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skv  three things



In the summer the dividend yield for the S&P 500 was 1.89%, “*surpassing the yield on the 10-year treasury at 1.5% for the first time since 2016,*” according to Bank of America. “*Historically, 94% of the instances in which this has happened in the past, stocks have outperformed bonds over the next 12 months.*” At this writing a 10-year US Treasury yield is below 2%. Puny, but positive. Around the globe, many countries are schlepping bonds with negative rates....yes, yields below zero. Nada. Zilch. Or as we say on the tennis court, “love”. Yes, negative yield bond buyers get less back than they deposit—that is hard to “love”. Since yields and bond prices will typically move in opposite directions, an influx of foreign cash seeking the positive returns of U.S. bonds may continue to push up prices of Treasuries and knock these yields even lower. Happy to have a “Bonds 101” chat if that price-yield-relationship-thingy is a bit murky to you. *I love to teach!*



Speaking of dividend yield....while much of the focus on the stock market is on price fluctuation, **too often the power of dividends is overlooked**. “*The Dow Jones has earned 5.6% per year of capital gains since 1896....If the dividends those stocks pay to you for owning the stock were used to buy more of the same stock—dividend reinvestment, the annual return of the Dow would climb to 10.3% per year.*” David Kass, professor of finance at University of Maryland. When fear chases one out of the stocks because of temporary price declines—remember it also stops dividend reinvesting. Dividends are often a great way to accumulate more shares in good times and bad. Automating reinvestment reduces emotional meddling.



A once famous radio and TV talk show host recently announced his 8<sup>th</sup> divorce from his 7<sup>th</sup> wife. (he married and divorced one lucky lady twice) I immediately began to wonder how many of his exes were entitled to receive Social Security divorce benefits? If two people divorce, **one of the requirements to claim Social Security benefits as a divorced spouse is that the marriage must have lasted 10 years or longer**. *By the way, be careful to not confuse divorce benefits with spousal benefits—in which for the most part can be claimed if married at least one year.* Much of the work I do as a *Certified Divorce Financial Analyst™* is helping my clients think financially, less emotionally during the difficult days during and after a divorce. Remember I can help family or friends. I know, I know, for some this is an icky topic. I am not ambulance chasing here, just saying these things happen and if to someone dear to you I can probably offer some valuable, pro-bono help.

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In more positive matrimony news... Jimmy Carter, who became the oldest living president when he turned 95 earlier this month, attributes his longevity to his relationship with Rosalynn. *"I think the best explanation for that is to marry the best spouse: someone who will take care of you and engage and do things to challenge you and keep you alive and interested in life."* Yes, they are good on the Social Security hurdle mentioned above—married 73 years.

As always, I'm honored and humbled you have given me the opportunity to serve as your financial advisor. We endeavor to *"treat our clients as family. To provide genuine caring service to every client, every day"* If we fall short, let me know. *MHK (remember, referrals are gluten free!)*

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