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WEALTH & WELLNESS
GROUP

Did You Know?
Trucker CB Slang

A ***Bear*** is a police officer, which can also be referred to as a “Smokey.”

A ***Baby bear*** is a rookie police officer

Evil Knievel is a police officer on a motorcycle

Bear bite is a speeding ticket

Bear trap is a speed trap

Chicken coop is another name for a weigh station or truck scale.

Piggy back is a truck towing another truck.

An ***Alligator*** is a piece of tire in the road.

Meat Wagon is another term for ambulance.

“I’m going to pay the water bill” means I’m taking a restroom break.

“I’m having shutter trouble” suggests a driver is having trouble staying awake while driving.

“Too many eggs in the basket” refers to a truck with an overweight load.

“There’s a Kojak with a Kodak” means there’s a police officer using a radar gun to look for speeding vehicles.

Source: Roserocket.com

The Election, The Fed, & looking Ahead

For the month of October, it appears that Wall Street had more on its mind than costumes and candy. The Dow ended down about 1%, while the S&P 500 and Nasdaq both dipped -0.5%. The negative returns snap a five month winning streak for the Dow & S&P 500, and a two month run for the Nasdaq.

October was disappointing but not unexpected with so much uncertainty around the election and an early November Federal Reserve meeting on tap to decide on the direction of interest rates and inflation. No one likes uncertainty, especially Wall Street because it’s difficult to plan, forecast, and move forward without knowing which players will be controlling various levers.

The interesting thing about this or any election is how markets respond to information. With the details settled sooner than expected around a second Trump White House and, at least, a GOP controlled Senate, the markets responded accordingly. The S&P 500 and Dow both ended election week up about 4.7%. It’s their best weekly performance since November 2023. The Nasdaq ended the week just short of a new record high, and up 5.7%. These are outsized returns compared to previous post-election runs. Since 1980, the S&P 500 has gone on to gain around 1.5% on average between Election Day and the end of that respective calendar year.

Additionally, in the backdrop of the election, the Federal Reserve met and reduced interest rates by a quarter percent or 25 basis points (100 basis points =1%). They cited declining inflation, ongoing economic growth, and stable labor conditions (minus hurricanes and strikes) as support for their move.

As a result, we expect fixed income rates to trend down, despite a recent spike on election and tariff concerns. The era of 4% - 5% bond and CD rates is ending, but the current interest rate still exceed those of recent decades, and if they continue lower as expected, bond values will drift higher (prices rise as rates fall).

Despite a recent election bounce in the market, the Fed reducing interest rates, inflation nearing it’s 2% target, economic growth at an annualized 2.7%, and unemployment steady at 4.1%, risks are still present. We have had the best 10-month, pre-election run up in stocks since 1936. So valuations are high. Additionally, whether tariffs are truly enacted or used as a negotiation tool, with the US Deficit at 6% of GDP, the potential to re-stoke inflation is present. Finally, geopolitical concerns and tensions remain in play with Ukraine, Russia, Israel, Palestine, and China.

Overall, we realize that political polls suggest that 50% of people will be disappointed by the election results. However, we think 100% should be encouraged by the core economic factors that lie ahead. It’s worth noting that there is nothing political about PE ratios, EPS growth, payout ratios, or one company’s competitive advantages over another.

The stock market is also not the same as the economy. The economy drives the market, not the other way around and it’s the consumer with the real power not A “Red” or “Blue” side. Therefore, we maintain our positive outlook for stocks, with a tilt toward value-based fundamentals and dividends.

Trivia:

1) What is the nickname for Route 66?
2) What is the maximum number of clubs allowed in a golfer's bag?
3) How many letter tiles are in a game of Scrabble?
4) What is the only number spelled out with the same number of letters as its value?

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Maslow's Hierarchy Of Needs In Retirement

As taught in Psychology 101, Abraham Maslow's hierarchy of human needs suggests that there is a process we can follow to achieve happiness. It starts with fulfilling basic needs, such as food and water, so we can sustain life.

This is followed by our need for health, employment, medical care, and family to feel safe and secure. Once those needs are met, we are driven by our desires to feel loved and belong. Next is our desire to feel confident and valued through aspects of internal and external esteem. Lastly is our desire to have purpose and maximize our potential.

The interesting thing about where Maslow's model for happiness intersects with retirement is that by exiting the workforce, there is a need to re-establish aspects of the hierarchy. Pulling this apart, we know that traditional retirement planning helps people replace and solidify the first two needs. The basic needs like housing, food, water, health care, and income. However, as we move up levels, new and existing retirees are confronted with a major dilemma. The need to develop a new sense of belonging as well as elements of self-esteem from outside of the workplace.

This is an unexpected problem that can not only confuse a new retiree, but also is a major reason why so many retirees struggle with the transition at first. One the one hand, you would think that someone entering retirement would have reached some level of achievement in the first four areas and could now use retirement to focus on and achieve the final level of self-actualization. To maximize their potential and become the best version of who they are or want to be.

However, instead of jumping to level five, leaving work puts major holes in the previous two levels, effectively rolling people backwards rather than propelling them ahead. As retirement takes shape, our social networks shrink which diminishes our community and sense of belonging. Furthermore, work is the place where they built a reputation, developed mastery, had status, and commanded respect. All essential elements to a person's sense of identity and self-esteem that quickly dissipates. Truth is, many people don't realize the full extent of what they are giving up and need to replace when they leave work. As a result, instead of working on the best version of themselves in level 5, they end up stuck and scrambling to find community and build self-esteem in levels 3 and 4.

This unexpected dilemma is a big reason why it has become more common to consider taking a recalibration year, which would be similar to a college gap year. The goal being to have a specific time-line to rebuild those two key needs of belonging and self-esteem in order to foster new direction, purpose, and mastery.

The key here is that we know that people want to make a meaningful transition, to be happy, experience connection, feel financially secure, and maximize their potential. So it's important to use models like Maslow's to better prepare people for what the retirement transition, will bring. That means developing a plan before retirement to not only replace their basic physiological and safety needs but also their sense of belonging and esteem.

Trivia Answers

1) The Mother Road
2) 14 clubs
3) 100 Scrabble pieces
4) "Four"

Source: Triviafun