



# Soundings

## What's New - November 2023

Quote of the month:

*"Theres no good or bad. There's only trained or untrained."* Denzel Washington

I listened to a fascinating interview of Chris Voss, former FBI hostage negotiator and author of the best-selling book, "Never Split the Difference". He briefly talked about one of his favorite movies, "Man on Fire", about kidnapping in Mexico. In it, a young girl tells Washington's character that she's not a good swimmer. He responds with the quote above. What a thought, and great life lesson to boot. With all the resources we have at our disposal these days, it's never been easier to become "trained" in whatever it is that is important or interesting to us. By the way, the interview was terrific. Titled, "How to get what you want", it can be found at [www.prageru.com/series/real-talk](http://www.prageru.com/series/real-talk).

October has often been a "Bear Killer", but not this year. It was another weak month, driven by rising U.S. Treasury yields and geopolitical unrest. It's been another challenging year for the markets, a fact hidden by the stellar performance of a handful of mega-cap technology + stocks. To illustrate, according to Bespoke Research, the S&P 500 equal-weighted index is down 4.2% YTD, versus the cap-weighted S&P 500's 10% return (as of 10/25/23). But as RJ Mike Gibbs noted, this correction is getting long in the tooth. At 22 months, it's already handily exceeded the 13-month average length of a recessionary bear market. If history is a guide, the next 12 months have historically produced some solid returns.

We serve an awful lot of independent women. It's Florida, a wonderful place to retire, and on average, us men have shorter life expectancies than our better-halves. And the sunshine doesn't lessen the incidence of divorce. In this month's *Market & Economic Commentary*, I've placed a piece by a fellow CFP® highlighting the challenges facing the "suddenly single". It addresses women, but it's equally relevant to the other gender. It's a good read, well worth your time. First, the numbers...

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# Market Update - Year to Date Returns

## Major Indexes

As of November 1<sup>st</sup>

Dow Jones Industrials	-0.3%
S&P 500 Index	9.2%
NASDAQ	22.8%
MSCI ACWI ex US (International)	-1.0%
Russell 2000 (small cap index)	-5.6%
Barclays Capital Aggregate Index (Bonds)	-2.7%
XAU (gold/silver)	-8.1%

## D.A.L.I. Signals - 11/01/2023

Commodities	Int'l Equities	U.S. Equities	Cash	Currency	Fixed Income
<b>256</b>	<b>241</b>	<b>236</b>	<b>165</b>	<b>104</b>	<b>79</b>
23.7%	22.3%	21.8%	15.3%	9.6%	7.3%

### **Source: Nasdaq Dorsey Wright**

- Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect investment performance. Individual investor's results will vary. The Dow Jones Industrial Average (DJIA), commonly known as the "Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the US stock market. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ market. The MSCI ACWI ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices. The Russell 2000 index is an unmanaged index of small cap which generally involve greater risks. The Philadelphia Gold and Silver Index (XAU) is an index of sixteen precious metal mining companies that is traded on the Philadelphia Stock Exchange.
- The Barclays Capital Aggregate Index measures changes in the fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard & Poor's, or Fitch Investors Service, in that order. The Aggregate Index is comprised of the Government/Corporate, the Mortgage-Backed Securities, and the Asset-Backed Securities indices.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3<sup>rd</sup> party. It presents the relative strength relationship of six broad asset classes or "teams", domestic equities, international equities, commodities, fixed income, cash, and currencies. Each are represented by an equal number of ETFs. Each team play against each member of the other teams, with net victories tallied in an effort to rank each asset class team by order of overall strength. Raymond James is not affiliated with and does not authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.
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# Market & Economic Commentary

Recently, a newly divorced woman in her 50s asked me if I knew of any good books for middle-aged, single woman of wealth. My eloquent answer was, “Um, er ...” Others might have more flippant responses like, “Why? Where’s the problem?” It may be hard to empathize if one has not experienced the challenges of being left through death or divorce to manage wealth alone in midlife or later. Those challenges, however, are real.

Let me be clear that I am intentionally not putting a numerical number to “wealth,” since it is very relative to your location and your community. Also, I am emphasizing the challenges for newly single women because that is a common circumstance I see as a financial planner. Yet most of these issues apply to anyone, regardless of gender, who is left single in midlife.

Obviously, it’s far better to be left suddenly single with money than without it. Nevertheless, as I have seen with clients, wealth brings its own difficulties. We’ll explore some of the money-management challenges of that situation this week and some of the emotional challenges next week.

**Wealth management:** Effectively managing wealth is a challenge for anyone. It can be especially daunting for a midlife or older woman who is suddenly in charge, especially if she was not fully involved in managing money for the coupleship. Needing to master the ins and outs of investing and financial affairs in the middle of a stressful life change is daunting. It’s wise to seek professional advice and assistance, which raises the question of whom to trust. Looking for a fee-only, commission-free, fiduciary financial planner is only a first step. Just as important is to find one who listens, treats you with respect, and is not condescending because of your gender, age, or financial status. Your trusted financial advisor can help you with much more than investments, including navigating the following areas.

