SOUNDSIDE
WEALTH ADVISORS

Soundings

What's New – November 2024

Quote of the month:
"You have your way; I have my way. As for the right way, the correct way, and the only way, it does not exist." **Friedrich Nietzsche**

It's never been more important to listen to those with different opinions, those on the other team if you will. I'm a huge fan of the Lex Fridman podcast because he talks, long form, with folks on all sides of an issue. They have meaningful conversations, ask real questions, respectfully disagree at times, but never shut down or demean the other. This is how we grow, both individually, as a nation, and a world. The truth is, we humans, regardless of our shape, size, color, or flavor are so much more alike than not. And having just returned from 2 weeks in Nepal, I believe this is a universal truth.

The markets finally took some time to exhale. After such a strong year, they deserved it. But don't read too much into it. Looking under the hood, our friends at Bespoke Investment Group corroborate what many others note as well. The breadth of the gains has been expanding to sectors and small and midcap companies that had been previously unloved and left out. Add in the resolution of the election uncertainty and the fact that November ushers in the seasonally strongest six months of the year for market returns, and the weight of the evidence suggests a resumption of the primary trend. We're positioned accordingly.

Collin and I are having more and more conversations with the adult children of our client family. It's not surprising. Folks who prioritize planning tend to raise kids who do the same and having a conversation with a financial planner at the same place in their journey is pretty much a no-brainer. On that note, I've placed a piece in this month's ***Market & Economic Commentary*** from the WSJ that should be interesting and informative to the "HENRY's" (High Earner, Not Rich Yet) out there. 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 1st
Dow Jones Industrials	10.8%
S&P 500 Index	21.0%
NASDAQ	19.6%
MSCI EAFE (International)	5.0%
Russell 2000 (small cap index)	8.4%
Bloomberg Capital Aggregate Index (Bonds)	1.9%
XAU (gold/silver)	28.6%

D.A.L.I. Signals - 11/01/2024

U.S. Equities	Int'l Equities	Commodities	Cash	Currencies	Fixed Income
321 29.5%	**244** 22.4%	214 19.7%	**132** 12.1%	92 8.5%	84 7.7%

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

Fifteen years ago, if you'd told April Little that she'd make $300,000 a year, she would have pictured a life free of financial stress. Says Little, 38 years old, a human-resources executive turned career coach in Rochester, N.Y. "I don't want to sound ungrateful, but when I got to that proverbial mountaintop, I realized there's a lot of expenses. And I still don't own a home." So go the plush-but-not-too-plush lives of the Americans who qualify as HENRY—high earner, not rich yet. Little makes multiple six figures running her own business but carries $90,000 of college and grad-school debt. Child care and education for her three children would be so costly that she and her husband decided the better option was for him to leave his radio job to parent and home-school full time.

New census data show 14.4% of U.S. households bring in $200,000 or more a year, a near record. Yet the money doesn't have the buying power those earners wish it did. HENRYs describe feeling stuck on a hamster wheel—a nice one that other hamster's envy—but running in place nonetheless. Oh, come on, you're asking me to feel sympathy for Audi-driving, Chase Sapphire-loving, Whole Foods-shopping consultant types with kids in private school? Well…not exactly. But what they're feeling is a version of what a lot of Americans at every income level face—making more money but not feeling like there's a surplus. The essence of being a HENRY is feeling a gap between what you have and what you think you need to be comfortable. What these high earners consider essentials might be termed luxuries by the rest of us, but it's also true that it takes more money to feel rich these days. And their great fear is becoming a HENRE: high earner, not rich ever.

Attorney Joshua Siegel doesn't expect sympathy as he motors around LA in his Lexus SUV. He just figured at age 40, having risen to partner at a law firm, that he might be driving from a house he owns to a country club where he's a member. Instead, his occasional golf outings take him from his rental home to a public course. Raising three kids in one of the country's most expensive cities has been a reality check, he says. He's also realized that a lot of people with jobs like his come from wealthy families where trust funds and down-payment assistance give them financial head starts. The son of an electrician and a dental assistant, Siegel is making his own way in the white-collar world. "It really just feels like treading water," he says.

