PBS Ep143 Brad Everett 2024 Transcript

Patti Brennan: Hi everybody, Welcome to "The Patti Brennan Show." Whether you have $20 or 20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

Joining me today is none other than Brad Everett, our Chief Investment Officer. Today, we're going to give you our economic and market outlook for 2024. Before we start, Brad, what do you say we start this podcast the same way that Sam Baez started our Investment Committee meeting just a couple of weeks ago?

Brad Everett: Love it. Yeah, let's do it.

Patti: Love it, all right. Sam stood in front of the room and acted as if he was Marty McFly Financial. I don't know if you guys remember "Back to the Future," but Marty McFly has an incredible ability to tell us the news long before we know it.

Marty McFly will give you the headlines for the entire year within about a day or so after the first of the year. He will be able to tell you what the experts say long before the experts actually say it.

Wouldn't that be amazing? Imagine what we could do with that information! Think about it, Brad, we would have known this time last year about the bank failures. We would have known about, what else, the fact that the Ukraine war was going to slog on and that there would be a new war in Israel and that awful attack that occurred there. What else?

Brad: I actually copied his list because I knew I would forget a bunch, and there's a lot of news stories that would tell us how "*horrible* 2023 was going to be." In January, we couldn't nail down the speaker of the House. You remember that one?

Patti Yeah.

Brad: A Chinese spy balloon floating across the country in February.

Patti We were going to be attacked, right?

Brad: Yeah, we were definitely going to be attacked. Yep. Highly anticipated recession seemed almost a foregone conclusion. We had a financial time survey that 80 percent of those economists surveyed said that they expected one by the end of 2023.

We had a real estate collapse that seemed inevitable because of how high mortgage rates were, how could transactions possibly continue at rates that high. We have three bank failures in March 2023. How bad will that contagion be? How far will it spread?

Fitch downgraded the US debt in August. Short-term treasury yields get the highest not seen since late-2000. Money markets and cash become very appealing, right?

Patti: Of course, everybody's going to sell because why not?

Brad: Why buy a stock if you can get five percent in cash? I think worst of all, the Phillies lost to the Diamondbacks for reasons I still don't understand. If that didn't suggest the end of the world was on its way, then I don't know what would.

Patti: Marty didn't even know about the Eagles' collapse, which is another reason to be very pessimistic.

Brad: That was too recent to even talk about it.

Patti: Exactly. What really happened in 2023. What about that recession, Brad?

Brad: We're not even sure we're going to have one in 2024. If we do, who knows what the severity would be, it could be very mild.

Patti: Let's go talk about the bank failures. We got to worry about that, Brad, because my goodness, look what happened in the financial crisis!

Brad: I think based on the news, you would probably come to the conclusion that is a very rare and terrible event. There ended up being five last year. There were three in March, and there were two more. The 10-year average is actually 4.7.

Patti: Banks do have a tendency to fail, huh?

Brad: Actually, the last 10 years was significantly better than the 10 years before that, and they were the year through 2008. Around there, I think it peaked that there was a year where there was 150-plus bank failures and 90s on either side. Five is a pretty good number.

Patti: That was OK. What about the US government? We got to worry about the downgrade. That is indicative of how fragile the US economy is. Is that correct? What do you think about that?

Brad: Sure. I think you would fear that if the credit quality of the government was downgraded that there was such a massive amount of government debt, that the cost of service that will become so high as borrowers or investors demanded a higher and higher interest rate to account for the terrible credit quality the US government.

It just didn't happen. Yields are lower now than they were in August. I don't know if that's...It's hard to tell and quite yet, but that could either be the fact that the economic cycle outweighs that a minor downgrade like that. It's just more important for yields to drop. Even a downgraded US government is still higher credit quality than the other options available.

Patti: This is not on your list, but I'm just going to zing you with this: What about that yield curve? Isn't that almost a guarantee that we're going to have a recession?

Brad: Historically, it's been a pretty good predictor, but you don't know when. It could be two months away, or it could be three or four years away. The question becomes then...

Patti: What do you do?

Brad: We don't know the severity of it, right?

Patti: Right.

Brad: What would you do now to protect against a mild recession that wasn't going to happen for three or four more years? Probably very little.

Patti: It's so interesting, because before we went live, you said something that I thought was a fascinating insight. Let's think about a recession. If GDP goes down two percent...

Brad: Sure.

Patti: ...who really feels it?

