it not work? Who was with you? What were you doing? How did you feel? The answers to these questions can provide useful insights for you to behave differently in future situations.

“At night, I am too tired to do anything other than watch television,” “I do not know how to cook healthy,” or “My phone keeps distracting me,” are all examples of obstacles that you might encounter impeding follow through to your personal goals.

4. Plan!

Understanding what these personal stumbling blocks are is the perfect preparation for the final step. In this stage, it is crucial to make an “if-then plan.” The “if-then plan” concisely describes what you will do to keep your intention when an obstacle blocks your road to success. Describe the specific obstacle in the “if” part of the sentence, and the new behavior that will help you is described in the “then” part. Understanding and having a plan helps you recognize and be more responsive in critical situations and adjust the behavior – almost immediately – in the right direction.

For example, “When I feel low on energy to work out, I will put on my sports clothes and go for a short run before I sit down in front of the television,” or “If I want to focus on studying, I will put my phone in another room.”

Final Note: Happy 2021

Whatever your goals, make the process fun! Rewarding desired behaviors has a more positive effect on reaching your goals than punishing undesirable behaviors. Punishment brings on those feelings of self-doubt and guilt when you’re not achieving your goals. When we reward our behaviors, we create a Pavlovian effect between the behavior and the reward. This effect makes it more pleasurable to continue toward our goals.

The rules for rewards:

- The reward must be come during or immediately after the behavior.
- The reward must be strongly related to your motivation.
- The reward should not derail your goals. (E.g., when focusing on weight loss, do not use unhealthy snacks to reward yourself after a workout.)
- Choose a reward that motivates you!

Whether or not you will make New Year’s resolutions this year, I wish you a happy and healthy 2021!



About the Author

Reini Thijssen is a Dutch certified life coach and avid traveler. [Read More...](#)



End-of-Year Financial Check-Up

WRITTEN BY: KAT SCHRAEDER, CFP®

With all of the changes occurring this year, an often-overlooked area that may need rejuvenation is your financial health. The end of the year is the perfect time to reevaluate your financial situation to ensure you have all of your major financial bases covered to start the new year off right. The checklist below will help simplify how to go about this process.

Have you scheduled an annual plan review with your advisor?

Regardless of what stage of life you are in (new hire, mid-career, or retirement), there are services and offerings to help you navigate the journey. If you have not updated your plan in the past 12 months, contacting RAA is a great place to start. It's easy to schedule a meeting.

Have you reviewed your current budget?

Most people don't know where all their money goes, making it difficult to save and plan for future expenses. RAA has a great, interactive budgeting tool. Download your copy.

Are you prepared for the unexpected?

Do you have an emergency fund large enough to cover three to six months of expenses? If not, contact your advisor who can work with you on developing a plan to accomplish this.

Have you reviewed your insurance coverage?

Having proper insurance coverage is a key factor in minimizing risks to your financial security. Have you paid particular attention to your disability coverage needs? Disability can significantly alter your financial course, and even more so if you are not insured in case something happens that prevents you from flying.

Have you reviewed your estate planning documents recently?

- Are your documents current?
- Is all the information relevant?
- Are your beneficiaries correct on all your accounts and policies? Take some time to review all your accounts and insurance policies to ensure the beneficiaries are current.
- Are the documents more than five years old? Have any significant life events occurred? If either or both are true, it is time to update your documents.
- Does your advisor have a copy of your documents, specifically your Durable Power of Attorney?

Have you updated contributions on your retirement accounts (401(k), IRA, Roth, HSA)?

- Are you participating in your employer-sponsored plan?
- Do you need to adjust your contribution for 2021?
- If you are 50 or older, are you taking advantage of the catch-up contribution limits (age 55 for HSAs)?
- Does your plan offer a Roth option? Does it make sense for you to take advantage of this option?

Are you withholding too much or too little in taxes?

Like your estate plan and budget, your tax withholding should be reviewed regularly, especially if you have any changes in income. Contact your tax advisor/preparer to verify the withholding amount appropriate for your situation.

There is value in working with advisors who understand your situation and your industry. RAA has focused on the financial needs of airline employees and their families for over 30 years, and our team is happy to help you with customized solutions in any of these areas and more. We believe updating your financial plan on an annual basis is imperative to achieving your financial goals. It's never too early nor too late to improve your financial health. Request a complimentary financial consultation with an advisor to find out how you can get started at RAA.com/Checkup.



About the Author



Katherine T. Schraeder (Kat) serves as the Vice President of Client Relations for RAA. Kat joined RAA in 2006 as a Financial Advisor. [Read More...](#)



