

#### The Urge to do Something.

A while back, my wife and I took our kids on a road trip to Lake Tahoe. We made several stops along the way to get out and appreciate the many natural features and historical landmarks California has to offer. The lessons I remember the most, however, were the ones I learned while in the car such as "no one feels like they are going to get car sick when they are the one driving."

#### **Different Attitudes, But Similar Behaviors**

My wife is a much more aggressive driver than I am. Full speed ahead is too slow for her, yet during the sections of the drive that were boring and straight, our behaviors were nearly identical. It didn't matter if it was me with my two-hands-on-the wheel personality in the passenger seat or her and her lead foot. Our behaviors were similarly relaxed and included resting, listening to music, or talking with the kids. A nearly identical experience took place once we hit the mountains. It didn't matter who was driving, the curvier the road got, the more the passenger was nervous, tense, and experiencing a near constant urge to do something and take control of the vehicle.

#### Words vs. Actions

After being married for over 25 years I've learned body language carries more weight than vocal language and this trip was no exception. If the kids said they were "okay" but their body language looked like they were fighting to keep their lunch down, then we might be taking those mountain curves a bit too sharp.

# Crash Ahead...

The lake was almost 500 miles from our house and even though we studied traffic and weather conditions daily, we also knew it was unlikely we could drive nearly 1,000 miles and not run into some unexpected accident, construction, or other delay. Yes, we could have driven side streets the entire way and likely avoid the few unexpected issues, but it would have taken MUCH longer than taking the freeway.

# What Does This Have to do With Investing?

Sometimes investing is smooth and uneventful and sometimes, like now, it seems full of twists, turns, and people on TV screaming "crash ahead!" The latest headline I've seen highlighted as to why you should financially panic is people are charging more on their credit cards than ever before. Other scary sounding stories I've read recently have focused on mortgage rates, gas prices, and inflation.

# The Urge to Do Something

I completely understand the urge to do something when uncertainty and fear increase as a way to regain the feeling of control. For the most skittish investor, this means immediately selling what feels aggressive and buying what feels safe. For me, this means doing three things: First, looking to see if the words match the actions such as: consumer confidence survey results saying people are afraid (words) yet cruise and airline companies are reporting record number of travelers, restaurant sales are healthy and the amount of dollars as well as the number of people donating to charities is at record highs (actions). If the two don't line up, I prefer to listen to the body language (aka how the money is being spent) rather than words. Second, I expand the pool of data points I am looking at. The economy is not the Lord of the Rings. There is no ONE economic indicator that rules them all. What is important to a retiree may not matter to a recent college graduate. Similarly, what greatly impacts one sector of the economy may have very little impact on another. Third, I look to the past for guidance, but also recognizing no two eras are identical.

# You are Still on the Fastest Path...

Going back to the headline referenced earlier. Some people in the business press are claiming the consumer is in trouble because credit card debt is near an all-time high (approximately \$1 trillion) but what they failed to mention and why I take the time to pause and do research before reacting is, according to the St Louis Federal Reserve, money market accounts are also near all-time highs (approximately \$6.4 trillion). This doesn't even count the amount of money people have in checking and savings accounts. I find it hard to feel nervous when the difference between the amount of cash in the bank and the amount owed to credit card companies is so large. This chart below points out just a few of the many scary headlines over the years and overlays them against the S&P 500.



#### ...And You Have a Support Team in Place.

My team and I understand investing involves more than just numbers. It also involves emotions like: hopes, dreams, fears, confidence and apprehension. If you have questions about your account or how the economy might impact your investments, please call Mark Delp, Branch Manager at 949-681-2435. If you have questions about any contributions, distributions or any forms please call Jessica Moon, Assistant Branch Manager at 949-681-2419. If you would like to call to schedule an appointment with either Mark or Jessica please call Debbie Weinstein, Branch Administrator at 949-681-2431. We are here to be your support team and help guide you to financial goals.

Sincerely,

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