Soundings

What's New – March 2025

Quote of the month:
"A father is a man who expects his son to be as good as he meant to be." Frank A. Clark

Personally and professionally, I've crossed paths with several young couples who've shared that they may skip having kids. The financial planner in me understands. Youngin's ain't cheap and from a dollars and cents perspective, there's something to be said for the decision. On the other hand, money, time, gray hairs and sanity aside, turning a little humanoid into a future reflection of yourself is, from this dad's perspective, one of the most profoundly humbling and wonderful of all life's experiences. And when they live up to the quote above, it quite literally brings tears to your eyes.

"Don't it always seem to go that you don't know what you got till it's gone," sang Joni Mitchell. Did the Big Yellow Taxi come for investor sentiment as well? According to the latest AAII Sentiment Survey, the Bull-Bear spread plunged below -40% last week. It's only been lower 10 times in the last 30 years. Last year's darlings, the Mag 7 have taken it on the chin lately, but the last trading day of February was strong, and the S&P 500 bounced hard off a technical indicator that supported pullbacks in September and January. On that same day, the financial sector closed at all-time highs, not exactly bearish. So far, the long-term trend remains intact and we're positioned accordingly.

There's an old joke about writing your last check to the undertaker and having it bounce. Author and legendary energy trader Bill Perkins took a slightly different tack in his 2021 tome on money and retirement, *Die with Nothing*. In this month's ***Market & Economic Commentary***, I've placed a piece that hits it from yet another angle, those individuals, mostly boomers, who are hesitant to spend down their assets in retirement. It's a topic that Collin and I often address in reviews with our client family. It's an interesting read, well worth your time. First, the numbers…

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Market Update – Year to Date Returns

Major Indexes	As of March 1st
Dow Jones Industrials	3.1%
S&P 500 Index	1.2%
NASDAQ	-2.4%
MSCI EAFE (International)	7.9%
Russell 2000 (small cap index)	-3.0%
Bloomberg Capital Aggregate Index (Bonds)	2.7%
XAU (gold/silver)	13.2%

D.A.L.I. Signals - 3/01/2025

U.S. Equities	Commodities	Int'l Equities	Cash	Fixed Income	Currency
320 29.3%	**272** 24.9%	213 19.5%	**128** 11.7%	80 7.3%	78 7.1%

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

Dying broke is a goal for those retirees who embrace the idea of spending their hard-earned wealth during their lifetimes. Their aim is to enjoy the fruits of their labor while they can and spend the last penny just as they take their last breath. The concept feels both pragmatic and poetic.

But here's the twist: while the concept may conjure images of lavish spending sprees and exotic vacations, that's rarely what I see in practice. Many of my clients who identify as Die Brokers aren't recklessly burning through their wealth. In fact, the opposite is often true.

This is because their approach to spending and giving is shaped by a lifetime of frugal money scripts that are incredibly hard to shake. Many Boomers grew up with financial uncertainty, learning to save and sacrifice to protect themselves and their families. Even after decades of financial success, those habits don't just disappear. The idea of "spending down" their wealth, even intentionally, feels unnatural and irresponsible. There is an internal tug-of-war between their stated desire to enjoy their wealth and their deeply rooted fear of running out.

This paradox can significantly affect retirees' financial planning. While Die Brokers may express a strong commitment to living fully, their money behavior often reveals a need for reassurance that their money will last for their lifetime.

For many Boomers, including myself, those frugal money scripts have served us well for decades. They've provided financial stability and peace of mind. But in this stage of life, they can also hold us back from experiencing the freedom we've worked so hard to achieve –especially in the time we have left when we can still physically enjoy it. The challenge is finding balance, honoring the values that got us here while allowing ourselves permission to live fully.

Shifting from a scarcity mindset to one of abundance is no small feat. Here are four ways to start turning those old money scripts into permission to spend and give intentionally:

Reframe wealth as a tool rather than a safety net. Recognize that money is about opportunity as well as security. Spending with intention can bring joy and meaning, whether it's funding a family trip, supporting a cause, or splurging on a bucket list item.

Work with your financial advisor to analyze your retirement spending and the probability of running out of money. The amount they suggest you can spend may surprise you—it's often far higher than your frugal money scripts would lead you to believe.

Experiment with incremental giving. If parting with your wealth feels daunting, start small. Gift modest amounts to family, friends, or charities and notice how it feels. Seeing the immediate impact of your generosity can help ease the transition and loosen the grip of those old money scripts.