SQUALL LINE

Lake Effect Snow

WRITTEN BY: ANTHONY LORENTI

<https://www.weather.gov/safety/winter-lake-effect-snow>

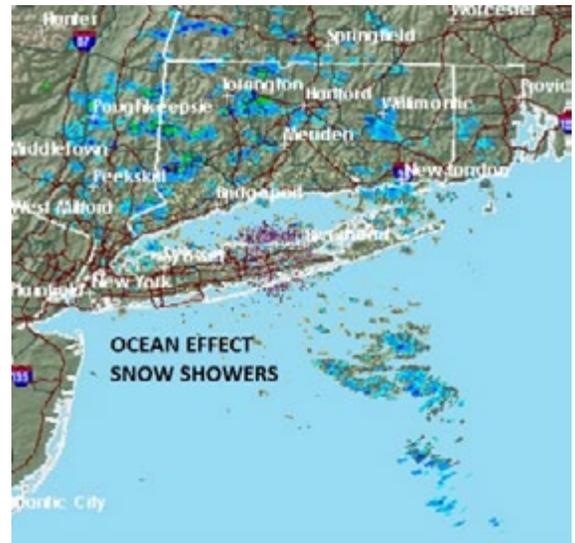
It is that time of year, Lake Effect snow (LES) and its hazards are upon us. Here, I'll briefly address the science behind this phenomenon. Hopefully, this article will lend some perspective that relates to your pre-flight and in-flight decisions regarding this subject. My goal is for you to be at a heightened state of awareness the next time you go up against this flight hazard.

Ingredients

Lake Effect snow requires lakes. Or does it? What Lake Effect snow really needs are:

- Warm (relative to the airmass above it) body of water. This provides moisture and buoyancy.
- Cold airmass advecting over it.
- Specific wind direction
- Some lift. (Often, it is orographic lift provided by the prevailing wind being lifted by the shore/ landmass.)

Incidentally, you can find Lake Effect-like snow phenomenon in such places as Cape Cod, Long Island and south of Long Island itself. In these cases, Lake Effect snow is referred to as Ocean Effect and gets its supply of warm water from Cape Cod Bay, Long Island Sound and the Atlantic Ocean. We do not often hear about Ocean Effect snows because these impact smaller populations than the notorious Great Lakes variety.



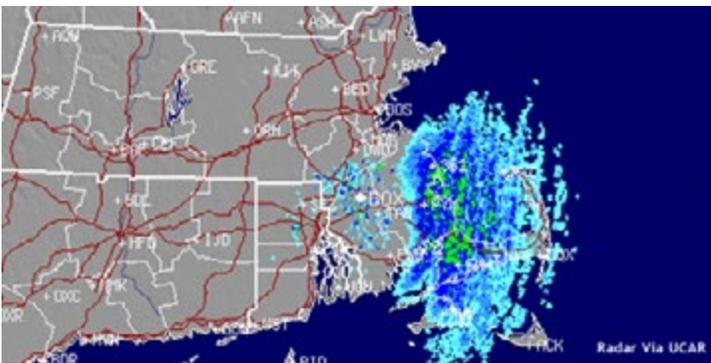
Winter convection

The process and ingredients by which LES forms should sound familiar. The only reason LES does not become a thunderstorm is that often, during the colder months, there is not enough buoyancy in the atmosphere to support taller clouds. LES clouds are cumulus in nature, but often not very tall.

However, there can be thundersnow – a thunderstorm in which snow, not rain, is the prevailing precipitation. Sometimes, LES can be part of what is called “low-topped convection.” These are simply cumulus clouds that only reach altitudes in the teens to twenties (x thousand).

What’s the fetch?

A key ingredient needed to set this into motion, is wind direction. If the orientation of the wind is over land, then water then land, Lake or Ocean Effect snows can occur, often in earnest. The surface distance over which the prevailing wind travels is a big factor – not just in LES formation, but in how much snow is dumped. This distance across the given body of water over which the wind blows in a single direction is referred to as “fetch.”



How LES affects you in flight

In my opinion, the single biggest hazard of Lake Effect snow to airplanes is its potential for sudden onset. One minute it is better than 5000 and 5 and the next minute it is CAT II minimums. As a conscientious pilot, while flying into airports prone to LES, your situational awareness needs to be at a high level. Brief and set-up your navigational resources for the possibility of low visibility approaches even when the airport is VFR.

If you have not done a thorough pre-flight weather briefing, your ability to know about and see (visually or on radar) LES while flying is pretty much nil. You need to know about its potentiality in the first place. If you are ready, you are safer. If you are not, you're more at risk. Know and brief!

The second biggest hazard to LES (in my opinion) is wind shear. Often, LES starts in the form of a squall. Brief and expect wind shear.

Thirdly, field conditions and their rapid change can be an additional and significant hazard. A bare and dry runway could experience rapidly deteriorating conditions. You may not want to be the first aircraft to land on a freshly coated runway. Consider holding. (By the way, did you consider hold fuel when you launched the flight in the first place?)

It is not a lost cause

The TAF is your first line of defense in dealing with LES. It obviously tells you the presence of low visibility, wind shear, precipitation type and intensity. That said, the TAF does not directly inform you from where all these hazards are coming. The weather radar you check before flight can help. An inherent flaw of a TAF is that while it tells you the weather, it does not tell you the nature or flavor. The knowledge of whether atmospheric hazards are synoptic or mesoscale is especially important to know. You gain this knowledge with a thorough weather briefing. It's not just important to know that the weather is going to be good or bad, but why.

Remember that use of the radar picture, the satellite, and our typical weather products should be combined to assess the possibility and/or existence of LES.

One additional tool that you could use to familiarize yourself with LES are called "Lake Effect Snow Advisories." Consult <https://www.weather.gov/>. These, along with other weather advisory, watch and warning products issued by NWS can be used in conjunction with your aviation weather products to alert you to LES. See the NWS [definition here](#).

