

Coach's Corner

Our latest commentary to help you elevate the success of your practice

Disclosure



The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness. Past performance is no guarantee of future results.

[Attracting Clients](#) | [Bridge to Referrals](#) | [Elections](#)

"Muni Bonds Will Win the Election": A Thesis to Capture Referable Moments

By: *David Richman* | July 8, 2024

When a big market meme—the upcoming election—collides with summer gatherings, it creates a crescendo of referable moments. A referable moment is anytime the topic of financial markets, money, retirement, financial plans or legacy comes up in conversation between your client and a friend, family member or colleague when you're not in the room. It either turns into a conversation about you or it doesn't.

How do you increase the chances that you'll organically pop up in conversations? Develop and articulate your theses—timely, pithy, soundbites that connect the dots to the advice you are delivering to your clients. We turned to Parametric managing director and head of SMA portfolio management Nisha Patel for inspiration.

David: "Nisha, you recently shared a rather bold thesis. You believe 'muni bonds will win the election.' Can you elaborate?"

Nisha: "Let's think about all fixed income investing in general. Fixed income as an asset class should perform well if the trend of softening inflation and employment data continues. If the Fed cuts, even once, yields could re-adjust lower to price in a cooling economy."

David: "That makes sense. Let's go back to your thesis. Why munis now?"

Nisha: "It's hard to imagine that debt and deficits will continue to run at this pace. The US debt to GDP ratio is 123%, according to the International Monetary Fund, and in line with other major global economies. The interest cost of US debt alone is more than defense spending. If the US sets a policy objective of reducing its debt, higher taxes may be an important component of a solution, no matter the results of the upcoming election—making munis more favorable tomorrow due to their tax-favored component."

How might Nisha's thesis help you capture a referable moment this summer? Consider your client conversing with a friend at a cookout:

Friend: "Who do you think is going to win the election?"

Client: "We think muni bonds will win the election."

Friend: "What do muni bonds have to do with it?"

Client: "Our advisor, Jennifer, says that no matter the election outcome, taxes may likely go up considering the deficits we're facing—making muni bonds more favorable tomorrow."

Is your ability to influence the conversation between your client and a friend as easy as delivering a message that helps your client look smart? Could it be that simple? We think so.

Bottom line: Capitalize on this summer's upcoming crescendo of referable moments by developing and articulating your theses to influence

the conversation when you aren't in the room.

At the Advisor Institute, our goal is not to shape your opinion or provide investment advice, rather to share this viewpoint as an example of what we believe to be a superb display of ism articulation.

Related Content

[READ: Municipal Bond Mid-Year Market Outlook](#)



David Richman
Managing Director
Advisor Institute

"How do you increase the chances that you'll organically pop up in conversations? Develop and articulate your theses —timely, pithy, soundbites that connect the dots to the advice you are delivering to your clients."



To report a website vulnerability, please go to [Responsible Disclosure](#).

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

For USA PATRIOT Act Disclosure Notice please click [here](#).

 This image indicates content designed specifically for Financial Advisors / Investment Professionals. This material is not to be used with the public.

Before investing in any Eaton Vance, Calvert or Morgan Stanley Investment Management Inc.-advised fund, prospective investors should consider carefully the investment objective(s), risks, and charges and expenses. Read the prospectus carefully before you invest or send money. For **open-end mutual funds**, the current prospectus contains this and other information. To obtain an **open-end mutual fund** prospectus or summary prospectus and the most recent annual and semiannual shareholder reports, contact your financial advisor or [download a copy here](#). For **closed-end funds**, you should contact your financial advisor. To obtain the most recent annual and semi-annual shareholder report for a closed-end fund contact your financial advisor or [download a copy here](#). To obtain an **exchange-traded fund**, ("ETF") prospectus or summary prospectus, contact your financial advisor or [download a copy here](#).

Before purchasing any **variable product**, consider the objectives, risks, charges, and expenses associated with the underlying investment option(s) and those of the product itself. For a prospectus containing this and other information, contact your investment or insurance professional. Read the prospectus carefully before investing.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

Eaton Vance does not provide tax or legal advice. Prospective investors should consult with a tax or legal advisor before making any investment decision. The information on this Web page is for U.S. residents only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

© Eaton Vance Management. All rights reserved.

Eaton Vance open-end mutual funds are offered through Eaton Vance Distributors, Inc. One Post Office Square, Boston, MA 02110. Member [FINRA](#) / [SIPC](#). Exchange-traded funds are distributed by Foreside Fund Services, LLC.