Set intentional spending goals instead of vaguely aiming to "enjoy your wealth." Identify specific ways you want to use your money to enhance your life or the lives of others. Having a clear plan can turn spending into a meaningful act rather than an exercise in guilt. For many of us, the Die Broke mentality is not about recklessness or extravagance. It's about learning to let go. Despite our bold talk of spending down to the last penny, most of us will likely leave behind more than we planned. And maybe that's just fine—especially for our kids and grandkids. Perhaps being a Die Broker is really about giving ourselves permission to live with intention, to savor what we've built, and to enjoy living to the fullest the rich life our frugality has helped provide.

Rick Kahler, MS, CFP®, Frugality or Spending Freely? The Dying Broke Dilemma, Advisor Perspectives, 2/18/25.

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On a Personal Note

The internet told me Joe Rogan earns $60 million a year from his podcasts, around $100,000 per episode. That's a lot of AG1 & MeUndies. On a 48-hour marathon drive back from a financial conference in Arizona, I spent a good chunk of time entertained by Mr. Rogan and his interesting guests. My favorite was episode 2264 where he interviewed a pair of former U.S. Air Force intelligence analysts, both previously attached to the UAP (Unidentified Arial Phenomenon) Task Force, who shared not only their fascinating experiences with the program, but their own personal experiences of abduction. I was a huge fan of Fox Mulder and the "X-Files" and to hear these intelligent, funny, and well-spoken gentlemen share tales, experiences, and facts that they were witness to was beyond entertaining, it was truly mind-bending. An added twist, one of the men, Jason Sands, has lived in Navarre and references the "Space Ship" house out on Pensacola Beach. Twist number two that brings it even closer to home: our own street in Gulf Breeze was ground zero for several UFO sightings in the late 80's. The Truth is Out There.

Captain's Log, Stardate, sometime in June, 1996: "I'll go anywhere, I just want to work for you guys." That's what I (recklessly?) told the regional manager of a major pharmaceutical company as I prepared to lead our young family on a new chapter after nearly 10 years in the Navy. Be careful what you ask for. Not long afterwards, we found ourselves in rural western Kentucky, a big change to say the least, especially for Kathleen, who'd spent the previous 31 years in Pensacola, Florida. We arrived on a damp, chilly, gray Sunday…the story, as I remember it, I begged Kathleen not to leave me and that I'd get us back to Florida within the next three years. It was a tough sell. We moved into a little house and arrived a couple weeks before our belongings, which were put in storage as part of my last Navy move. What doesn't kill you makes you stronger…it can also make you sick, broken and miserable but that's another story for another time. Back to Kentucky. Our new neighbors were our saving grace. Salt of the Earth folks, Lisa was a stay-at-home mom, Dale worked at the local University, and their precocious young daughter Marissa, was a couple years older than our son Alex. We became good friends and most importantly, Kathleen found someone to help her get her feet on the ground in a strange new place. To be continued…

One of the questions we ask potential new clients in Discovery, "Are you spiritual." No judgement, we're just looking to understand where our folks are coming from, big picture stuff, so we can be our best and meet them where they are. We often hear some form of, "I believe in a higher power, but not in organized religion." Not at all surprising given the scandals and coverups over the decades. There is good and bad everywhere, I'll leave it at that. At almost 61, this Christian with Jewish roots has come to the place where Godliness is about service, more specifically serving others and loving your neighbor…thanks Scott Veroneau and Community Life Church. As my business partner, Collin and I spend an awful lot of time together. Awful is the wrong word, it's a beautiful thing and I love nearly every moment. One of the best parts is being witness to how much the young lad has grown over the years, into a true servant. Example. A year or so back, a local a college sophomore reached out to Collin. Seby (Sebastian), a Financial Planning major, found Collin on our website. He was hoping for some guidance on the things he could do to best position himself for a career upon graduation. They became good friends, spoke on the phone and met in person several times and Collin took a close personal interest in mentoring this bright, motivated young man. Recently, Collin spoke with his mentee and got some great news that I'll let him share. From Collin: "After a few rounds of internship interviews, Seby got a call back from a major financial firm with an offer to join their financial advisor development program. He was one of the few selected out of over a thousand applicants. When he called to share the exciting news, he thanked me for my mentorship and friendship, and I thanked him for the same. I look forward to the day down the road, hearing how he was there for some other young college student in a similar situation." And the beat goes on…

Until next month, with warmest regards,

Jon, Collin & Sandy

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