



Soundings

What's New - August 2019

Quote of the month:

“Be humble. Be hungry. And always be the hardest worker in the room.” Dwayne “the Rock” Johnson

Work. There is no substitute. Luck is nice, but you’ve probably heard the old saying, “the harder I work, the luckier I get.” There’s nothing wrong with being born-well... the “lucky sperm club” as they say. That said, the history is full of privileged offspring who never reach escape velocity. “The Rock” hit the nail on the head with his answer to the question, “What is the key to success?”

The momentum continued in July with all major domestic indices adding to their gains. Larry Adams, Raymond James Chief Investment Officer, notes the U.S. remains the bright spot in the developed economies with solid growth buoyed by consumer spending, business capital expenditure, and muted inflation. The jobs market is rock solid, with the unemployment rate near the lowest level (3.7%) since December 1969 and wage growth (3.3% YoY) near cyclical highs. Headwinds remain, namely global trade issues and uncertainty in Europe, but with an accommodative Federal Reserve, the likelihood of a U.S. recession in the near future is remote.

I took a different tack in this month’s *Market & Economic Commentary*, placing a piece from one of the monthly professional journals that make it to my inbox. In, *Grandma’s Got a Boyfriend*, financial advisor Steve Gresham writes of the importance of companionship as we age. First, the numbers...

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Market Update - Year to Date Returns

Major Indexes

(As of 8/1/19)*

Dow Jones Industrials	15.2%
S&P 500 Index	18.9%
NASDAQ	23.2%
DJ Global ex US	11.4%
Russell 2000 (small cap index)	16.8%
XAU (gold/silver)	24.0%

* Source: The Wall Street Journal

[D.A.L.I. Page](#)

D.A.L.I. Signals - 08/01/2019

Dom. Equities	Int'l Equities	Fixed Income	Commod	Cash	Currency
302	258	160	152	137	79
27.8%	23.7%	14.7%	14.0%	12.6%	7.3%
(+0)	(+0)	(+0)	(+0)	(+0)	(+0)

Source: Dorsey, Wright & Associates, LLC

- 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 DJ Global 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. The Barclays U.S. Corporate High Yield Bond Index is composed of fixed-rate, publicly issued, non-investment grade debt, is unmanaged, with dividends reinvested, and is not available for purchase. The index includes both corporate and non-corporate sectors. The corporate sectors are industrial, utility and finance which includes both U.S. and non-U.S. corporations. The Barclays Capital Municipal Bond is an unmanaged index of all investment grade municipal securities with at least 1 year to maturity
- 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

Leonard was a pioneer in medical care, first in the research of arthritis in the 1960s and later when he wrote the U.S. government's protocol for stroke rehabilitation. We talked a lot about aging. He opened my eyes to many interesting aspects of his generation's newfound longevity—including dating. Companionship, he observed, becomes even more important as you age. Family may move away, or you move away from them. Friends age unevenly. Many older people follow their adult children to stay in touch with grandkids and to ensure nearby care. Researchers tell us social isolation is “the new cigarettes” because of its impact on health.

Leonard thought he had a pretty good handle on the process of aging, but he was unprepared for the variety of relationships he encountered when he and his wife retired to Florida. He had never been much of a gossip, but he was fascinated by the different social situations created by the unpredictable dynamic of aging. He watched single ladies in their 70s and 80s compete for the affections of the few single older men. He had a couple of friends who “played the field” and still others who had a “special friend.”

While many couples approach retirement in pretty good health—and are at first equally robust—one of the pair will likely be more physically resilient and outlive the partner. Studies indicate greater longevity for women—by an average of seven or so years. As I've written before, not too many couples think about the stage of life when one of them is impaired—or alone. Paula remained robust and very active and very social. Leonard had been more reclusive—more comfortable in a professional arena and never fully engaged in his new community. He was unprepared for life after work, while Paula was chomping at the bit. She encouraged Leonard to seek out activities and friends. It is sometimes hard for men to do that.

When Leonard contracted pancreatic cancer and died four months later, he and his wife became the statistic I'd written about for years. It was not really a surprise when Paula started seeing Jerry (somewhat ironically—or morbidly—Leonard had predicted it). Jerry was active, an outdoorsman and birding enthusiast—pretty much the opposite of Leonard. He and Paula attended church together, met for lunch afterward. Paula started drinking the same gin as Jerry. They took local bird tours together and attended programs at the community center. Paula had a real sparkle in her eye when she talked about Jerry. She got to know his adult children and spoke to them regularly. Her kids were not initially supportive—Paula blew off a couple of holiday gatherings to spend time with him. But they began to understand how important he was to her. They never really traveled anywhere, they never lived together or got married. They just hung out.