Caitlin Frederick, director of financial planning in Jacksonville Beach, FL, says many of her midcareer clients are less affluent than their salaries suggest. She advises a lot of prototypical millennials who racked up student loans in hopes of vaulting into high-paying jobs. They delayed buying houses and starting families while climbing professional ladders. The first part of their plans worked, she says. The degrees led to hefty incomes. Now that they're having kids, shopping for real estate and wishing to upgrade their Camrys, they're discovering that many of life's major expenses shot up faster than the overall rate of inflation. Lifestyle creep is a factor too, she says, noting clients who overspend on trips and restaurants. "It is easy for people to just continue to increase their lifestyle every time they get a promotion,"

Another financial curveball comes up frequently: school costs. Nearly half of American private schools increased enrollment in the last academic year, according to the Cato Institute. Some say they're convinced private schools are the only places their kids will thrive, though more than 80% of American kids attend public school. Brad Gyger and his wife shuttle their three children around in a 2014 GMC Yukon with 130,000 miles—not exactly the late-model, luxury ride he expected to own as a three-time chief revenue officer in the tech sector. Gyger, now an independent sales consultant in California, says he didn't consider private education until a few years ago, when he and his wife concluded their oldest child would thrive in a more academically challenging environment. The school could also accommodate their second child's learning needs. Gyger, 46, says his family is fortunate to even have education options. The trade-off is living more modestly than his résumé might suggest. He gave up gym and tennis-club memberships, opting to stay fit on the cheap by cycling and lifting dumbbells in his garage. And forget about upgrading from the home the couple bought in 2015. "We're probably never moving," says Gyger. He hopes they'll remodel the kitchen. Someday. **Callum Borchers, "Meet the HENRYS: The Six-Figure Earners Who Don't Feel Rich", WSJ, October 6, 2024.**

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On a Personal Note

Quick shout out to my better half who allowed me to set off on the adventure of a lifetime…a bucket-list motorcycle trip to Nepal. My 20-Year Term Life Insurance policy had recently run its course so she had real skin in the game. Throw in the fact that within a couple days of my departure, Hurricane Milton set its course for Sarasota, home of my mom, who thankfully got on a plane herself to wait things out at our home safely outside the hurricane's expected track. Now my mom, who will be reading this, is a gift to humanity and we all get along beautifully, but I'll give it to my wife for being there without me. They had a great time and I was able to enjoy her company for a couple days upon my return. I love you sweetheart…you too mom!

As for the trip, it was absolutely unforgettable. Like a lot of you out there, Kathleen and I love to travel. This trip though, did not lend itself to bringing a spouse, and thankfully, Kathleen wasn't really interested in forcing it to work. For me, it was about 3 things: 1) Interacting with the local people to get an understanding of how others live and how we all basically crave the same things in life; 2) Meeting new friends in the adventure motorcycling community; and finally, 3) Experiencing the sights, sounds, smells, tastes and geography of a new country. This trip provided the best of all three. The Nepali people were wonderful…gentle, kind, friendly and open. I've never felt more safe on an international trip. The fellow riders were terrific. We came from all corners of the country, aged between 32 and 76, vocations as varied as a commercial cabinet builder, to restaurant owner, hospital executive, retired social worker just to name four. We all had the moto-affliction and had an incredible time with no shortage of conversation. And Nepal…my goodness. From the crazy mass of humanity and traffic in Kathmandu, to the incredible peace, serenity, and sheer spirituality (with occasional wildness thrown in) of riding through the Upper Mustang region, it was an experience like no other. I took a ton of pictures, a little bit of video, and journaled nearly every day which I've been posting to the blog on our website accessed at https://soundsidewealth.com/blog/. Final shoutout to Collin, who along with Sandy, did not miss a beat in my absence. In fact, I learned, unequivocally, that I'm holding my young partner back. I've said before, I've no plans to go anywhere. I love this career, consider it a calling, a blessing, and unlike landscaping, the physical requirements aren't particularly age-restrictive. That said, if God has different plans, I know that Collin is ready, able and committed to take the firm to new heights. Now he just needs to find a future replacement for himself. As for next year's bucket-list, I'm making some headway in convincing Kathleen to join me on a motorcycle discovery of Africa. Stay tuned…

From Collin: One recent evening, as I pulled into my driveway after my 45-minute commute from the office, I noticed Jackie talking to a woman and her cute young toddler. I figured it was one of her co-workers whom I'd not yet met, so I got out and introduced myself. It turned out they were our neighbors, and after talking for a little longer, I realized I knew her husband. Last April I competed in a long-distance bicycle race up in Blackwater River State Forest. I'd planned to ride with my brother Alex who was going to come in from Colorado for the event. Unfortunately, a back-injury took him out of the picture so I went solo. It was a pretty sporty ride and my goal from the beginning was just to finish. Towards the middle of the race, I was pretty certain I was in last place by miles and the only person behind me was the sweeper vehicle. Just as I was wondering whether I'd be able to even finish, I caught up to a rider at a river crossing. We ended up spending the last 30 miles riding together, and had a great time talking about life as we fought off leg cramps (maybe that was just me). Turns out, he is the husband of the woman in my driveway. Fast forward to the present. The four of us decided to get together for a Sunday afternoon bike ride around Pensacola. After a great time, Jackie and I realized we'd hit a new milestone in our relationship: we made our first friends together outside of either of our circles. Now if I can just figure out a way to lose those leg cramps.

Until next month, with warmest regards,

Jon, Collin & Sandy

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