In closing

The good news about LES is that it can be very transient in nature. A change in wind direction can stop it from occurring rather quickly. If you have hold fuel and some patience – great! Just note, sometimes LES never seems to stop but, there is good news here. The precipitation and weather gradients are often very drastic which means a place of retreat is often not far away.

This mantra should apply always: A well briefed pilot is a great safety device. This applies to both the weather briefing and the in-flight cockpit briefing. In cases of LES, these two matters take great prevalence. If your situational awareness is what it should be, briefing routines should take on heightened priorities when dealing with Lake Effect snow.



About the Author



Anthony Lorenti is an ATP, CFI, Fire Fighter and EMT with a Bachelors degree in Business Management. [Read More...](#)



KNOWLEDGE BASE



Instrument Departure Procedures

WRITTEN BY: SERGIO SOVERO

Prior to flight, pilots are required to familiarize themselves with all available information, which includes reviewing instrument departure procedures. This review is to guarantee a safe transition from the terminal area to the en route structure.

Instrument departure procedures are categorized into two main groups: standard instrument departures (SIDs) and obstacle departure procedures (ODPs). Each serves a specific purpose, ranging from traffic flow to obstacle avoidance. Pilots pursuing an instrument rating must be familiar with both, including where to find them and how to interpret them.

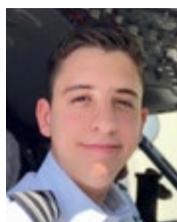
Obstacle departure procedures (ODP) are designed entirely for obstacle and terrain avoidance. ODPs do not require ATC clearance to be flown, as most are found at uncontrolled airports. Though not mandatory, they are strongly recommended by the FAA. Failure to follow them may result in a CFIT (controlled flight into terrain) event. Pilots can find ODPs in the terminal procedures publication as they are specific to each airport. Procedures are runway-specific as well. If after departure, ATC issues a clearance conflicting with the ODP being flown, the pilot must query the controller and request clarification. Because ODPs do not require ATC authorization, they do not have to be included in the IFR flight plan.

On the other hand, standard instrument departure (SID) routes are intended to transition IFR aircraft in an efficient manner, particularly within congested airspace. They require ATC authorization, as they attempt to minimize pilot and controller communication. Even if a pilot does not file a SID, ATC may assign one if deemed

appropriate (assuming the aircraft meets the equipment and performance requirements). Before filing a SID, ensure your aircraft is capable of compliance (equipment, speed and altitude restrictions, climb gradient performance requirements). Those limitations are listed within the procedure itself as notes. Inoperative equipment may restrict your ability to fly a SID, a reason why you must relay such information to ATC. Given an airport may have multiple SIDs, as a general rule, find the most convenient procedure based on your direction of flight.

Instrument departures are intended to accommodate aircraft efficiently within IFR navigation. The complexity of the United States national airspace system has made these tools critical for safe navigation. Pilots must have a solid understanding of each type of procedure, as well as the potential risks associated with neglecting their existence. It is always the pilot's responsibility to query ATC, particularly when an instruction is not clear or seems contradictory.

Together, we are a team that strives to keep the skies safe.



About the Author

Sergio Sovero is a First Officer for a US major airline, Gold Seal CFI, AGI, IGI and currently pursuing his MBA in Aviation. [Read More...](#)

A.D

Aquiline Drones



Serial Entrepreneur and Airline Pilot Creates New Employment Opportunity for All Americans

As businesses and individuals struggle with an uncertain coronavirus-tainted future, Barry Alexander has a clear vision for success. The serial entrepreneur has always been on the cusp of innovation, mainly in aviation, despite seemingly insurmountable odds. Now through his company [Aquiline Drones \(AD\)](#), the veteran airline pilot is offering others the chance to set a course for their future by offering a unique drone pilot training and small business start-up program called “Flight to the Future.”

“From the very beginning, I decided to determine my own destiny by becoming a pilot and pioneering a crucial air ambulance service called ‘Aquiline Air Ambulance’ that was designed to fly patients and medical resources to specialized hospitals across the Caribbean and into the US,” explained Alexander, CEO and Founder of Aquiline Drones.

“Self-actualization is a necessity in combatting adversity, and is the most appropriate gift that gives hope, empowerment, self-worth and balance where financial uncertainty looms over our economy.”

As part of Alexander’s latest endeavor, Aquiline Drones (AD) - a progressive and all-American drone manufacturing enterprise and cloud technology company (AD Cloud), the new online [“Flight to the Future”](#) (F2F) training course prepares a participant to become a fully licensed drone pilot and business operator by using advanced technology to create high-paying jobs to help transform the current unemployment landscape. The program can be accessed at: ADflight.to/future

Alexander notes that Aquiline Drones’ Flight to the Future program utilizes the most sophisticated technology platform (Ad Cloud) to achieve its goals, including AD’s proprietary cognitive agent named ‘Spartacus’, that provides feedback throughout a participant’s curriculum and training. Spartacus then becomes a job advisor once the individual establishes his or her business and populates the operator’s app with customer job requests for actual drone job opportunities. This advanced Drone-On-Demand (DoD) job aggregation system matches newly certified drone service providers (DSP) – essentially pilots trained through AD’s F2F program, with real jobs and missions in their respective areas.

