Furstenau Wealth Update
January 23, 2023

The Markets

"It's hard to be a contrarian for very long these days because the consensus seems to change so quickly," opined Ed Yardeni via LinkedIn last week.

We've certainly seen a shift in investors' preferences during the first few weeks of this year. Despite widespread expectations that markets would move lower early in 2023, major U.S. stock indices have trended higher. Year-to-date through January 20, 2023:

- The Standard & Poor's 500 Index, which is comprised of 500 of the largest publicly traded companies in the United States, was up 3.5 percent.

- The Nasdaq Composite, which is comprised of stocks listed on the Nasdaq Stock Exchange and includes a significant number of technology stocks, was up 6.4 percent.

- The Dow Jones Industrial Average, which is comprised of 30 large U.S. stocks, was up 0.69 percent.

The year-to-date gains reflected stock investors' optimism about where the economy may be headed, reported Nicholas Jasinski of *Barron's*.

"Stocks have embraced the concept of a soft landing so far in 2023…The communication-services and consumer-discretionary sectors of the S&P 500 are trouncing the market, each up at least 5% year to date. Defensive consumer-staples, utilities, and healthcare stocks, on the other hand, have declined more than 2%. If stock investors were worried about a recession, shares of companies that sell electricity, toilet paper, and [cereal] should be doing better than riskier firms in more discretionary areas. They're not."

That's a significant change from last year when the communication services and consumer discretionary sectors were the worst performers in the S&P 500, and energy and utilities were the top performers.

It's quite possible we will see another shift in investors' expectations so be prepared for a bumpy ride.

Major U.S. stock indices delivered mixed performance last week. The S&P 500 and Dow moved lower over the five-day period, while the Nasdaq moved higher. Yields on most longer-dated U.S. Treasuries finished the week lower.

Data as of 1/20/23	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	-0.7%	3.5%	-11.4%	6.2%	7.0%	10.3%
Dow Jones Global ex-U.S. Index	0.2	7.1	-12.8	-0.4	-1.2	2.0
10-year Treasury Note (yield only)	3.5	N/A	1.8	1.8	2.7	1.8
Gold (per ounce)	0.9	6.2	4.3	7.3	7.6	1.3
Bloomberg Commodity Index	0.5	-0.6	6.1	12.3	4.8	-2.3

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.
Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

WHEN WAS THE LAST TIME YOU TALKED WITH YOUR PARENTS/KIDS ABOUT MONEY? It still surprises many people that the oldest millennials are in their mid-40s, but it's true. Millennials have been rapidly moving into sandwich generation territory – where they may need to provide care for older parents and school-age children at the same time.

Caring for aging parents can be an expensive responsibility. One often overlooked cost is that adult children may have to work fewer hours or take leave from work to care for a loved one. On average, the cost of lost work time for caregivers is more than $10,000 a year, according to AARP Research. Take this brief quiz to learn more about the costs typically associated with caregiving.

1. About 48 million Americans provided unpaid care to an adult family member or a friend in 2021. In addition to the emotional costs of caregiving and lost income, most (8/10) caregivers spent a significant amount of money on caregiving costs such as home modifications, medical bills and parents' rent or mortgage payments. On average, annual caregiving costs more than:
    a. $3,000
    b. $7,000
    c. $9,000
    d. $11,000

2. In a recent survey, 70 percent of respondents said their parents were financially prepared for the future. How many of the survey's respondents had actually talked with their parents about whether the parents were financially prepared for the future?
    a. 31 percent
    b. 42 percent
    c. 65 percent
    d. All of them

3. Sometimes, care may be needed for a significant period of time. The average life expectancy at birth in the United States is 76.1 years, but life expectancy changes as people age. What is average life expectancy at age 70?
    a. 6.5 years
    b. 8.7 years
    c. 12.1 years
    d. 14.8 years

4. Talking about money with parents can be difficult. In a recent survey, many participants said they would rather not do it. In fact, they would rather:
    a. Discuss their parents' funeral plans than their parents' finances.
    b. Inherit less rather than deal with their parents' finances.
    c. Deal with a parent's estate after death rather than talk about it while the parent was alive.
    d. All of the above.

Whether caregiving is in your future or not, it's important for adult children to understand their parents' current finances and the plans they have for future. If you would like to have some help getting the ball rolling, just let us know. We can guide and facilitate these important financial conversations.

Weekly Focus – Think About It
"I want my children to have all the things I couldn't afford. Then I want to move in with them."

—Phyllis Diller, comedian

Answers: 1) b ; 2) b; 3) d; 4) d

Best regards,

Ryan D. Furstenau

P.S. Please feel free to forward this commentary to family, friends or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

Securities offered through LPL Financial, Member FINRA/SIPC.

* These views are those of Carson Coaching, not the presenting Representative, the Representative's Broker/Dealer, or Registered Investment Advisor, and should not be construed as investment advice.
* This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named firm or broker/dealer.
* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM.
* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
* Asset allocation does not ensure a profit or protect against a loss.
* Consult your financial professional before making any investment decision.

Sources:
https://www.linkedin.com/pulse/pessimistic-consensus-edward-yardeni/ (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2023/01-23-23_LinkedIn_Pessimistic%20Consensus_1.pdf)
https://www.barrons.com/market-data?mod=BOL_TOPNAV (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2023/01-23-23_Barrons%20Data_2.pdf)
https://www.barrons.com/articles/stock-market-dow-nasdaq-sp500-51674262537?refsec=the-trader&mod=topics_the-trader (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2023/01-23-23_Barrons_Stocks%20and%20Bonds%20are%20Sending%20Different%20Messages_3.pdf)
https://www.spglobal.com/spdji/en/documents/performance-reports/dashboard-us-sector.pdf

https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value_month=202301
https://www.aarp.org/research/topics/care/info-2016/family-caregivers-cost-survey.html
https://www.rd.com/article/funny-family-quotes/
https://stories.wf.com/wp-content/uploads/2022/12/Wells-Fargo-Financial-Planning-Survey-Report.pdf (Page 2)
https://www.cdc.gov/nchs/data/vsrr/vsrr023.pdf