Brad: That's the debate. We don't all experience a two-percent loss of income across the board.

There were some people that will be fine. There were some people that will probably do very well. Unfortunately, there will be some people that lose 100 percent of their income. The bulk of that two-percent drop gets absorbed by a very small group of people in businesses.

I think that you back up and say, "All right. If I'm one of those small number of people that does lose my income, what do we do?" It goes back to financial planning. Of course, it makes sense to have emergency savings. It makes sense to have debt capacity that's not credit cards, like a HELOC, or something like that.

Ultimately, we have to be careful putting too much weight in this prediction of when a recession is going to be here. This binary idea, yes, it's a recession, or no. We could spend so much time thinking about whether when a recession is coming. It could be over by the time we've even identified that it's occurred. It could be so minor that it didn't impact much.

There's personal reasons to try to protect against job loss, and things like that. On the investing side, it might be a minor change in asset allocation, more so than something to fear or make major changes about.

Patti: If I hear you right, listening to Marty McFly would not have been a good investment strategy.

Brad: No, I don't think so. Think of how you would have reacted to all that news would have been to buy cash, buy money markets.

Obviously, they didn't do so hot last year. I mean they did, they did for historical money market rates, but they underperformed everything else. In this year where money markets were at the highest rates in 20-plus years, they still lagged everything.

Patti: That is fascinating. I think that's a really important point. In spite of that, even Barclays' AGG, the bond market outperformed cash, the stock market did 26 percent. That's crazy.

Who would have thought, with all those headlines and all the things, the handwringing that we were experiencing as a nation this time last year, that people's net worth would increase by as much as it did in 2023?

Brad: Interesting, too, is how much of that occurred. Even if we were having this conversation at the end of September of last year, money markets would have looked fantastic. The AGG was negative going into October. So much of this occurred in the last three months of the year.

Patti: That's the important takeaway. That things can pivot on a dime for seemingly no reason at all going into November.

We know that the overall market went through a bad correction in August, September, and October. We were getting a lot of calls, people were worried. At the time, the headlines would lead one to think that this was going to continue.

Then, for seemingly no reason -- although, in hindsight, everybody says, "Why?" -- the market turns around, but small-cap stocks were negative. The small-cap stocks, October 28th, hit their low -- I think that's the date -- minus 5 percent for the year, but ended the year up 17 percent. It had to make up the 5 plus another 17. That's crazy.

Especially, in a year when it was all about artificial intelligence, the Magnificent Seven. People were predicting, "They went up too far, too fast." Over 107 percent in that particular time frame.

People were predicting that the Mag Seven's going to crash. The PTSD that we all had from the tech bubble. "Too far, too fast, they're going to crash," and they didn't. The rest of the market started to catch up.

Before we started, we were talking about a previous podcast that I had with Joanna Kirkland, which was phenomenal, by the way. For those of you who listen and watch this podcast, she was excellent.

We were talking about the US market. She was in London at the time, and We were talking about the US market and international. We were talking about the differences between the two, and the valuations, etc. She said, "The United States is reassuringly expensive on a valuation perspective." I thought that was a fascinating phrase.

She followed up by saying, "The reason that the US market is up as much and those valuations are so high is because these companies are making money hand over fist." Then, you brought something to my attention that I didn't even know about a chart that you saw about profits.

Brad: The long-term, the US trend. It was probably the S&P, in particular, of the growth in profit margins in the US. That may be because of a US dominance in tech. They would probably naturally have higher profit margins than retail, or something like that. It's a pretty steady and incredible increase.

Patti: I don't have it here with me, but Ben Carlson, who is an amazing...He also has a podcast. He's got a great blog called "The Wealth of Common Sense." He refers to those seven companies as our "Mona Lisa."

I think the combined value of those seven companies is $12 trillion. It was wild, because Joanna brought up, "That's more than the UK, Germany, China, Italy, all of those countries combined, and we've got it in 12 companies." It's amazing.

To her point, for good reason -- because they are making good money. They are adding value -- this whole thing about artificial intelligence is quite interesting. When I think about that, and I think about AI and what we're doing internally, a lot of people think it's only about those big, big tech companies.

I don't know about you guys. You know, Brad, we're looking at converting into a system that will be open architecture, so that we can apply artificial intelligence for our clients.

That's a big deal. Think about the efficiency. You'll be able to do your job in a fraction of the time!

Brad: Yep, in Half an hour a week.

Patti: Yeah. [laughs] Oh, my God. Then, you can watch all the Phillies you want!