The first wave of classes began on September 15, 2020 with continuous enrollment and training throughout year-end 2020 into 2021. The Flight to the Future program ranges in cost from \$799 for licensed pilots to \$999 for members of the public.

The four steps of the [Flight to the Future](#) course offers participants:

1. **Pilot Training and Federal Aviation Administration (FAA) Certification**
2. **AD Cloud Training and Certification**
3. **Mastery in a Specific Industry Application**
4. **Small Business as a DSP, Commercial Drone Insurance, AD Cloud subscription and a state-of-the-art Commercial Drone**

“Small business is the lifeblood of our economy and we hope to register upwards of one million new businesses, resulting in one million + new jobs through this program by the end of the year, 2021” adds Alexander.



According to a report by the US Bureau of Labor Statistics, unemployment in America reached an all-time high of 23.9% - primarily because of the coronavirus pandemic and efforts to contain it. But unlike our predecessors during the Great Depression, today's 40 million jobless individuals have more options than ever before to quickly reboot their careers in our post-COVID world – and AD is on a mission to help Americans regain financial independence. The full-service, drone and cloud technology company has spent years conceptualizing and incubating this innovative new online drone pilot training and small business ownership program for seasoned aviators, drone enthusiasts and the public.

“As one of four drone airline companies in America, privately owned by professional aviators and guided by a retired three-star Airforce Lieutenant General as our Chief Strategic Advisor, Aquiline Drones has witnessed a massive amount of pilots and military personnel lose their positions and border on bankruptcy as a result of this detrimental pandemic,” said Alexander. “At the most basic level, drones are miniature aircraft and thus, a natural transition for commercial or military pilots. However, we've created a simple and tangible training program that appeals to the masses as well. Our powerful drone pilot training program is a chance to get out of unemployment, leave the present behind and reinvent oneself for the high-tech future.”

In fact, a recent report by Drone Industry Insights (DII), projects that the commercial drone sector is growing at a rate of 13.8% compounded annually and is expected to double by 2025 to over \$42 billion.

Additionally, the recent American Security Drone Act of 2019, which aims to ban the federal procurement of foreign drones - mainly Chinese - creates unprecedented opportunity for drone solutions in the United States giving rise to a new and lucrative drone manufacturing ecosystem.



Activities easily performed by drones include routine inspections of construction sites, tunnels, bridges, power lines, energy plants, railroad tracks, coastline erosion, real estate, agriculture, livestock monitoring and wildlife management. They are also unrivaled in assessing and mitigating potential natural disasters and other forms of mayhem that could ultimately lead to loss of livelihood, property or even life.

A more detailed application of how an advanced unmanned aerial system (UAS) can benefit a variety of sectors follows:

- **Asset Inspection** – Drones may be equipped with optical sensors, infrared sensors and normalized difference vegetative index (NDVI) sensors to inspect major plant assets and facilities, like nuclear reactors, oil rigs, natural gas tanks, windmills, power transmission lines, solar panel surfaces and water treatment plants for potential leaks, breaches and failures. In addition, drones can reach remote resources such as drilling and offshore equipment, warehouses and wind and

A.D
quiline Drones

Powered by ACS

Mobile Command Centers



Mission critical asset classes
that enable autonomous operations

Range of vehicle types

Secure communications and flight control

AI and edge computing – powered by ACS

UAV storage and recharging

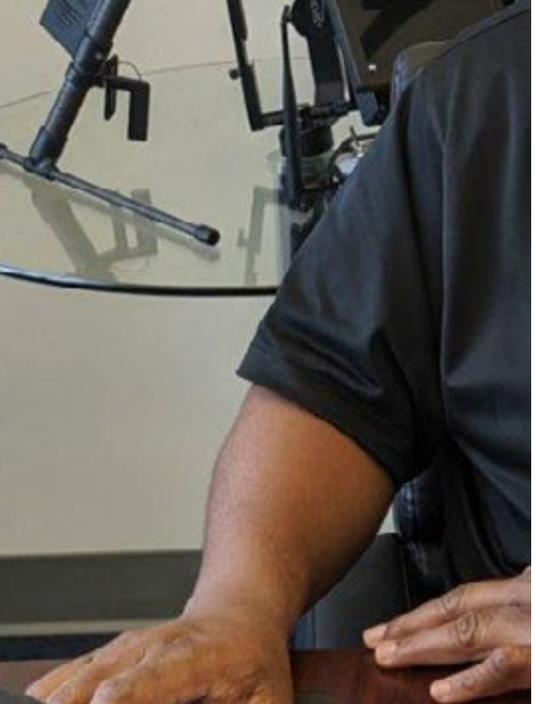
Specialized for industries and environment

Types of Mobile Command Centers

Large Truck | Portable Kiosk | Pad



Aquiline



A.D. line Drones



A.D.
Aquiline Drones

Powered by

Decentralized Manufactu



US-based systems integration,
modular manufacturing and MRO services

Agile workstation cells

On-premises manufacturing capability

Aviation-grade systems integration

Advanced 3D printing

Full lifecycle MRO

Decentralized Manufacturing allows for:

Scalability | Remote Production | On-demand Flexibility | Better Reliability

A.D.
Aquiline Drones

solar farms to improve preventive maintenance, reduce costs and downtime, while improving the safety of personnel and increasing ROI. Utilizing still imagery, video and 3D modeling, industrial structures can be monitored with great detail.

