



## Patience and the September Pause

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### Did You Know? Garage Sales

The 5 most valuable items found at a garage sale.

**5. Bond Watch:** An Englishman picked up a watch at a flea market for \$38. Turns out it was worn by James Bond in the film *Thunderball*. In 2013 it sold at auction for \$160,175.

**4. Costume Jewelry:** In 1980 a woman picked up a piece of costume jewelry for \$13. For 30 years she wore it not knowing its true value. It sold at auction for \$850,000.

**3. Andy Warhol Sketch** An art collector named Andy Fields was scouring garage sales in Las Vegas and found five interesting paintings for \$5. After his purchase he closely examine them and one turned out to be by Andy Warhol worth \$2 million.

**2. Dec. of Independence:** In 1989, a Philadelphia man visited a flea market in Pennsylvania. He purchased a painting for \$4. Hidden behind the artwork was a rare copy of the Declaration of Independence which sold in 1991 for \$2.42 million.

#### 1. Ansel Adam Prints

Rick Norsigian purchased a set of glass plates with images of Yosemite National Park on them for \$45. Turns out the glass plates were the work of Ansel Adams and had a value worth \$200 million.

Source: Muzeaum.ca



After getting off to an ugly start, the stock market ended the month of August with an impressive recovery. The major indices ended a volatile month on a high note with the S&P 500 posting a 2.3% gain, while the Nasdaq eked out a 0.7% advance for the period. Bonds also provided positive returns, as did international equities. The numbers don't seem too impressive until you recall that within the first several trading days of August, the S&P 500 was down 6.4%, and Nasdaq touched correction territory, plummeting by as much as 10.7%.

The early tumble was attributed in part to a weaker-than-expected July jobs report, which prompted fears the Federal Reserve had waited too long to begin cutting interest rates. The unwind of the popular Japanese-yen carry trade was seen fanning the flames of the selloff. So, it feels like we got through a dicey period, only to find ourselves staring right at September, which happens to be the worst performing month of the year for the stock-market. While Sept is the only month with an average decline, the picture gets brighter if we take a slightly longer-term perspective and consider how major U.S. indexes have performed from Labor Day through year-end. Going back to 1971, the Dow has risen 72% of the time for this period, with an average gain of 2.7% while the S&P 500 has climbed 70% of the time with an average gain of 2.8%.

Looming over this market roller coaster is the Federal Reserve's policy on interest rates. While most economists have forecast a rate reduction at the upcoming September Fed meeting, it was a toss up as to whether the Fed would lower by 0.5% or 0.25%. The just released August inflation number points our needle in the direction of a small rate cut, here in September, and then continuing small cuts later in 2024 and into early 2025. Slow and steady rate cuts have historically been preferred by investment markets, which embrace certainty, while abhorring shocks and surprises.

The other factor garnering investor attention is the upcoming election. Right now, there is a lot of jockeying for position and all sorts of new policy ideas being floated around. During uncertain times like these, it is reasonable to expect some additional volatility in the market. However, it's worth pointing out that election years aren't dramatically different from non-election years in terms of overall performance. In fact, the S&P 500 has generated positive returns in 20 out of the last 24 election years. And the best long term market outcomes are found when the White House and Congress are "shared" by both parties.

We do expect increased volatility, over the coming weeks, but also continue to see slow and steady growth in the economy. Recent polls by the Wall Street Journal, Univ. of Michigan and the Conference Board do show the American consumer's attitude toward the economy is improving. Economic attitude is often the self fulfilling prophecy that moves the economy up or down. Declining interest rates do have us adjusting some portfolios away from cash and money market funds to longer term bond holdings, and we continue to tilt equity exposure from recent growth leadership toward value and dividend oriented stocks.

### Trivia

- 1) Which bird can fly backward?
- 2) Which marine animals hold hands in their sleep to prevent drifting apart?
- 3) What was Princess Diana's maiden name?
- 4) Which is the only vowel on a standard keyboard that is not on the top line of letters?

## What's your plan for . . . ...election season?

I've had a painful ear worm wedged in my ear: "*clowns to the left of me, jokers to the right, here I am, stuck in the middle with you.*" *Stuck in the Middle by Stealers Wheel.* Too many Americans do feel "stuck in the middle," as the loudest voices, in politics, often are the clowns and jokers are the extreme edges.

As clients voice their worry for one tax proposal or the other, I remind them that it is Congress which ultimately writes and passes those laws.

And policies which pass, in one administration, affect the slow moving tides of later economies. Trump's tax bill is what controls today's tax receipts, and Biden's bi-partisan Infrastructure bill will take years to build out.

Just as you expect us to diversify your portfolio to avoid concentration risk in one or two stocks, voters should diversify their sources of political and economic information. Watch events and read policies yourself. Gather information from multiple outlets. Like my irritating ear worm lyric, hearing the same political pundits over and over, can have an ill effect on critical thinking. A designer set of ear plugs and eye shades may be one answer, but I'll prefer to ask: What's Your Plan for Surviving (an informed) Election Season.



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## AGING IN PLACE

My business partner, Bob, recently shared that he felt like he was leading a double life. He didn't reveal his status as secret agent with ties to the CIA, but had realized that he does have two very different living circumstances between his primary residence and his cottage, in Michigan. At home, his bedroom is up a hefty flight of stairs and when the power goes out, he has to wheel out the generator and hook it into a transfer switch.

Up north, his bedroom is on the main floor, and when we bought the cottage it already had a whole house generator. He doesn't have bad knees or an achy back (yet), but his body appreciates less stairs and he admits the ease and comfort of knowing he will basically always have power up north.

On the surface, it would appear his cottage scores better than his primary residence for "aging in place." However, a floorplan and power are only part of the overall equation. His cottage is two hours away from family and friends and while there's a hospital nearby, access to quality health care and a full range of specialists would require travel.

There are some obvious pros and cons to his current living situation, and while he and his wife are years away from settling down into one home, it's never too early to start thinking about what the next phase of life may look and feel like.

"Aging in place" refers to the concept of staying in one's home, independently for as long as possible. For many, it's the ideal approach as it provides psychological comfort, financial stability, and social connection.

The catch is, there is a big difference between saying you plan to age in place and truly planning for it. A lack of preparation can be problematic and expensive, so taking the time to assess your home situation and possible needs can be valuable to your future self.

Your home doesn't need to score well under every possible scenario. However, if there are major flaws for safe and healthy aging with your current place, it may be time to start considering next step solutions. Here are a few tips to consider:

- Conduct a thorough home safety assessment to identify potential hazards and areas that need modification. This can include installing grab bars, non-slip mats, improved lighting, and easy access to essential areas like the bathroom, kitchen, and bedroom.
- Create a list of nearby medical facilities, emergency contacts, and pharmacies.
- Get familiar with in-home care services that can provide essential support for personal care, housekeeping, meal preparation, and transportation.
- Consider getting more familiar with technology that can support a plan to age in place. For example, wearable devices that monitor health, smart home systems for safety, and apps that connect you with caregivers or family members can all contribute to a safer and more comfortable living environment.

My advice to Bob, and many clients; Plan Ahead. Aging is a slow process, which can suggest plenty of time for important decisions . . .later. But when "later" suddenly becomes "now" the time for planning and rational decision making may have passed us by

## Trivia Answers

- 1) The Hummingbird
- 2) Sea Otters
- 3) Spencer
- 4) The letter "A"

Source: Teenvogue.com

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