



Soundings

What's New - May 2024

Quote of the month:

"If today is not your day, then be happy for this day will never return. And if today is your day then be happy now because this day will never return." Kamand Kojouri

The WSJ recently published an article titled, "*U.S. No Longer Ranks Among World's 20 Happiest Countries.*" In it, author Clare Ansberry notes a particular drop in young adults, aged 30 and below, who rank 62nd globally in terms of well-being, trailing the Dominican Republic, Brazil and Guatemala. Older Americans ranked 10th. Quite a change from my youth and the seminal anthem from the Who, "*My Generation*" with the lyrics, "*I hope I die before I get old.*" You can guess the author's conclusions. Too much screen time, not enough human interaction, and an overall lack gratitude versus their older cohorts. The good news, there's a clear solution.

April brought the markets the pause we'd been expecting. The S&P 500 saw its first 5% pullback since bottoming last October. Unexpectedly hot inflation, two wars, and rising bond yields all played a part. But drawdowns are healthy, desirable, and often set the stage for the next leg up. Raymond James Chief Investment Officer Larry Adam is constructive on the market, saying: "While the scope of scenarios for Federal Reserve (Fed) rate cuts has contracted, accelerating earnings and a still healthy economy should support the market going forward."

The theme of this month's Soundings is happiness. To that, in this month's *Market & Economic Commentary*, I've placed the previously mentioned piece on the World Happiness Report from the WSJ. The title is a bit of a downer, but a closer look reveals some actionable pathways to turn things around. It's an interesting read, well worth your time. First, the numbers...

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Market Update - Year to Date Returns

Major Indexes

	<u>As of May 1st</u>
Dow Jones Industrials	0.3%
S&P 500 Index	5.6%
NASDAQ	4.3%
MSCI EAFE (International)	1.9%
Russell 2000 (small cap index)	-2.2%
Bloomberg Capital Aggregate Index (Bonds)	-3.3%
XAU (gold/silver)	6.2%

D.A.L.I. Signals - 05/01/2024

U.S. Equities	Int'l Equities	Commodities	Cash	Currencies	Fixed Income
312	253	246	130	80	69
28.6%	23.2%	22.6%	11.9%	7.3%	6.3%

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 EAFE (Europe, Australasia and Far East) index is an unmanaged index that is generally considered representative of the international stock market. 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 Bloomberg Barclays Capital Aggregate Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3rd 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

The U.S. has fallen out of the top 20 happiest countries for the first time since a global ranking began in 2012, due in large part to a drop in happiness among younger adults. Americans fell to 23rd place, down from 15th a year ago, according to data collected in the Gallup World Poll for the World Happiness Report 2024. Costa Rica and Lithuania were among the countries that reported being happier than Americans, according to the annual survey, which asks respondents to rate their current lives on a scale of 0 to 10, with 10 being the best possible life for them. Nordic countries dominate the top 10, with Finland at the top.

In the U.S., self-reported happiness has decreased in all age groups, but especially for young adults. Americans 30 years and younger ranked 62nd globally in terms of well-being, trailing the Dominican Republic, Brazil and Guatemala. Older Americans ranked 10th. That is a change from a decade ago, when young Americans considered themselves happier than those in the midlife groups, and about as happy as those ages 60 and over, says economist John Helliwell, a founding editor of the World Happiness Report. Now, those 30 and under are the country's least happy age group, a decline attributed partly to their feeling worse about their lives.

Social connections, gratitude, a sense of purpose and resilience all contribute to well-being and happiness, says Emiliana Simon-Thomas, a neuroscientist at UC Berkeley. Older adults are often happier because they tend to view life as more finite and precious, are less self-focused and more grateful, she says. People looking to boost their happiness should focus on strengthening their relationships, which research has found is one of the biggest drivers of happiness. Getting outside can also provide a sense of perspective; exercise can be another good mood booster. Finding purpose, whether through volunteering or civic engagement, creates a sense of well-being that has enriched the lives of many older adults after retiring.

What's hurting happiness? Helliwell and other researchers suspect part of the decline among younger adults reflects their spending less time interacting with people in person than on social media. E.N. West, a 28-year-old Seattle resident, has a wide and varied group of friends, a strong connection with family, a rewarding job, and is generally optimistic, grateful and resilient. Yet when asked about being happy, West, who uses the pronoun "they," described feeling neither happy nor unhappy. "The word that comes to mind is 'burdened.'" That feeling arises from the immediate tasks of the day or week, but also concerns about larger issues like housing, inflation, war in the Middle East and climate change. West has noticed more friends feeling hopeless in recent months, because they can't find apartments in their budget and buy groceries. West and other friends work together to help each other find affordable places to live. Being able to do something, even on a small level to help friends, can make people feel less hopeless and give them a sense of purpose and agency, West says.