- **Delivery & Logistics** – Centralized control, autonomous flight and precision terrain data using ‘see-and-avoid’ capabilities allow for small package drone delivery with a variety of payloads.
- **Agriculture** – Single drones or drone swarms can scan farms to identify land in need of irrigation or fertilization. Autonomous sprayer drones are capable of carrying 25+ pounds of liquid to treat 12,000 square feet, thus distributing fertilizer and insecticides more cost effectively and safely than humans. Drones can also be equipped with LiDAR sensors to perform geodesic analysis in the exploration of new areas suitable for farming. They can also be equipped with infrared sensors to identify the heat signatures of livestock to indicate whether any portion is ill, thus giving farmers critical insights that could impact yield in meat and dairy products. Similarly, drones are able to locate stray animals in the day or night and warn of nocturnal predators.
- **Defense** - Industrial-grade drones are in constant demand by various branches of the military, especially the Army and Navy for safe intelligence, surveillance and reconnaissance (ISR) use cases. Autonomous drones coupled with strategically placed sensors and mobile command centers (MCCs), can routinely patrol border crossings and drone swarms are becoming a popular and effective method in warfare.
- **Video Production** – Drones offer next level business marketing for real estate, entertainment venues, tourism, colleges, churches and other institutions with specialized capabilities and preloaded flight configurations.
- **Transportation** - Drones assist in all road, bridge, tunnel, and mine evaluations, as well as the delivery of goods and supplies.
- **Public Safety, Emergency Response, Law Enforcement & Smart Cities** – One of the largest areas for commercial drone growth is within the public safety sector. Drones provide effective disaster and medical response, including the delivery of emergency supplies and equipment to victims in areas that are not safe to travel to by others. They can be deployed ahead of police to provide first-person viewpoints of crimes in action, including live footage of the scene and images of criminals. In a ‘smart city’ initiative, AI-driven sensors designed to pick up abnormal sounds associated with crimes and danger can be positioned in key locations across a region to give police advance warnings thus, keeping them safer on the job. When seconds count in an emergency event, drones can be organized ahead of first responders, fire departments and EMTs to access the situation, provide a critical analysis of the scene and deliver life-saving supplies to victims that are not readily accessible by a human person in time. Even public street cleaning can be assisted by a UAS. If there’s a foot of snow on the ground, drones can scan roads to help snowplows coordinate their actions effectively and efficiently.

A.D

Aquiline Drones

Lastly, Alexander notes that drones have been instrumental in protecting our military heroes from COVID-19 by patrolling high-risk areas, monitoring health of personnel, and securing installations. “With a chronic shortage of personal protective equipment (PPE), there is no need to expose our servicemen and women to unnecessary risk when robots can be used as frontline responders,” he concludes. “Protecting them now will insure that they can continue to protect the public as this pandemic rages on!

Interested candidates may register at www.aquilinedrones.com/flight-to-the-future.

About Aquiline Drones

Aquiline Drones is an independent, all-American drone company founded by highly experienced aviators, systems engineers and IT gurus. With a customer-centric model, US-based manufacturing and supply chain and world-class MRO services, the company offers innovative and successful ways for using drones in commercial activities.

Supported by a dedicated UAV cloud and real-time OS, autonomous drone operations with real-time control and dynamic in-field decision making capabilities, Aquiline Drones’ full-spectrum of technological solutions provide a more expansive and deeper applicability across countless industries and environments by delivering real-time data insights. Aerospace-compliant processes for software, hardware manufacturing and systems integration, along with best-in-class mission capabilities are being planned and designed as the company continues to create strategic partnerships with Federal, State and private organizations in an effort to develop and launch new drone system applications in a collaborative manner. Visit www.AquilineDrones.com for more information.





Mortgage Rate Influencers – Part Two

WRITTEN BY: ERIC HOOLIHAN

Last month, we examined some of the factors (most of which are out of our control) that have an effect on your mortgage interest rate. This month, let's dive a little deeper into the elements that you can control that can also affect your interest rate.

Your credit scores influence a variety of aspects of your life. Of course, loan interest rates are one, but your credit score can also impact your utility bills, insurance pricing and more. When a lender reviews your credit report, they look at multiple pieces of information such as payment history, number of inquiries, amount of debts, lines of credit, and others. When we look at a credit score, we are evaluating what is officially known as a FICO (for Fair Isaac Corporation) score. FICO is an analytics software company that provides services to businesses and consumers but they are best known for providing the credit scores that are used to influence credit decisions.

A credit report generally lists the score provided by each of three nationwide credit reporting agencies: TransUnion, Equifax, and Experian. Each agency collects information and while there is a lot of similarity in the information, scores between the agencies can vary for many reasons. For example, lenders don't always report

debts to all three agencies. Because of this, the data in your reports can vary, making each agency's score different. Because of the varying scores, as the basis of the credit decision, lenders generally use the borrower's middle score (or if there are two/joint borrowers they will use the lower of the two middle scores). You may have a credit card or bank account that provides your credit score as a free benefit. These are not your official FICO scores and lenders have to base their decisions using the scores shown on your official credit report.