**Health care:** Health care can be a significant concern for middle-aged and older women even when paying for insurance and care is not a problem. Preventive care, managing chronic health conditions, and accessing quality healthcare are increasingly important as we get older. Without a partner as an advocate, it’s often harder to make decisions and take necessary action to support your physical wellbeing.

**Retirement planning:** Planning for retirement is a critical consideration for middle-aged women, especially those newly in charge of unaccustomed wealth. It is easy to overestimate what you can afford as a lifestyle and to put off thinking about the future.

**Estate planning:** Estate planning for a single person is altogether different from that for a couple. Estate plans need to be revisited and redrawn when a coupleship ends. Ensuring that assets are distributed according to your wishes requires a lot of thought, including considering the possibility of remarriage. It’s a good idea to work through the practicalities and emotional elements of a prenuptial agreement long before any potential new spouse is in the picture.

**Tax planning:** Tax planning changes significantly when one becomes single. Strategies that worked as a couple often no longer serve, and one of the surprises for the newly single is that the tax bill may increase significantly. Your new tax status also requires rethinking retirement plan strategies, deductions, and cash flow.

Being left solely responsible for wealth can be both a blessing and a burden. It’s helpful to build a support system of peers as well as trustworthy professionals. Ask questions, do your own research, and trust your own ability to learn the skills you need to rely with confidence on your own judgment.

**Rick Kahler, CFP®, “Suddenly Single, With Wealth - Is There a Problem Here? Part One”, Advisor Perspectives, October 31, 2023**

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## On a Personal Note

As I type, it was 28 years ago on a beautiful Friday the 13th, that our eldest son Alex made his triumphant entry into the world. Okay, it was more reluctant than anything. Kathleen's water broke around 11:30 that morning while washing the car. She'd already mowed the lawn and cut a cord of wood...the woman is an animal. I was on my way home from a Friday half-day, my office at the time, the aircraft carrier John F. Kennedy docked at Naval Air Station Mayport, FL. When I pulled into the driveway, she'd already packed and was ready for our 45-minute drive to Orange Beach Hospital. Me, not so much. I shaved a few minutes off the drive by sheer recklessness. I was pretty certain I'd be delivering the lad on the side of the road which today, with an iPhone and Google, I could do, but back then, I was flying blind. All good, we made it to the hospital, got checked in, and Kathleen got busy. But not Alex. Six hours later, she was barely effaced (You parents know what that means.) And worse yet, the epidural, which was supposed to be delivering the magical nectar that makes child-birth slightly more bearable, had kinked. Kathleen was only "half" numbed. Tip for the future dad's out there - don't ask your laboring wife if she's "okay". All's well that ends well. Alex finally made his appearance at around 10:30 pm, with the help of some forceps, and I'm not certain, but I thought I smelled a little WD-40.

Kathleen and I snuck away to the mountains of NC to peep at the leaves, get in some hiking, motorcycling, and a reunion with a long-lost cousin of mine that I hadn't seen in well over 40 years. The weather was perfect, and so was our luck. We arrived to "peak-foliage", a truly spectacular vision, made even better after "earning it" with a hike to the top of a mountain. Our basecamp was a unique circular cabin, perched on the side of a wooded hill...it looked like a "Yurt" made of wood. Kathleen tolerates my motorcycle obsession, so I made sure to indulge her love of hiking to the fullest. It was not a sacrifice; the terrain was wonderful and trails well maintained. And the leaves. To quote Katherine, my cousin's wife, it was "like being in a bowl of "original" Fruit Loops cereal". A blanket of reds, yellows, oranges and greens, (okay, green wasn't an original color but go with me) spread along the rolling terrain which made me wonder how anyone could doubt the existence of a creator. To the reunion. Philip and I share a paternal grandfather, Max, who emigrated to the U.S. from Russia at the turn of the 20th century. His dad, Herbert, was the eldest of three. My dad, Jerry, the youngest. Sadly, family was not a focus during either of our childhood's and even though we grew up just 4 hours away, we only got together a handful of times during our childhood and knew very little about each other. Our fathers were also very private, so we knew very little about their upbringing as well. I'm sure a skilled therapist would help us work through the issues that come from a deficit of one's personal history, but I will say that our short reunion was cathartic for us both. Better, we've opened the door to future reunions that could even expand to additional family members. Blood is most definitely thicker than water.

***From Collin:*** While my senior partner and vice president were off chasing cooler temps and fall foliage, I was holding down the fort for the week. As noted above, my mom is an avid hiker and has received her fair share of solicited/unsolicited advice from me on areas to visit. It always brings me back to my time spent at that particular spot, and in this case reminded me of a freezing cold November night a few years ago. I hunkered down in a tent, broken by "surprise" 45 mile per hour winds, shivered through the night, and woke up to a mountain covered in a few inches of snow and ice. I am glad the weather was nicer for them.

For me, one of the highlights of my role as junior partner in our firm is to be able to give my pops a chance to unplug from some of the stress of the job, something that he probably wasn't as comfortable doing before we shared an office together. And while it was nice to have some extra study time, it was also rewarding to be at a point where I was able to handle everything that came down the pike. The old man isn't going anywhere, but I sure enjoy showing him he's got a solid co-pilot.

Until next month, with warmest regards,

*Jon, Collin & Sandy*

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