Brad: Love it, I can't wait.

Patti: Exactly. So, when we think about what our outlook is for this year, what do you think? What should we expect? We've got a lot to worry about, right?

Brad: Yes, it's the same story as last year. There's, of course, headlines. There's things we're thinking about. A few interesting ones, consumer sentiment is always an interesting one to me, and one that's drastically changed a lot. It's worth looking at on a fairly regular basis, because it's pretty volatile. If you go back, It's really survey data. Is it the University of Michigan that performs interviews about the optimism of the economy, in general, and then, specifically, the interviewee's specific financial situation. If you go back to December of '22, it was very low. The average is 85 or 86. I think it's the average of the survey, and it was under 60, so very low.

Patti: In fact, it's important to point out that it had not been that low since 1980. What's interesting, and the reason that you look at it and I look at it is because there tends to be an inverse relationship between consumer sentiment and what happens the next 12 months.

Brad: There's a pretty good correlation between finding troughs in consumer sentiment, and the rate of return of the S&P in the next 12 months from there.

It's the old adage about being greedy when others are fearful. That when everyone is very pessimistic, prices are very low, which, of course, makes it a very opportune time to buy. When at least feels like a good time to buy is usually when you should buy. It worked for 2023. Since that trough, the S&P is up shy of 30 percent, so following that.

Patti: It's amazing.

Brad: It worked that time, too.

Patti: What I think is interesting is the average from the trough for the next 12 months is about 24 percent. We did that, plus some.

Michigan came out on Friday, and it jumped 29 points. It hasn't done that since 1991. Does that mean that we should be out of the market? That because sentiment is higher, that means that the market's going to be terrible?

Brad: It's a good question. No, and for a couple of reasons. One, even if you look at the peaks in consumer sentiment, the rate of return is, of course, lower than the troughs.

If you're buying in when everyone is very optimistic, it feels like you're buying the market high, you can still get a good rate of return. It's below average, but it's good. It's still north of four or four and a half. If you could choose these peaks in sentiment, which, in hindsight, would be bad times to invest theoretically, but it's still better than...

Patti: Inflation.

Brad: Right. More than likely, better than bonds and better than cash over long periods of time. On a 12-month basis, it's anybody's guess. You would probably take that more often than you would take a lower potential rate of return from something else.

To your question originally, we're still not back to the average. It is still below it anyway. We're not at one of those peaks regardless.

Patti: People may be feeling warmer and fuzzier, but they're not even at the average yet, which is interesting. We'll talk a little bit about the election later on. That's been a factor in the election, and who people are predicting might actually win. What about the Fed? What about interest rates? What's your thought there?

Brad: There's a lot of players. You could pull the Fed. The Fed has their expectations on how they would change it. Historically more accurate is the futures market. They're predicting six-rate cuts, which I guess that would probably rely on us going into a recession to get to six. That seems like a lot.

Inflation has come down significantly. You've got two stickier parts. Shelter, in the headline CPI, rents are high, things like that. Shelter costs are high. Then, if you go to the core that the Fed is more concerned with, it's transportation services.

A lot of these things are cleared up now. A lot of the data that's still in the numbers is from last year, the first half of last year. As that data falls off, you'll see...Even starting in June of 2023, you saw a real drop in the inflation numbers month to month.

As that stuff drops off, still in that old data is labor dynamics, quickly increasing wages. Supply chain issues that were still a problem in the first half of last year, that stuff is all still in the data.

One is actually Fed-imposed. The cost of interest built into leases is still very high, because interest rates are higher. That's all a big calculation in that transportation services cost.

Patti: If I hear you right, the first half of last year inflation was high. It was running at five percent-plus for the first half of last year. Because they looked back 12 months, as those months drop off, by virtue of time, the inflation numbers are going to come down.

The things that the Fed actually looks at, the metrics, it's going to come down because of time.

Brad: Yeah. If you just even think, if we have, whatever, just making something up, a 3 percent number in June, then a 6 percent number from last May falls off, you've taken 3 percent off the total divided by 12. You've taken off a quarter of a percent just by virtue of replacing one month with another better month.

Patti: Fascinating.

Brad: The other 11 months are still in there exactly the same as way they were.

Patti: That's interesting. Think about that as we go into June, July. This is a bizarre comment, but you almost wonder, I guess, they do know what they're doing. They're orchestrating this. They know it's an election year. They want the current incumbent, maybe to get reelected and everybody to feel warmer and even fuzzier because they're not increasing interest rates, they're actually cutting them.