Once a lender has evaluated your credit, everything is put into a Loan Origination Software (LOS) program. Daily, and sometimes more-often, lenders publish a rate sheet. Rate sheets list the pricing for interest rates based on several factors. Each loan program and specific interest rate has a base price that is valid for a specific period of time (from just a few days to as long as 60 or even 90 days). When you "lock" your rate, you are locking in this pricing.

The lender then applies “loan-level pricing adjustments” to that base price. Here are some examples of the loan-level price adjustments that a lender may apply:

- Loan-to-value – the ratio of the loan amount to the appraised value or purchase price, whichever is lower
- Loan amount
- Credit Score – the lender will have different pricing tiers for various credit scores; better scores equal better pricing
- Loan-type – e.g., a cash-out refinance may have a price adjustment that a rate and term refinance do not have

- Secondary financing – if a borrower has a second mortgage, home equity line of credit or other type of loan secured by the property, the lender will often apply a price adjustment

After applying the adjustments to the base price, a lender arrives at a final price for the interest rate. That price may offer what’s known as a “lender credit” or it may have what’s known as “discount points.” Here’s an example of the pricing for a 2.75% rate for a \$336,400 loan on a property appraised at \$490,000 with a credit score of 732. Adjustment percentages are based on a percentage of the loan amount:

Adjustment Name	Adjustment %	Dollar Amount	
Base Price	-2.315	(\$7,787.66)	The base price offers a CREDIT of this amount
FICO 720-739 LTV 60.01%-70%	.250	\$841	There is an \$840 penalty for the credit score and LTV (loan to value ratio) combination. A higher score or lower LTV may reduce or eliminate this penalty. A lower score or higher LTV may incur an additional penalty.
Refinance Loan >\$125,000	.500	\$1,682	For most refinance loans delivered to Fannie Mae/Freddie Mac, there is a .5% “Adverse Price Adjustment” charged
Final Price	-1.565	(-\$5,264.66)	This is the final amount of credit (in this case) for the particular interest rate)

This is just an example of some of the factors that influence the pricing for a particular interest rate. Next month, we’ll be taking a more detailed look at the role lender credits and discount points play with your mortgage. Stay tuned!



About the Author

Eric Hoolihan has been an airline pilot for over 14 years having flown the D-328Jet, EMB-145 & A320. He is licensed as a loan officer in Minnesota and Texas. [Read More...](#)



MAKING FINANCIAL SENSE

Now What?

OPINION BY: JAMES C. KNAPP, AIF®, BFA™, CPFA®

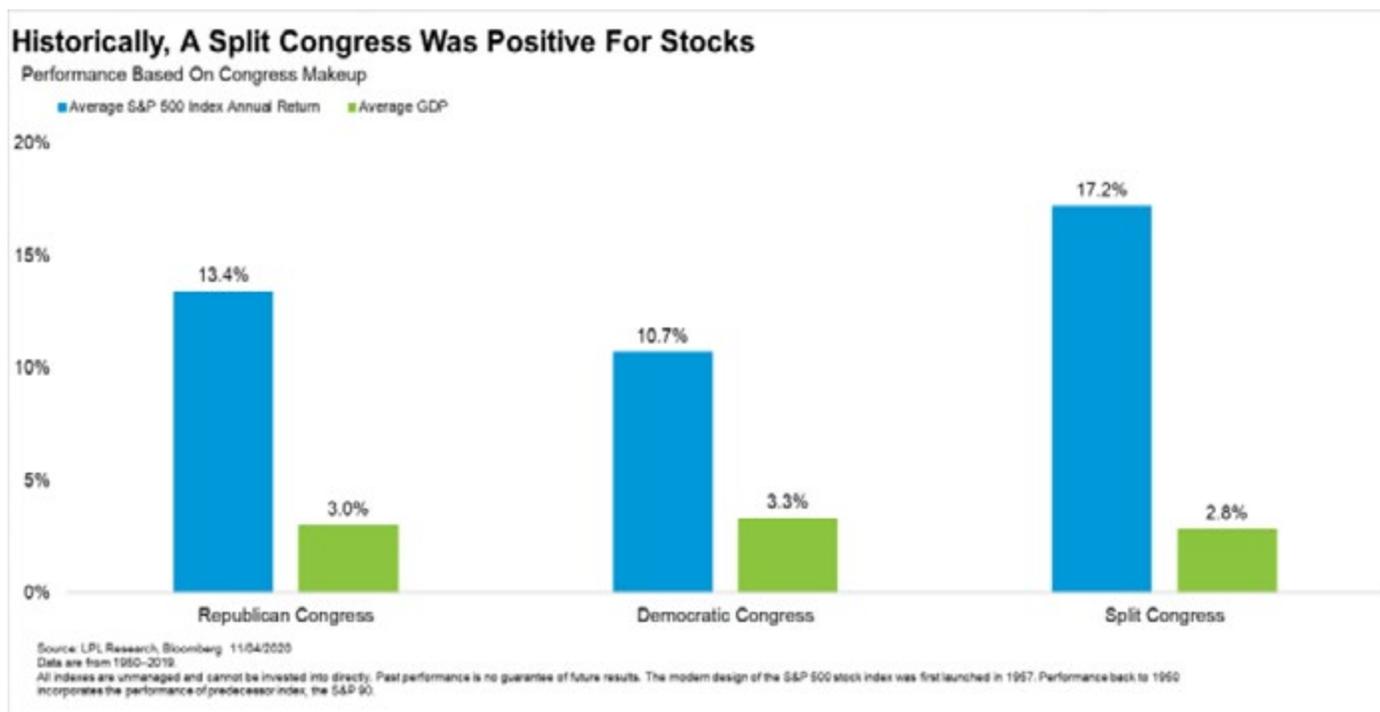
Election day has passed and the potential vaccines for COVID-19 may have arrived. Many investors ask, "Now what are we supposed to do?" As investors, our goal is to gather seemingly unconnected pieces of information and merge them into meaningful context to help guide our investment decisions. Imagine Sherlock Holmes as we begin our search for evidence and clues. (This article won't review every metric, though it can be viewed as a good starting point.)

