Survive and Thrive July 2023: HELP: Your Survival Guy is Under Immense Pressure

Dear Survivor,

Your Survival Guy's under immense pressure. (I thought you'd enjoy reading that). But it's real. I can feel it. And I'm not talking about investing. I can handle that kind of pressure. No, I'm talking about planning for holiday weekends and special anniversaries.

By Novikov Aleksey @ Shutterstock.com

One evening this week, Your Survival Guy was in the kitchen sipping a glass of white, listening to music, and washing vegetables when Your Survival Gal asked, "Have you thought about our anniversary?" I looked up for a moment, staring into space, wondering how one might respond.

"Yes," I said, hoping someone might come in asking if they could use the car.

"You know it's a big one," she said. "25 years."

Thirty minutes later, sitting there scanning prices for places we "might" want to go and feeling the pressure, I realized, this is no way to celebrate. Thankfully, we shifted gears to what "we're" going to do for the Fourth of July "Because, you know, so and so will be away," she said.

More pressure. What are we going to do? And allow me to make a side note. The other night when I mentioned to our kids, who still live upstairs, "Mom and I might go away for a couple nights," their eyes lit up with the joy of Christmas morning.

There's always pressure to "do something." That's no way to live or to invest. Remember, as Vanguard founder Jack Bogle said, sometimes it's best to "Don't just do something, stand there."

"Oh, That Wasn't So Bad"

Your Survival Guy continues to favor a steady, balanced approach in times like these. You're seeing yields on bonds you can sink your teeth into, and I like dividend-paying stocks. I want you to be paid to be invested in this market. Prices on the S&P 500 come and go. Look at last year, for example. And this market is shallow or an alligator market.

When investors focus on prices, they live and die by the big ups and downs. It's the investors who aren't paying much attention when they realize after ten or fifteen years, "Oh, that wasn't so bad." But some retirement investors don't weather price drops so well. They are absolutely paying attention to their portfolio balance like a hawk. And if it gets below a certain number, they want the pain to stop.

In retirement, you're in spend mode. You want a plan that helps you deal with the ups and downs of prices. You want to prepare yourself for thin markets. You want income. I can help.

"The Sole Benefit and Interests of the Principal"

Are you working with a fiduciary? If you don't know, you can ask. Here's how the founder of Vanguard, Jack Bogle, explained it:

> The concept of fiduciary duty has a long history, going back more or less eight centuries under English common law. Fiduciary duty is essentially a legal relationship of confidence or trust between two or more parties, most commonly a fiduciary or trustee and a principal or beneficiary, who justifiably reposes confidence, good faith, and reliance on his trustee. The fiduciary is expected to act at all times for the sole benefit and interests of the principal, with loyalty to those interests. A fiduciary must not put personal interests before that duty, and, importantly, must not be placed in a situation where his fiduciary duty to clients conflicts with a fiduciary duty to any other entity.
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> Way back in 1928, New York's Chief Justice Benjamin N. Cardozo put it well:
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>> Many forms of conduct permissible in a workaday world for those acting at arm's length are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace … As to this there has developed a tradition that is unbending and inveterate … Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior … Only thus has the level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd.

It has been said, I think, accurately, that fiduciary duty is the highest duty known to the law.

When you're ready to talk to a fiduciary by law, I'm here.

Survive and Thrive this month.

Warm regards,

Your Survival Guy

"Your Survival Guy"

- If someone forwarded this to you, and you want to learn more about Your Survival Guy, read about me here.
- If you would like to contact me and receive a response, please email me at ejsmith@yoursurvivalguy.com.
- Would you like to receive an email alert letting you know when *Survive and Thrive* is published

each month? You can subscribe to my free email here.

P.S. Prices remain high for summer rentals on Cape Cod, but demand is down. Beth Teitell reports in *The Boston Globe*:

