



The Verdi View



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Newsletter – October 2021, Quarter 3

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

THEY MUST NOT BE TOO WORRIED - 3.99 million Americans quit their jobs in April 2021, the largest monthly "quit level" recorded in US history (source: Department of Labor).

TIME IN THE STOCK MARKET - If you selected any single month at random to invest in the S&P 500 during the 30-years ending 6/30/21, you achieved a positive total return 67% of the time. If you extend your investment time horizon to just 1 year, you achieved a positive total return 83% of the time. If your time horizon was 5 years, you achieved a positive total return 84% of the time. (source: BTN Research).

IDENTIFY THIEVES - 394,000 Americans filed an identity theft report with the Federal Trade Commission (FTC) in 2020. According to the FTC, the criminals were using the stolen information "overwhelming" to "fraudulently obtain unemployment benefits" (source: www.IdentifyTheft.gov/unemploymentinsurance)

WILL NEED A LOT OF NEW BATTERIES - The sale of electric vehicles (EV) is forecasted to exceed the sale of gas-powered vehicles in Europe within 7 years (by 2028), within 12 years (by 2033) in China, and within 15 years (by 2036) in the United States (source: Ernst & Young Global Limited).

MOVE HERE - 44 US cities are currently offering cash incentives to attract workers to move to their cities, including Augusta, ME (\$15,660), Stillwater, OK (\$7,500) and French Lick, IN (\$5,000) (source: MakeMyMove.com).

AT THE PUMP - The national average price of gasoline was \$3.19 a gallon as of 8/13/21, up from \$2.25 as of 12/31/20. The last year that ended with gas at \$3 a gallon or above was 2013 or 8 years ago (source: AAA).

SKIP THE PUMP - There are 43,600 electric vehicle (EV) charging stations in the USA. The \$1.2 trillion infrastructure bill passed by the Senate allocates \$7.5 billion for additional charging stations (source: DOE).

MORE WILL FOLLOW - The Bahamas became the 1st nation to issue its official currency in digital form in 2020, i.e., a legally backed digital token developed by a central bank (source: Central Bank of The Bahamas).

MASSIVE LOSSES – Hurricane Katrina (2005) caused \$81 billion of damages (in 2005 dollars), comparable (in nominal terms) to the estimated \$80 billion of damages caused by Hurricane Ida (source: Hurrificanescience.org).

THEY HAD ENOUGH - 3.2 million Americans retired in 2020, a +56% increase over the average 2.05 million Americans who retired over the previous 8 years, i.e., 2012-2019 (source: Pew Research Center).





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Team Update

Our love of golf continues. We had the opportunity to go to whistling straights for the 2020 Ryder Cup at the end of September. It was a bucket list day getting to see all our favorite golfers and ultimately see USA take home the cup.

On the way back we stopped in Janesville to play Glen Erin Golf Club where Joe got a hole in one on hole #16. We were so excited! One of Sydney's favorite moments on the golf course this summer.

Hole in One!



Ryder Cup Whistling Straights



TWENTY YEARS AGO - The US stock market did not open at its regular time of 9:30am ET on Tuesday 9/11/01, shutting down after the first plane hit the North Tower of the World Trade Center at 8:46am ET and the second plane hit the South Tower at 9:03am ET. When the market did reopen on Monday 9/17/21, the S&P 500 fell 4.9% (total return) for the day (source: BTN Research).

NATIONWIDE AVERAGE - The value of a single-family home in the United States increased by an average of +17.4% over the 12 months from 6/30/20 to 6/30/21 (source: Federal Housing Finance Agency).

SO MUCH MONEY - Professional golf's FedExCup finished with the top 30 golfers competing in Atlanta in the Tour Championship. The tournament winner took home \$15 million for the year-long competition, 8th place won \$1.1 million, and the golfer who finished last (30th) still made \$395,000 (source: PGA).

Long-Term Bullish

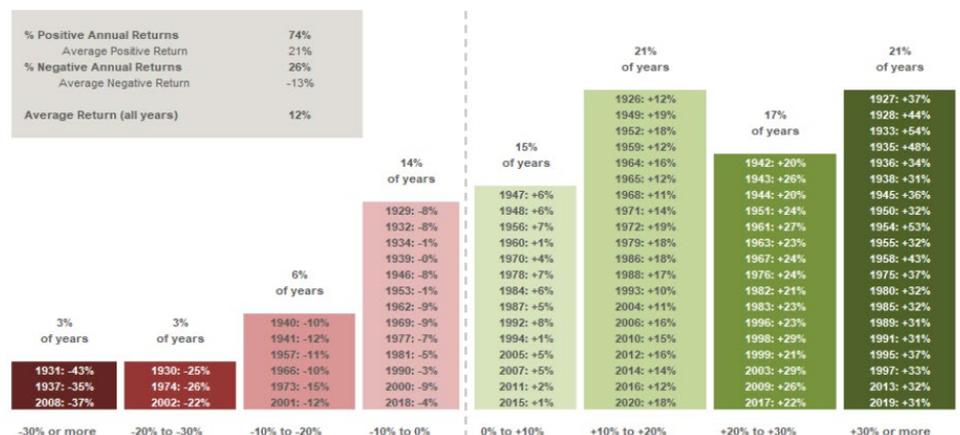
Being in a long-term secular bull market doesn't mean there won't be volatility and selloffs – far from it. As we know, 5%, 10%, and even 20%+ drawdowns are fairly common and should be expected by stock market investors; it's just the price to play the game. But inside of secular bull markets, selloffs tend to be shallower and quicker to end, while the positive events tend to be far more common (not to mention the returns are much stronger). Even the disaster that was the covid-19 pandemic couldn't hold this market down for long.

Today, many see new all-time high after new all-time high (in the face of countless uncertainties, no less) and become concerned, thinking that stocks have nowhere to go but down. The market is already up nearly 250% since making a post Financial Crisis high in 2013, after all. But secular bull markets can span multiple decades, driven by enduring macroeconomic, demographic, and fundamental tailwinds. To sum it up: we believe the market's strength and momentum is not a reason to get bearish, but rather, one to get bullish. And not just for the near-term either, but for the long haul.

The Stock Market Rises More Often Than Falls

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S&P 500 Index Annual Returns (since 1926)



Source: Standard and Poor's, Baird Research. 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.

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