Election Outcomes

According to NBC News, an estimated 159.8 million Americans voted in the 2020 presidential election, representing 66.8% of the 239.2 million “voting-eligible” Americans. The total of 159.8 million voters is an all-time U.S. record and 66.8 % is the highest percentage of turnout in 120 years¹.

The presidential race has been decided but uncertainty surrounds the balance of power in the Senate. There are two run-off races in Georgia taking place in January 2021 that may determine who controls the Senate. While still maintaining control, Democrats lost seats in the House.

The chart below shows the S&P 500’s performance with a split Congress which may be viewed as a positive as investors care about taxes and regulatory policies.



¹ <https://www.cnbc.com/2020/11/04/2020-election-sees-record-high-turnout-with-at-least-159point8-million-votes-projected.html>

Vaccines

The November 9 announcement from Pfizer and its partner, BioNTech, released preliminary results which suggested their vaccine was more than 90% effective in preventing infection. It's worth noting that these results were preliminary, and the vaccine's effectiveness remains unknown. Other companies are fast tracking their protocols to produce vaccines, as well.

The timeline for a global rollout likely means few people will receive the two-shot vaccine. Even assuming the best-case scenario of a speedy FDA approval this year, it is expected only 25 million people will receive it before New Year's Day. It is also expected another 650 million people will be able to receive it in 2021 (of which 100 million in U.S., 120 million in Japan, 300 million in Europe).

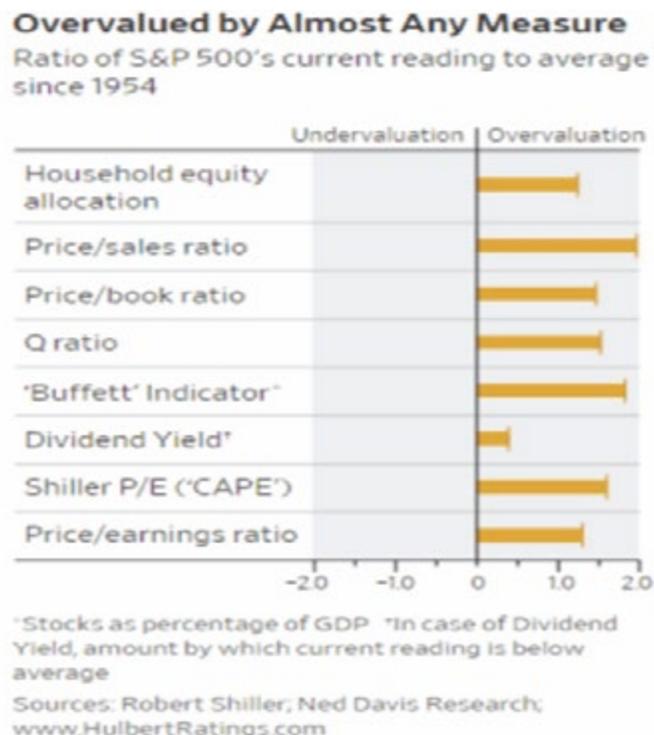
Herd immunity may eventually limit the spread as well, but recent data² show the virus is continuing to spread globally. Most of Western Europe is in lockdown while in the U.S., cases, hospitalizations and deaths continue to rise.

While the vaccine news is encouraging, significant details remain to be worked out.

Market Valuations

It is important to note that valuations, in the short term, are often dismissed as they tend not to have an immediate impact on return. Valuations are dreadful predictors of 12-month market returns and I suggest avoiding solely considering them as an investment strategy. However, over the long term, history suggests that valuations are a strong predictor of expected returns.

The chart below, as seen in the Wall Street Journal,³ shows valuations are expensive by most measures.



² https://www.worldometers.info/coronavirus/?utm_campaign=homeAdvegas1?%22%20%5C%20%22countries

³ <https://realinvestmentadvice.com/investors-ignore-evidence-at-their-financial-peril/>

Velocity of Money

Velocity of money measures the rate that money is exchanged in our economy for goods and services.