When we talked about this last year, this idea of this foregone conclusion of having a recession, you and I didn't think that that was necessarily going to happen.

Brad: Yeah. I actually looked at what we talked about last year, and you had a long, pretty good list of reasons why you didn't think it had to be a foregone conclusion.

Patti: I always have a long list, Brad.

[laughter]

Brad: It was a very compelling argument why it didn't have to happen.

Patti: You know what, to me, I think about that, you've got an unemployment rate, that's a three and a half percent. In order for us to get into a recessionary average, it had to go from three and a half to six percent. Then I thought about it, and we talked about this, at the time, corporations had seven trillion dollars of money sitting in cash on their balance sheets.

Brad: Consumers had a lot, too.

Patti: Yeah, everybody had a lot. There was tons of cash still around. We're a consumer-based economy. If there's a lot of cash, people are going to continue to consume. I had a hard time believing that boardrooms in America, even globally who were desperate to find workers, that people were retiring and leaving and this whole new economy everybody was talking about.

I had a hard time imagining that senior management would lay off the very people that they had just hired and, by the way, train. That felt like, "OK, well, if people are working, the studies have shown that if people are unemployed, they're getting a paycheck, they're going to continue to consume." I was just trying to apply a little bit of common sense there.

Brad: Yeah, it makes sense. There's going to be a lot more friction in the labor market than that. You're not hiring and firing the same person six times a year.

Patti: Exactly. Exactly. This time last year, household net worth had increased by 27 percent. By the way, that was after 2022 when the market crumbled. The NASDAQ was down 33 percent. The S&P 500 was down over 20 percent.

It wasn't market driven 401(k)s in terms of the higher net worth, and to your point earlier, real estate didn't crash. I can tell you here in Chester County, year over year, the price of housing actually went up six percent. The average time on the market was seven days. The fact of matter is people aren't wanting to sell their home because why get rid of that two and a half percent mortgage rate?

Brad: Yeah. Inventory is low. Transaction numbers are low, but it's still occurring at higher prices.

Patti: Absolutely. 57 percent of people got over their asking price still. So pretty wild. The real estate market didn't collapse. Again, that's another kind of sentiment, warm, and fuzzy, etc. People were employed.

It's interesting, we talked about innovation, the economy, the adaptability of the US consumer, and people in general. We have a tendency to adapt. When a crisis occurs, innovation just goes off the charts.

We talked about what happened, I mean, think about all the things that we take for granted today. I'm going to look at my list because this is from last year. You've got the supermarket, radar, dry cleaning, jets, nuclear energy, and of course, penicillin, World War II, right, during a crisis.

Brad: Right.

Patti: Now, Marty McFly didn't warn us or tell us about artificial intelligence last year. Guess why?

Brad: Just talking about the crisis part?

Patti: Yeah. Look what innovation has put on our table. I wish I knew the person who said this, Brad. You being a baseball fan, you're going to love this. Someone said when it comes to artificial intelligence, we're not even in the first inning. He said we're probably at the Pledge of Allegiance. Isn't that wild?

You think about the implications. Let's go back to the Internet. The tech bubble, the Internet was rising. All these companies that had these inflated valuations, they weren't making any money, those companies crashed.

This is different, because those seven companies in that Magnificent Seven, they are making a lot of money. This innovation that they've created for companies and people, in general, it could have tremendous implications for not just decades but hundreds of years to come.

Brad: However long it takes for people to adopt it, and figure out how they can use it themselves.

Patti: Lots of things. I think that from an outlook going forward, sure, this is stuff to worry about.

Brad: Sure.

Patti: Interest rates have probably peaked. They're going to level out. They might decrease interest rates, they may not. It could be a second-half story, who knows? We are firing off on all engines as we speak. Third quarter GDP last year was nine percent. The numbers for GDP for the fourth quarter are just coming out, who knows?

Could we have a recession? Maybe, not so sure, especially in an election year. Current government officials are going to do everything that they can to make sure that we don't have a recession, because they want to get re-elected. It will probably be choppy, if you look at the election years, going into the summer, even going into November, and then what?

Here's a question. What do you think the market's going to be? This is our market outlook, Brad. Let's take the US market. We've got an election year. There are two wars going on. We could have geopolitical risks. God forbid, we end up in World War III, I hope not. They're doing everything to prevent that.