> Has the Earth been thrown off its rotation? Apparently. In a stunning turnaround from recent years, the story with vacation rentals on the Cape this summer is not one of scarcity. It's no longer, if you haven't booked a year in advance don't expect a place with window screens. Rather, it's a tale of vacancy.
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> "It's crickets," said Sarah Buckwalter, a professional organizer and co-owner of an inherited four-bedroom, two-bath that's on a tidal pond in North Falmouth, within walking distance of Old Silver Beach, and still has empty weeks this month.
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> "There's rosé waiting in the fridge," said Jessica Halem, who, with her partner, bought a Wellfleet fixer-upper during the pandemic, and recently took to Twitter in search of renters.
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> "I don't understand how there are almost no rentals" booked, said Tara Greco, who inherited a waterfront cottage in Cataumet with her brother. It's a mile from the Shining Sea bike path, she added, baffled. "You can clam right in the harbor."
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> The Cape Cod & Islands Association of Realtors is reporting an occupancy rate that's 20 percent lower this season than last, and everyone's wondering what's going on.
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> Have the giddy price hikes of the past few years become too giddy? After all, the average daily rate hit $619 this year up from $525 last summer, according to the real estate group — or about what it once cost to spend an entire week on the Cape.
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> Did the sharks and the traffic and Airbnb's tyrannical departure instructions scare everyone away? Strip the beds, wash the towels, empty the fridge, take the recycling to some distant spot and get out by 10 a.m. — or else.
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> Has everyone who bought a second home on the Cape during the pandemic decided, en masse, to vacation at more glamorous locales, thereby flooding the market with their fancy rentals?
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> With chef's kitchens and hot tubs going unused, one thing is clear. The vacancies can be attributed to dropping demand. Or rising supply. Or both.
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> Ryan Castle, CEO of the real estate association, is mainly in the "demand" category camp.
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> He sees three main culprits: a pullback from the "revenge travel" trend that saw surges in spending by people making up for trips lost to the pandemic; a dollar that's stronger now than pre-pandemic, making Italy more attractive than the Sagamore Bridge; and listings that have finally gotten just too expensive.

> "As the owners have pushed prices higher, you are seeing fewer bookings," Castle said.
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> And sacrilege as it is to say, perhaps the $45 lobster rolls, the short-staffed restaurants, and the toxic-algae blooms that periodically render some fresh water ponds hazardous to man and dog are starting to cut into the Cape's idyllic image.
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> "Maybe a week on Cape Cod is just not as glamorous or comfortable as it used to seem," said Annie Blatz, a past president of the real estate group and a sales manager with Kinlin Grover Compass.
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> But Paul Niedzwiecki, CEO of the Cape Cod Chamber of Commerce, said advance hotel bookings are on par with last summer at this time, and he attributes the vacancy rate for rentals to a growing stock.
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> "Some of the people who purchased second homes during the pandemic aren't using them perhaps as often as they thought," he said. Instead, they are offering them for rent.

P.P.S. Isn't it ironic that the blue blob Covid overlords governing cities are the ones now dealing with the mess they created? Heather Gillers reports in *The Wall Street Journal* on the rising vacancies and falling confidence in America's cities. She writes:

> Wall Street is betting against America's downtowns.
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> Investors are paying less for bonds linked to New York subways and buses. Downtown-focused real-estate investment trusts trade at less than half their prepandemic levels. Bondholders are demanding extra interest to hold office-building debt.
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> Downtowns have been a mother lode for American cities over the years, providing billions of dollars in tax revenue along with their distinctive skylines. In turn, investors who bet on downtown office towers, or on the trains and buses delivering workers to them, could generally trust they held a winning hand.
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> Now, with white-collar workers spending more time in their home offices, a phenomenon that shows few signs of ending, investments linked to downtowns are trading at falling prices in volatile markets.
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> "You could see this as a slow-motion change or as the beginning of a slow-moving train wreck," said Richard Ciccarone, president emeritus of Merritt Research Services, a municipal credit-analysis firm. "I hope it's not a train wreck, but it could be."
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> Investors' dimming view of downtowns isn't good news for cities' finances, nor for their residents. It puts under strain some of city governments' traditional ways of extracting wealth: collecting property taxes on office buildings, taxes on wages earned within city limits, and fares from office workers' commutes.

> Residents of some cities are bracing for austerity. Many New York library branches expect to close an additional day each week under cuts proposed as the city faces rising labor costs and budget gaps projected to reach $7 billion in 2027. From New York to Chicago to San Francisco, residents and visitors complain about empty downtown streets and transit stops that have become way stations for the mentally ill and homeless.

If you're living in a big blue blob city where you're treated more like a piggy bank than a valued constituent by your politicians, it's time to look for a better America. Start your search with Your Survival Guy's 2023 Survival States.

P.P.P.S. You know from here and here that Your Survival Guy wants you working with a fiduciary, someone who serves you, not two masters. Here's great wording by Jack Bogle:

> The concept of fiduciary duty has a long history, going back more or less eight centuries under English common law. Fiduciary duty is essentially a legal relationship of confidence or trust between two or more parties, most commonly a fiduciary or trustee and a principal or beneficiary, who justifiably reposes confidence, good faith, and reliance on his trustee. The fiduciary is expected to act at all times for the sole benefit and interests of the principal, with loyalty to those interests. A fiduciary must not put personal interests before that duty, and, importantly, must not be placed in a situation where his fiduciary duty to clients conflicts with a fiduciary duty to any other entity.
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> It has been said, I think, accurately, that fiduciary duty is the highest duty known to the law.

When lesser standards are followed, such as a suitability standard, there's no protective language about working for your "sole" interests. Are you working with a fiduciary? It can't hurt to ask. When you're ready to work with one, let's talk.