



The Verdi View



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Newsletter – July 2019

Welcome to our quarterly newsletter. Below you will find our top 10 Fast Facts, timely reminders, and life updates from the team. Feel free to pass along The Verdi View to your friends and family!

Fast Facts!

- 1) **QUARTER 2:** At the end of the second quarter the S&P 500 Index was up 18.54% year to date while the DJIA was up 15.40% (source: Morningstar)
- 2) **MORE YEARS IN RETIREMENT:** From 1950 to 2018, the life expectancy of a 65-year-old American male has increased from 12.8 years to 18.1 years, i.e., an increase of 64 months. From 1950 to 2018, the life expectancy of a 65-year-old American female has increased from 15.1 years to 20.6 years, i.e., an increase of 66 months (source: Social Security).
- 3) **HIGHER HERE THAN THERE:** The US economy is projected to grow +2.2% in 2019, nearly a percentage point higher than the +1.3% projected growth rate for the collective economies of the 19-nations that make up the Eurozone (source: International Monetary Fund).
- 4) **WHAT A SURPRISE:** A divorced person who was married for at least 10 years is eligible to collect a Social Security survivor benefit when their ex-spouse dies, even if the ex-spouse had remarried. (source: Social Security Administration).
- 5) **STUDENT LOANS:** Presidential candidate Elizabeth Warren (D-MA) proposed on 4/22/19 that households making less than \$100,000 in adjusted gross income (AGI) would be able to cancel up to \$50,000 in student loan debt. The ability to eliminate student loan debt would phase out pro-ratably through a household AGI of \$250,000, e.g., a household making \$130,000 could wipe out \$40,000 of student loan debt (source: ElizabethWarren.com).
- 6) **UNPREPARED:** 58% of Americans have not executed a will and other estate planning documents, e.g., a medical directive that specifies what actions (if any) should be taken to prolong an individual's life (source: Caring.com).





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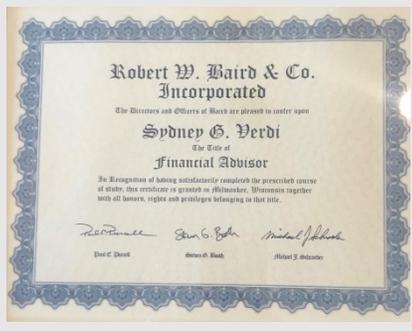
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Market Update:

At the end of the second quarter, the S&P 500 Index was up 18.54% while the DJIA was up 15.40%. As we continue to grapple with all sorts of moving parts, here is something I want you to remember: investing is really hard. As investors we can create narratives in our heads to help us sleep better at night but ultimately stocks can do and will do all sorts of crazy things. What is most important is how you act during difficult times. How you behave when the market goes wild will largely determine how successful you are at this.

Think of everyone who cut and ran at the end of 2018, and how hard it must be to get back on track. My one lesson I ask you to absorb is to stop sabotaging yourself over long periods of time. You don't have to be right all of the time; you just need to be a little less wrong

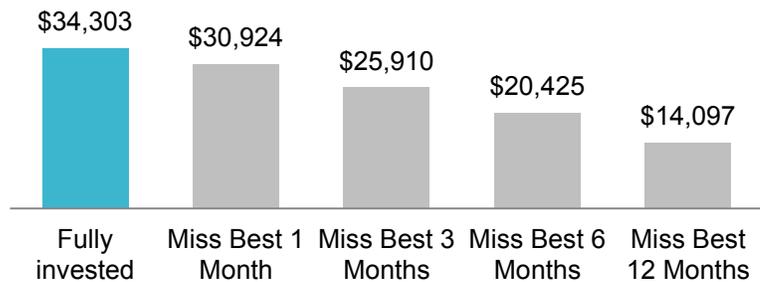
Joe Verdi
Senior Vice President



Fast Facts Continued

- 7.) **PREPARE FOR IT:** A 65-year old American couple has a 48% chance that at least one of them will live to age 90, i.e., at least a 25-year life expectancy (source: Social Security Administration)
- 8.) **ONE OUT OF THREE:** 1 out of 3 Americans at least age 85 has Alzheimer's (source: The Atlantic).
- 9.) **WOMEN:** 24% of the 535 members of Congress today are women, including 25 (out of 100) senators and 102 (out of 435) House members (source: Congress).
- 10.) **YOU MUST BE PRESENT TO WIN:** attempting to time the market's gains or losses is a tricky proposition and can come at a great cost. **The chart below** illustrates how missing even one month in the market can impact longer-term results. While ongoing portfolio modifications can be beneficial, large and frequent allocation changes are often detrimental.

How Missing Large Market Moves Impacts Wealth Creation (Growth of \$10,000)



Source: Standard and Poor's, Morningstar Direct, Baird Research. For the 10-year period ending December 31, 2018 (total 120 months). Past performance is not a guarantee of future results. Performance is calculated on a total return basis with dividend reinvestment. The S&P 500, computed by the Standard & Poor's Corporation, is a well-known gauge of stock market movements determined by the weighted capitalization of the 500 leading U.S. common stocks. Indices are unmanaged and are not available for direct investment. Past performance is not a guarantee of future results.

Team Update!

Sydney is officially a Financial Advisor at Baird!

After a year of training and test taking, Sydney has graduated from Baird's Financial Advising Training Program with her Series 7, Series 66, and life and health insurance licenses! Joe and Sydney spent the last week in Milwaukee finishing up team training and celebrating Sydney's graduation.

We are proud and excited to have Sydney here as a Financial Advisor at Baird!