Jerry suffered physical ailments that began to limit his mobility. He became less active—and frustrated. He and Paula shared time together in more sedate activities. Paula spoke more to Jerry's kids about his health and became part of his support team. Recently, Jerry died too. Though it was unexpected, he was well past 80. Paula was very sad but also reflective. Grateful for their time together but also aware that time was limited. Perhaps a good lesson for us all. Longevity is both a gift and a curse. Sometimes “aging” is described as a series of losses—losing the ability to do things you like, losing friends and family members. Planning for that phase when you may be alone is very hard but essential for peace of mind. Adult children may not fully appreciate isolation. Even living in your home can be isolating if you don't have a way to get out and connect with people. Leonard was often alone all day while Paula darted from one activity to the next. He actually seemed happier in the assisted living facility where he moved after his cancer diagnosis.

Ask clients about how they would like to spend those later years. They all know people who have had the experience. What would they do differently—or the same?

Steve Gresham, Grandma's Got a Boyfriend, Financial Advisor Magazine, August 1, 2019

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On a Personal Note

What are the two best days in the life of a boat owner. Everyone knows it's the day you buy it and the day you sell it. At a recent Rotary lunch, our guest speaker gave a twist to that old saw. According to our guest, the answer to the Jeopardy question, "The two best days in the life of a parent" is "What is the day you bring little junior home and the day he's finally off your payroll?" I sure hope that's not the case because I just signed not-so-little junior's first paycheck with Soundside Wealth Advisors.

In May, I wrote that our son Collin, with a freshly printed Bachelor of Science degree in Finance in hand, turned down the offer to join his old man's practice. I was a bit sad, a bit relieved (yah, I was a little scared of the big change), but proud of the kid's decision to give it a go in Orlando. He'd set down some roots over the past four years and was comfortable in his routine and social network. He accepted an offer with an old-line, respected firm and got busy. Alas, the weeks went by, and the when junior would awaken in the middle of the night, his mind was uneasy. Was he on the right track? We spoke often, he's my kid after all and I kind of like him most of the time. I did not, and would not ever to tell him what to do. I did a lot of listening and questioning and in the end, suggested he talk with his "Uncle" Jorge. I've written many times of Jorge and Gina, our neighbors of close to 15 years, who never had kids of their own, but who's wisdom make them a sought-out source of feedback for folks of all ages. As is often the case, Gina is sweet, sensitive, funny, beautiful on the inside and out, while Jorge is... Jorge. He will not hesitate to give you his opinion...directly. As I've aged, I've actually tried to channel my inner Jorge when approaching a problem...WWJD? He has a unique ability to distill an issue to its core components and make unemotional decisions that just tend to make sense. Collin spoke with Jorge and a couple days later, so did I. When Collin and I next spoke, he let me know that he'd reconsidered my offer and would like to accept. I couldn't be more excited and, funny thing, after speaking with Jorge, I'm no longer scared (well, maybe a little). Stand by for progress reports.

Alex is approaching his one-year anniversary with the accounting firm. Career aside, he and Claire have been busy as you'd expect of any young couple living smack dab in the middle of New York City. They've recently expanded their horizons literally, moving from an apartment the size of a large closet to one the size of a large bedroom. Not quite the Jefferson's but pretty cool none-the-less. Career-wise, Alex told us he was called by a head-hunter. I was shocked. The kid's got less than a year on the job... as dashing, intelligent, and all-in-all wonderful as he is, what could he possibly bring to the table? Apparently, that's a pretty common part of life in the big city, especially for folks in a big four accounting firm. Alex took the call...why not? He's not leaving his firm but he did learn a little more about what he's worth in the marketplace. And he's doing great there. His supervisor gave him the nickname, AK-47. AK are his initials but he when he glanced back quizzically, said supervisor said, "Left un-supervised, you do some real damage." That's my boy!

Now that Collin is joining the team, I expect we'll start doing some events. I'm going to take liberties and state that those whom haven't met the kid are going to take a real shine to him. He's just like me but funny, tall, handsome, and intelligent. As for events, I was recently guest speaker for the Navarre Chamber of Commerce, Women Empowering Women monthly luncheon. As you'd imagine, I was the only non-woman in the room and enjoyed it immensely. I spoke about cash flow, lifestyle, and a healthy work-life balance. It went over so well that I'm currently adapting the presentation for weddings, funerals, Bar Mitzvah's, and birthday parties. Of course, friends and client-family will get favorable booking but I expect to get busy so plan ahead!

As always, I hope you're enjoying every day as it comes.

Warmest regards,

Jon

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