Interest rates are high, though. People want them to go back down to what they were before they buy a house. Real estate's probably going to stay pretty much where it is. What's your thought on that?

Brad: There's a lot of different parts. Boy, where do we even begin? No idea would be my first answer. There is potential that it could be a good year.

Now, again, a lot of this is a little bit of stale data. We've got a phenomenal amount of money still in cash in money markets. Eventually, rates will decline in a meaningful way where money markets aren't compelling anymore. That money will go somewhere.

Patti: To your point earlier, they still, even as high as they got, didn't do as well as the bond market and the stock market. I can't help but wonder, now that we've ended the year, people will begin to look at things and say, "You know what? I probably should have had that invested."

Brad: For sure. The best year that money markets have had in a very long time, it underperformed bonds and stocks, and international stocks and US stocks, and value and growth, and everything. What we don't know is where the money will go as rates decline.

There are so many things. I think it depends. Again, it always comes back to time horizon. If you're a 5- to 10- to 15-year investor, the answer is so different.

The money, I would expect, would go out of money markets and into some asset class. Whether people use it to pay down their houses, which probably not, because so many people are locked into low rates. Does it go into international equities or small caps? That's the fund flow part.

Then, to decide where it goes is often, probably, in some sense, valuation, which...Again, I feel like it's been the same story -- 90 percent of the years I've worked here -- that US large cap has done great, especially, US large-cap growth, and everything else has trailed behind.

There are, for a long-term investor, so many compelling opportunities in small caps, and in international stocks, and in value all over the board.

Patti: Which I think, to your credit, is why we don't get too cute. We're not going to get too cute, and try and predict what's going to be the big performer. As we learned in November and December last year, the minute people start doing that, they miss out on the thing that does well.

Brad: Almost, there aren't many investment theories that would teach you that you should have been in large-cap growth, with rates rising as high as they had going into 2023.

You've got a problem with inflation. You've got very high rates. That seems to be like a textbook value investment play. The growth side of the S&P was up 46 or 47 percent, and value was up under 10. It was like nine and a half.

Patti: Which completely goes against what the textbooks would tell you what you should be investing in in a rising interest rate environment. That the valuations of those companies are so interest rate sensitive that you don't want to be in them. Look what they did anyway.

Brad: It can really not make a whole lot of sense over a 12-month period. It makes more sense, though, if you go back, look at the last two years instead of the last 12 months. The Dow was the first index -- the Dow, of all things -- to return to positive territory...

Patti: Isn't that amazing?

Brad: ...over that two-year period. As great as the NASDAQ did last year, it was not till the very end that it broke even. You think of the NASDAQ as so volatile sometimes. It was down 30 percent or 31, whatever it was, in 2022.

At some point, it crossed up 31 or 32, whatever it was, in 2023, and was still lagging its previous high by 9 percent. It goes down 30 percent off a high, but it only came up 30 percent off of a 30-percent discounted price. You're still nine percent short of where you started.

The Dow is a less volatile value-oriented index that didn't fall as far and didn't come back as far, but got back to its high faster than the NASDAQ did.

Patti: Therein lies the difference between performance and outcome. You and I always stress outcome. Where are you going to have the better wealth accumulation? Preserve and grow, preserve and grow. Again, let's not try and...

As Morgan Housel says, "If you blitz the scaling, you run the risk of blitzing the failing." If you try and get too cute with this stuff, and want it all in one area or try to predict it, we're not going to be able to predict it. I don't want that kind of failure, because that's hard to recover from.

We do this outlook every year, Brad. We always laugh to ourselves, like, "Here we go again. We're going to be wrong again…"

Brad: Let's be recorded incorrect…

Patti: Exactly. That humility is so important. Let's face it, we don't obsess about things that are probably going to be temporary.

Look at this, it's 2024. Feels like yesterday, we were freaking out about the pandemic. That was four years ago. So much has happened then. We don't freak out about things that are temporary. I don't know about you. I think that, generally speaking, we obsess about things that are permanent.

Brad: Sure.

Patti: There are principles that they may not work every time, but they work over time. Let's talk a little bit about those principles. I think that today, I want to give people who are listening and watching some action items.

What are the things that they should be thinking about as we go into this election year, and all the things that Marty McFly has told us is going to happen in advance? We can create these stories in our minds about 2024. What should our listeners be obsessing about as it relates to their financial affairs?

