

Monthly Musings- November 3, 2022

I've been going through boxes (and boxes) of photographs and family memorabilia and stumbled on this clipping from the New York Times dated August 10, 1983, 2 days shy of my one year anniversary at Smith Barney. My dad cut out the article and labeled it "Lyn's Market", up 61%. You have to love that! (Side bar – I shared the performance of a model portfolio I'd created the week I started. One year later I shared it with my manager and he responded "Never confuse brains with a bull market.") The day I joined Smith Barney (August 12, 1982) Henry Kaufman (aka Dr. Doom), Chief Economist at Salomon Brothers, predicted interest rates would decline and the markets took off. The first page compares the bull market of 1982-1983 with prior bull markets (notably often occurring every 4 years). Flipping the article over, I was struck by the truncated discussion of a strong dollar, high interest rates, the Fed's anti-inflation monetary policy, the large budget deficits and a risks of the slow pace of recovery. It could have been written yesterday. No one could foresee the changes our country and the world would experience over the next 40 years and it is hard to imagine what the future holds for the next generations.

On our family text group, my brother shared yesterday was 8 years ago to the day he got the phone call a heart was available and he should head to the hospital. The next 24 hours was life changing for him. A year later he ran the Philly half marathon and a couple of months ago he gave a most moving speech at his oldest daughter's wedding. In 1967, Dr. Christiaan Nethling Barnard performed the first interhuman heart transplant. According to the National Library of Medicine, there are now 4000-5000 transplants a year (there would be more if there were more donors) with an average survival rate of over 10 years. In 1996, my husband Charlie had a mitral valve replaced with a prosthetic one. They cracked open his chest, put him on a heart/lung machine, repaired his heart and stitched him up. Today there is an option for small incisions and robotically-assisted valve surgery reducing risks and recovery time. When I read reports of impending doom and gloom for the markets, I think about the enormous discoveries changing the entire landscape of health care from wearable devices that share patient information directly with the physician to mRNA medicines that take advantage of normal process in our bodies to express proteins that can prevent or fight disease.

Last week DA Davidson held the biannual Women Financial Advisor's Network conference in Boise, our first since 2019. I think we all were so grateful to be together again. It's a terrific opportunity not only for continued education but also to share best practices and have time with colleagues. Helping clients plan is always a focus. According to AARP, on average 10,000 baby boomers turn 65 every day. As a Financial Advisor, our role is to establish investment strategies and financial plans to make certain your assets support you and fund your goals but it's important to consider the "softer side" of retirement as well. As one speaker shared, "It's 9:00 am on Tuesday morning, what are you going to do?" and another stated "Retire to, not from". With people living longer it is imperative to have a financial plan and personal plan. As George Bernard Shaw said, "You don't stop laughing when you grow old. You grow old when you stop laughing."

Yesterday the Fed raised rates .75%, specifically the rate they charge banks for short term borrowing, to a target rate of 3.75-4%, the highest level since January 2008. (Note the last time the Fed was this aggressive was in the early 1980's or just before "Lyn's Market" above). Powell's statement, often more important than the actual rate hike, suggested a policy change of perhaps slowing down the rate of increase in the future. The markets are trying to determine the levels the Fed will take to combat inflation and the only thing I feel I can predict for certain is ongoing volatility. At the risk of repeating myself, investing is a long game. To participate in an activity that has a short term outcome, watch the Phillies play the Astros. 😊

If you have any questions or concerns, do not hesitate to contact us.

Be well.



"The life of a nation is secure only while the nation is honest, truthful, and virtuous." -Frederick Douglass

"The best ability is availability. When you work with and for the best people in the business and you love what you do, showing up every day is a joy, but more than that, it is a privilege." -Charlie Cameron