

Navigating Uncertainty

A Pre-Election Q&A with Greg Valliere

As the election draws near, many are grappling with questions about its potential impact on the economy and the future of wealth management. In this Q&A, Christopher Waters, Director, Head of Manager Relations at Adhesion Wealth, sits down with Greg Valliere, Chief U.S. Policy Strategist at AGF Investments and author of [Capitol Insights – AGF Perspectives](#).

Renowned for his analysis of policy and politics, Valliere offers insightful commentary on Capitol Hill and financial services to global clients. With nearly four decades of expertise in Federal Reserve coverage, economic policy, and politics, Valliere will address pressing questions about the U.S. economic outlook, market trends, inflation, geopolitical factors, wealth management strategies, and investor psychology.

Christopher Waters: What is the potential impact to financial markets of a contested result?

Greg Valliere: This may be the worst-case scenario for investors—especially if it leads to widespread civil unrest across the country. As Kevin McCreddie, AGF’s CEO and Chief Investment Officer, recently said in a blog post, confidence in the world’s largest economy would likely be eroded absent a clear winner and lead to greater market uncertainty if not resolved quickly.

Christopher Waters: Considering the upcoming election, what are your expectations for the U.S. economy in the coming months and years? How might the outcome of the election influence economic policy and growth?

Greg Valliere: The two big issues for me if Trump wins the presidency will be tax cuts and trade policy. The former could be a boon for consumers and businesses – and therefore investors – if Trump follows through on some of his promises to lower the corporate tax rate, scrap taxes on tip wages and overtime pay, and eliminate taxes on Social Security benefits, but the former U.S. president’s plan to impose import tariffs as high as 20% (and even 60% in the case of China) could be disastrous for the U.S. economy and financial markets. Harris’ trade policy, by comparison, is expected to remain relatively unchanged from the current status quo. On taxes, meanwhile, she has been touting some of the same personal tax reductions that Trump has (i.e. scrapping taxes on tips), but, unlike Trump, has also vowed to raise taxes on corporations. Harris’ administration is also widely expected to increase regulation on businesses and enact laws to curb corporate “price gouging,” which both could be a potential headache for investors should they occur.

Christopher Waters: Given the current inflationary environment, how do you expect the Federal Reserve to adjust its monetary policy in the coming months? How might the election outcome influence the Fed's decisions?

Greg Valliere: I don’t expect there to be much change to central bank policy following the election. The U.S. Federal Reserve is an apolitical organization whose decisions are independently made without interference from the president or Congress. That said, it is no secret that Trump wants to fire Fed Chair Jerome Powell, so investors can expect changes on that front should the former president regain his seat in the oval office. As for fiscal policy, government spending is out of control and will stay that way, no matter who wins.



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Christopher Waters: How could the election results impact geopolitical tensions and their subsequent effects on global markets and economic growth?

Greg Valliere: The need to provide more military aid to Ukraine and Israel will likely become a major political issue next year. Trump has stated his opposition to further assistance on several occasions while Harris is on the record saying she wants to provide more. Either way, the events unfolding in Eastern Europe and the Middle East are a humanitarian tragedy that could create more volatility on financial markets if tensions continue to escalate.

In conclusion, the upcoming election presents significant uncertainty for the economy and wealth management landscape. By understanding the potential implications of different outcomes and implementing informed strategies, investors can navigate these challenges and position themselves for success. Greg Valliere's insights offer valuable guidance for navigating the complexities of the current political and economic climate. Register for our livestream post-election, where Greg Valliere will share his analysis following the candidate selection.

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