Brad: We've been doing it, so far, today. We're talking about certain asset classes, and predicting 12 months or 24 months of equities. So many of these questions become irrelevant when we back up and look at it from a higher level. Why are we financially planning in the first place? What is the goal? When is the goal, more importantly?

If you have something that you need to buy in 12 months from now, it shouldn't be in the NASDAQ anyway. The NASDAQ could go up 40 percent this year. You still shouldn't have been invested in that, because it could go down the same way.

When we think about asset allocation, one of the...I guess there's a couple of parts to risk tolerance. When we're thinking about how much risk you can take, your capacity to take risk, time horizon is more than likely the most important thing to figure out.

Patti: To your point, everybody is different.

Brad: Yeah.

Patti: We were having this conversation yesterday, everybody is different. Everybody's got different resources, money invested or not invested, sources of income.

They're in different seasons of life. Some have kids, some do not have kids, or have kids that have already graduated college. They don't have tuition payments. They're in that season of life where they've got excess cash. Everybody is different. The idea that everybody should be doing the same stuff is wrong.

Brad: Think about it, too. Think about the conversation we had surrounding the appeal of money market rates, and how the other asset classes did once those rates peaked. That is, again, not the way we'd invest.

We're not saying, "We would never be anticipating that rates will be high, so we're going to invest in cash. Then, we're going to pick the right time to go from cash to stocks." It's more like, "You have this thing in six months. It's almost irresponsible to hold that in a small-cap stock."

It almost has to be in cash or short-term bonds, whether the interest rate is two percent or five. That difference doesn't make the fundamental asset allocation change. It's nice to get 5 instead of 2, but you should accept the 2 rather than risk possibly losing 20. If the money is for retirement in 20 years, it's almost irresponsible to have it in cash at all.

You've got these time horizons that should far outweigh our forecast for what's going to happen in the next 12 months, 24 months, or anything like that.

Patti: Taking that one step further, there is things that are rational, there are decisions that are rational, and then there are decisions that are reasonable. For example, some people just don't like having debt, right?

Brad: Sure.

Patti: They want to pay off that three percent mortgage, even though they know, probably, intellectually, they're never going to get a three percent mortgage again. They just don't like debt.

That could be a very reasonable decision for that individual so that they're not investing that money. Even if they do have a long-term time horizon, it just makes them feel better. That's fine. You know what? No judgment.

That's why I think financial planning and running numbers, we can do the math all day long. We can do side-by-side scenarios, etc., and make certain assumptions about what we think is going to happen in the next 12 months, in the next 24 months. Really, what's going to help people accomplish the things that are most important to them?

Brad: What are the most appealing trade-offs that you are willing to take?

Patti: Exactly, exactly. Based on what we've talked about today, this is our economic and market outlook, we can say that the economy is probably going to do fine. Unemployment is probably not going to go to six percent. We may have a recession and we may not, hard landing, soft landing, no landing at all. By the way, even if we do, it's going to be temporary, right?

Brad: Right.

Patti: We don't want to obsess about that potential outcome. Not everybody's going to be impacted by a recession the same way. Some people will lose 100 percent of their income. From a financial planning perspective, that's important. You got to be ready. Have plan B.

Make sure your emergency fund is fully funded. While you're working, if you have equity in your home, make sure you have access to a home equity line of credit as emergency only. It's not to buy a TV. It's not to use for any other reason, because the interest rates, of course, are going to be higher on that. That's just there if you absolutely need it.

Again, it's the fundamentals. Again, not getting too cute of asset allocation, diversification, and the principles of sound financial planning. When are you going to need the money? What's your cash flow? What's important to you about your money? Sound reasonable? What do you think?

Brad: Sounds reasonable.

Patti: All right, good deal. We're going to keep our fingers crossed for the Phillies this year, right?

Brad: Yep. This is going to be the year. I know it.

Patti: This is going to be the year! Well Thank you so much, Brad, for joining me today. This was terrific. Thanks to all of you for joining us as well. If you have any questions about your situation or anything that we've talked about today, go to our website at www.keyfinancialinc.com. In the meantime, thank you so much for joining us.

Marty McFly is flying the coop. We're not going to listen to him. We're not going to worry about the headlines. It's all temporary. We're going to obsess about things that are permanent and the things that are most important to you.

I'm Patti Brennan. Thank you, Brad Everett, for joining me.

Brad: Thanks, Patti.

Patti: Outstanding, great commonsense approach to anyone's financial affairs. Have a great day.