Federal Reserve Bank of St. Louis data show that the “velocity of money” in the U.S. was 1.104 in the 2nd quarter 2020⁴, the lowest ever recorded in our country.



The Search for Yield and Global Debt

According to Bloomberg Barclays Global Negative Yielding Debt index, bonds worth \$17.05 trillion now trade with a yield below zero⁵. This is a sign that there is still immense demand for top rated bonds, despite massive governmental and corporate borrowing.

Stock of sub-zero debt hits a record

Global market value of negative-yielding bonds (\$tn)



⁴ <https://fred.stlouisfed.org/series/M2V>

⁵ <https://www.ft.com>

In my opinion, there is currently a disconnect between the stock market and the real economy. There is always the possibility that this disconnect continues for a while longer as investors have shown little fear of a market correction.

Psychological Aspect

Two behaviors helpful for investors to be aware of are the herding effect and loss aversion. These often operate together compounding an investor's mistakes over time.

Herding effect is an investor's belief that as markets are rising, the current price trend will continue indefinitely. The longer the trend lasts, the more stubborn the belief becomes and leading the remaining "holdouts" to finally buy into the market creating an intoxicating state.

Loss aversion refers to a declining market environment where investors slowly realize this decline is larger than expected. As losses grow larger, investors' anxiety of losses mount until they seek to avoid any further loss by selling.

It is also helpful to remember that at bull market cycle peaks, investors tend to ignore evidence at their own financial jeopardy.

While it is important to have your investments work to make money, I believe it is more important not to lose money. I believe that understanding what drives market returns over time (rather than trying to predict future market movements) investors can begin to understand the impact the market has on their psychology and investment behaviors.

In the short run, stock market movements are completely random, though it is essential to be aware of the evidence and clues presented.



The Knapp Advisory Group is here to be your resource in your quest for financial independence.

Contact at JAMES.KNAPP@KNAPPADVISORY.COM.

James C. Knapp, AIF®, BFA™, CPFA®

www.KNAPPADVISORY.com

Securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC

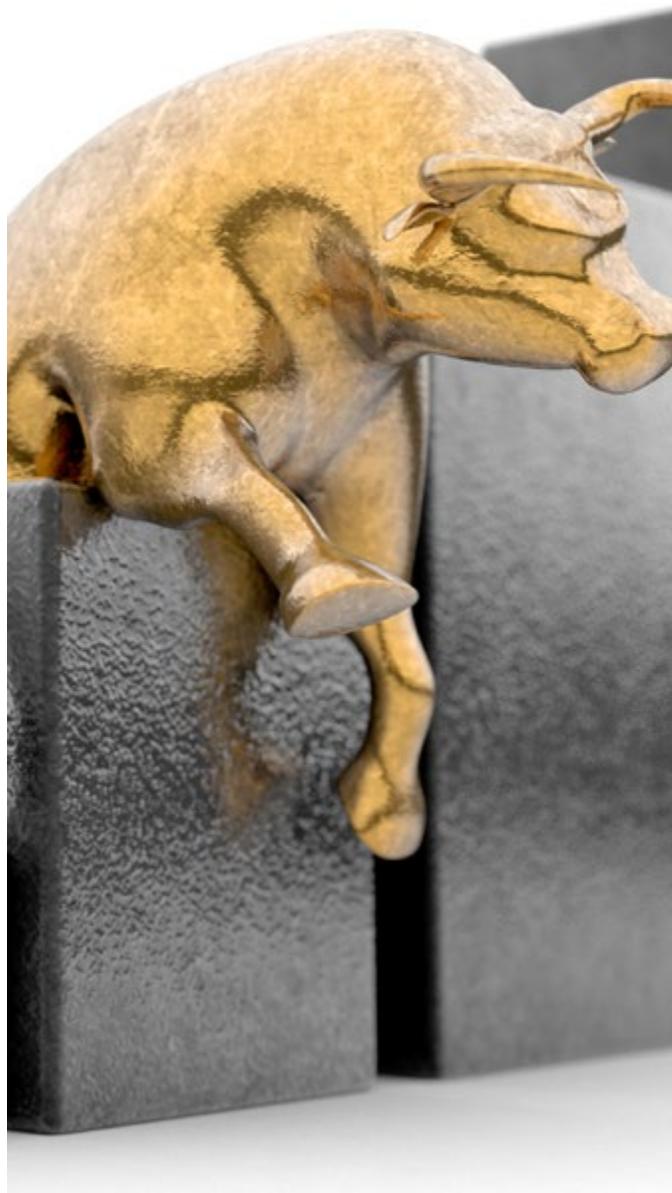
The material and opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change.

References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial does not provide research on individual equities. All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

Bloomberg Barclays Global Aggregate Negative Yielding Debt represents the negative yielding segment of the global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers.

Portions of the materials have been prepared by LPL Financial.



About the Author



James C. Knapp founded Knapp Advisory Group to help professionals and retirees make informed decisions with their financial affairs. [Read More...](#)



Aero Crew Solutions is a group of professionals committed to providing you outstanding service to solve your employment needs. We do this by hosting job fairs throughout the United States. We also provide various career services that include career consulting, application review, interview prep and résumé services.

Career Services

Application Review

Career Consulting

Résumé Critique

Interview Prep