



Soundings

What's New - December 2025

Quote of the month:

*"There is only one success; to be able to spend your life in your own way."
Christopher Morley*

The first question we ask in Discovery Meetings is, "When you think about money, what is important to you?" We're looking for a word that best sums up their idea of success. Freedom often comes up. Digging deeper, many will land on something like, "To be able to do what I want, when I want, for as long as I'm able." No doubt, there's a financial component involved. But equally important are the emotional and intellectual pieces, and those are the most fun and rewarding to explore.

One month ago in this paragraph I quoted Raymond James Chief Investment Officer, Larry Adam. I'm guessing he'd just given his *Magic 8 Ball* a good shake and came back with the prediction of a modest pullback given the recent unfettered rise in stocks. From his keyboard to God's ears, but not to worry. He followed with, "We would view it as a healthy correction within a still-strong bull market, underpinned by solid fundamentals." We agree and so do the markets, which bounced nicely at well-defined levels, with no change in the long term trend. We remain positioned accordingly with the offense on the field.

You may have heard the old joke, "*How do I get to Carnegie Hall?*" The answer, "*Practice. Practice. Practice.*" In this month's *Market & Economic Commentary*, I've placed a piece from the WSJ with an equally simple answer to the financial question, "*How do I become a Millionaire?*" Spoiler alert; it's a lot easier than performing at Carnegie Hall. Believe it or not, it's attainable by nearly anyone with a little time and discipline. Give it a read, then share it with your kids. First, the numbers...

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Market Update - Year to Date Returns

Major Indexes

As of December 1st

Dow Jones Industrials	12.2%
S&P 500 Index	16.5%
NASDAQ	21.0%
MSCI EAFE (International)	25.9%
Russell 2000 (small cap index)	12.1%
Bloomberg Capital Aggregate Index (Bonds)	7.5%
XAU (gold/silver)	136.6%

D.A.L.I. Signals - 12/01/2025

Domestic Equities	International Equities	Commodities	Cash	Currencies	Fixed Income
284 26.1%	277 25.4%	231 21.2%	118 10.8%	94 8.6%	86 7.9%

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

Socialism is in vogue again. Critics of capitalism call the market economy unfair, arguing that big corporations don't pay low-income employees a living wage. They draw on studies showing that inequality has grown dramatically in both income and wealth. Their solution: a highly progressive income tax, or even a wealth tax, on the superrich, and a minimum wage of \$20 an hour or more. These economically destructive measures are unnecessary and would disrupt the positive changes happening in capital-labor relations. The private sector is quietly solving the inequality problem without more redistribution and wage controls. How? Companies both large and small offer generous profit-sharing programs for employees—401(k) plans, stock options and discounted stock-purchase plans. Fidelity recently reported that there are more 401(k) millionaires on its platform than ever before. More than half a million Americans have at least \$1 million in Fidelity 401(k) plans. In 2025 retirement plans marked a milestone—thanks to the growth of 401(k)s and other defined-contribution instruments, more than half of private-sector workers are actively contributing to an employer-sponsored retirement plans.

Stock programs are also making workers wealthy. Pitt Hyde founded car-parts retailer AutoZone in 1979. Forbes lists Mr. Hyde as one of the 400 wealthiest people in America, and AutoZone's top executives are multimillionaires. More than 4,000 lower-level AutoZone employees have become millionaires too. AutoZone offers stock discounts, options and matching 401(k) contributions to its 125,000 employees. Executives and key employees (including store managers) get stock options, and all U.S.-based employees can buy company stock at a 15% discount. AutoZone isn't exceptional among large corporations. From the beginning, Bill Gates offered Microsoft employees stock options, so that by 2005 an estimated 12,000 rank-and-file employees had become millionaires. In 2003 Microsoft replaced its stock-option plan with restricted stock units, which grow in value when the stock goes up. The company's stock value has increased tenfold in 10 years, not counting dividends. It also offers all employees a 10% discount on stock and matches half of 401(k) contributions, up to nearly \$12,000 a year. Today I estimate that more than 30,000 Microsoft employees, from secretaries to janitors, have become millionaires.

Home Depot is another example. Employees receive performance bonuses twice a year if they achieve their individual company goals. They also share in profit through discounted stock offers and their matching Future Builder 401(k) plans. Co-founder Ken Langone told a reporter, "We decided everyone had to have skin in the game. We made certain that each of the four founders, including myself, would never own more than 5% of the company. The remaining shares would be owned by the public or the employees. We now have more than 3,000 associates who started pushing carts back into the store from the parking lot who are now millionaires. If there's a better example of how capitalism works, you'll have to show me."