Loneliness plays a big role in how people assess their lives, says Jon Clifton, CEO of Gallup. "Young people have more social interactions, but feel more lonely" than those 60 and older, says Clifton. They also don't feel as connected to their jobs, or other institutions, including churches and government. Luke Gilligan, a 22-year-old senior entrepreneurship major received an academic scholarship so he doesn't have to worry about student debt, and after graduation plans to work at a company he founded that makes sensory and activity products for people with dementia. He describes himself as grounded, but says he is also lonely at times. The feeling stems largely from his choice to run his own company and study rather than go out. Seeing others having fun on social media can leave him feeling left out and jealous, which he believes others also feel when comparing themselves to others online.

Dr. Robert Waldinger, a 73-year-old professor of psychiatry at Harvard Medical School, says he has gotten happier as he has gotten older. The same held true in the Harvard Study of Adult Development, a longitudinal study he directs, which found people on average experience better moods as they age. One of his favorite responses came from a man in his 80s, who said he and his wife enjoy being with each other. "It feels like the last days of a great vacation." **Clare Ansberry, "U.S. No Longer Ranks Among World's 20 Happiest Countries." The Wall Street Journal, March 19, 2024.**

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On a Personal Note

Over the past several years, I've honed a morning ritual to help prepare for the upcoming day - like a hurdler stretching his hamstrings before a run. I begin with the Lord's Prayer. Gotta slave the moral compass. Next up - a gratitude exercise, my "Thank you, God, for's..." It's a list of ten broad categories that make up everything right with life and my place in it. Fourth in that list is vocation, ninth is hobbies. To hobbies, I recently spent the first half of the day working in the garage. A motorcycle trip was on the horizon and I had some maintenance to tend to. When not riding, I find wrenching almost as enjoyable. But this day, for whatever reason, I just couldn't shake the blues. All good. I got the job done and later that afternoon, headed to the office for a new client Discovery Meeting. It was a great meeting, they always are. The couple was referred by the brother of the husband, a long-time client. He was getting ready to retire and they were both a bit anxious about the upcoming major life change. Over the course of the hour, as they shared the highs and lows of their lives, we all shared the full range of emotions that make us human. We laughed at the memories of raising their two children; there was serious discussion on being there for dying parents; and everything else in between. Meeting complete, we walked them to their car and when Collin and I returned to the conference room, I realized that my earlier melancholy was gone, replaced with a soul-nourishing joy that comes from knowing you're doing exactly what you're supposed to be doing. Thank you God.

On the road again. Kathleen and I packed the truck and headed west. Our destination was Bisbee, Arizona to meet up with our regular group and run the Arizona Back Country Discovery Route www.rideBDR.com. We decided to spend a night in Austin, the capital of the great state of Texas. We arrived early enough to change into our walking shoes and see some sights. Nice city. Clean, safe and very walkable. Had to check out the stately Capital building and timed it perfectly for an official tour. Kristina was our guide, and crazy knowledgeable. Tall, ginger, rail-thin with an unfortunate case of acne that didn't dull her confidence in the slightest. I chatted her up as we walked the majestic halls. She'd been in Texas for only six months, arriving from a stay in Tucson after pushing off from her home in California. She didn't plan on staying long, next stop was Iceland to complete her PhD in Viking history. That girl had game.

Porkchops and Applesauce. We'd been on the road since just after 6 am with no proper meal so we decided on an early dinner. Google pointed us to a nearby steak house called Perry's. With no reservations, we hunkered up to the lively bar placed right in the middle of the dining room, filling up quickly on a Friday night. We staked our claim to some corner seats, with a young fully-tatted couple to our right. Starving, I couldn't help notice they both had the same order and it looked delicious. "Pork chops, and you've got to order them," said our new friends. What an interesting couple. He was a true Tex-Mex, who grew up on the border in McAllen. She was raised in Kauai, moved to California, and currently living in Austin. We talked off and on throughout the dinner, covering everything from travel and adventure, dirt bikes, and even white/brown noise. Midway through our meal, a small group sat to Kathleen's left and the one nearest began to chat her up. The subject - her porkchops. He and his friends were in from Orange County, California, and worked in finance. In fact, his friend was a hedge fund manager who used to play bridge with Charlie Munger, Warren Buffett's long time investment partner who passed away last November just shy of his 100th birthday. All said, we had a wonderful evening. Interesting conversation with friends on the left and friends on the right who couldn't have been any more different, all because of the porkchops.

From Alex: Dad recently took his "favorite" child, me, on a week-long motorcycle trip while number two tended the office. We rode Arizona, mostly off-road, from the Mexican border to Kanab, UT. Our sidekicks, my mom and wife Claire, joined us in the support vehicles and had an adventure of their own. To say it was the trip of a lifetime would be an understatement. The vast beauty of Arizona is hard to put into words. Well, hard for me at least, an Alabama graduate and CPA who's never been too good at those word things. We rode through the arid mountains and high plains of southern Arizona, the deserts filled with saguaro cacti, thick alpine forests, and the vivid terrain surrounding the Grand Canyon. Going on this adventure on a dirt bike with my dad is a memory that I will cherish forever. (Me too, son.)

Until next month, with warmest regards, *Jon, Collin & Sandy*

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