According to the National Center for Employee Ownership, more than 12,000 U.S. companies currently share ownership with more than 25 million employees, and that number is increasing. The reasons for adopting profit-sharing plans vary, as do the benefits they offer. The number one way Americans become multimillionaires isn't through timely real estate purchases, being early investors in startups, or being paid a living wage. The formula is much simpler: consistent buying of company shares and stock indexes, usually in the form of automatic contributions from every paycheck into a retirement account, or by receiving bonuses through company stock deals. Management guru Peter Drucker said it best: Large corporations are living up to his goal of being "the representative nonrevolutionary social institution," and in most cases are far superior to plans by governments, charities and nonprofits to serve the retirement, medical and other social needs of their employees. Highly profitable firms are visionaries. Democratic socialism is all about taxing successful entrepreneurs and running out of other people's money; democratic capitalism is all about increasing profit margins, sharing the wealth and growing prosperous together.

Mark Skousen, "Share the Wealth. Don't Redistribute It." Wall Street Journal, November 11, 2025

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On a Personal Note

It wasn't quite the Cuban Missile Crisis but I got to around DefCon 3 on a recent Saturday . Kathleen and I were walking the Farmer's Market in downtown Pensacola when I had a mini break from sanity. It wasn't a full-on panic attack but I suddenly grew very anxious amongst the throng of slow-moving people making their way through the long line of vendors. My "filter" was off. I'll blame the muscle relaxers onboard since the night before for a nagging crick in my neck. My thoughts became words which didn't sit well with Kathleen, who, up to that point was having a wonderful time. Clear of the crowd, Kathleen calmly pointed out how she often does things that she'd rather not, to make me happy. We "are" our thoughts and mine quickly pivoted to how grateful I was to be spending time with my wonderful wife, on a beautiful day. Ironically, just an hour earlier we were at a Celebration of Life ceremony for the wife of a close friend, who finally succumbed to a heroic three-year battle with breast cancer. Lucky for me, Kathleen granted me grace. We returned to the venue, fully engaged, and had a wonderful afternoon. Back home that evening, we were sitting on the couch, half watching the Alabama football game. The TV volume was turned down, replaced by music from Kathleen's Spotify feed, when the 1992 classic from the *Screaming Trees* came up, "I nearly lost you". A God-wink for sure.

Way back in the day, my sister-in-law Joanie would send her boys out the door with the instructions, "Take risks, get dirty, make mistakes." Great advice that worked out magnificently for young Benjamin, Noah, and Peter. Dr. Ben is currently an orthopedic surgery resident at the University of Vermont Medical Center; Noah, an Army Ranger and West Point graduate, running the Army's Jungle school in Hawaii; and Peter, a civil engineer making a name for himself in the DC area. More on Noah. Earlier this year, catching up with my brother Jay on the phone, I asked about his middle son, particularly, what he was looking at for his next set of orders. "He's getting out" was Jay's reply and I was shocked. Noah had quite a story and was punching all the right tickets for his military future. I pictured a long career with at least a couple "stars" pinned to his lapels down the road. Turns out, he's looking to settle down and start a family of his own. "So what's he going to do?" I asked. "He's not quite sure," Jay replied, to which I asked the most important question, "Can I talk with him?" Well, after several months of wonderful communication, Noah accepted our offer and will be joining our practice upon his separation from the Army in May. We could not be any more excited...he's pretty pumped as well. You will hear much more about him in the upcoming months and Collin, Kelly & I have no doubt that you're going to love him as much as we do.

From Collin:

A few weekends ago, Jackie and I pulled into the town of White Springs, Florida just after sundown and checked into our Airbnb on the Suwannee River. White Springs was one of the first resort towns in all of Florida, with the touted "healing water" of a nearby spring bringing northerners down by the trainload in the late 1800s. Since then, a massive fire and the spring running dry have taken away the crowds and left a quiet little town along the Suwannee. Thankfully, we weren't here for the spring. While studying for my CFP exam earlier this year, I had to take some time off running to focus on the material. I made a deal with myself that for my sacrifice, I'd run a race I've been eyeing for the last few years. "The Wild Florida Trail Run" is Florida's largest 50K. It had been a while since I'd put myself through a physical suffer-fest and I couldn't wait for the challenge. The course runs its entirety along the Florida National Scenic Trail, and proved that some of the state's most beautiful views aren't just on along its coastlines. I wasn't looking to win, just finishing was my goal, but tracking my "splits", I was well ahead of my target pace. My spirits were high right up to mile 26 when I hit the wall...hard. I kept going, at walking pace, and crossed the finish line with a time of 6 hours, 16 minutes. I was a little disappointed that I didn't finish as strong as I'd hoped, but thanks to Jackie that feeling was quickly washed away when she handed me a celebratory beer. Turned out, I found my "healing water" in White Springs after all.

Until next month, with warmest regards,

Jon, Collin, Kelly, & Noah

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