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Quarterly Quick Take: Federal Reserve Updates and Q4 Expectations With Brad Long

[00:00:00] **Voiceover:** Welcome to Nonprofit Investment Stewards with Bob DiMeo and Devon Francis from Fiducient Advisors. Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment foundation or retirement plan investments, this podcast exists to help stewards improve performance, reduce costs, and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:26] **Voiceover:** Now onto the show.

[00:00:30] **Bob DiMeo:** Hello, and welcome back to the Nonprofit Investment Stewards podcast. I'm Bob DiMeo. It's always good to be joined by my co-host and business partner, Devon Francis. Well, the first three quarters of this year are in the books, as they say, and yet, with elections, geopolitical, turmoil, changing interest rates, and a whole lot more, it feels like there's still a lot to be written before we close the book on 2024.

[00:00:53] **Bob DiMeo:** We'll delve into all of that in a moment. But first, how are you today, Devon?

[00:00:58] **Devon Francis:** I'm great, Bob. Always happy to be here and always happy to be joined by our esteemed Chief Investment Officer, Brad Long. He's been a great guest on our podcast many times before, and looking forward to diving into all of those topics you mentioned, Bob.

[00:01:12] **Devon Francis:** Um, but first, before we get into those specific topics, Brad, could you give us a brief recap on both the stock and bond markets, not only in the third quarter, but also on a calendar year to date basis?

[00:01:25] **Brad Long:** Yeah, sure, no problem. And thanks again for having me back. The two of you. Um, you know, it has been a really interesting summer.

[00:01:32] **Brad Long:** You know, if you did this sell in May and go away, you would've missed quite a show. Uh, you know, the fed kinda set or really stoked the flames of anticipation in July by holding rates steady. Right? The market has been moving towards this narrative of lower rates, and they said, Hey, we're gonna, we're gonna hold on for a bit.

[00:01:49] **Brad Long:** Then you had some following, you know, that decision. You had some pretty weak economic data. Poor ISM manufacturing data in July, which we received in August. Weaker jobs reports, uh, you know, and the market started to hold onto this idea of uhoh. The fed's tightened too much. Uh, you know, the soft landing, we're gonna miss that landing strip.

[00:02:09] **Brad Long:** We're gonna have a hard landing here. Uh, and we hit a lot of volatility. If you remember, uh, in August. You know, so rate expectations really started to fall in the third quarter, and they started to fall a lot in that period of time when the market was shifting from this narrative of soft landing, uh, to hard landing.

[00:02:27] **Brad Long:** And then probably something in the third quarter that fell out of the back of everyone's mind, but was such an important thing at a point in time was, you know, this unwinding of the yen carry trade. Right? We seem to have these, interestingly, we seem to have these very episodic market events where it's like.

[00:02:43] **Brad Long:** Hey, guess what? SVB just failed. Oh, we forgot about bankruptcies or the yen carry trade is unwinding. Oops. You know, even though it was the worst trading day in Japan since 1980, you know, kind of, uh, it's a blip on the radar and we move on. So you kind of couple that backdrop in the third quarter, you know, with the pending, uh, election here coming up in November, and it was a really rocky August.

[00:03:05] **Brad Long:** Uh, now as we near the end of the third quarter, and we look, you know, this is, we're be recording on September 30th, so who knows what will happen today, but you know, all else, sql, uh, markets are up pretty materially and as we've ha gone through the third quarter, largely described as kind of a period of volatility with the shifting and manifestation of.

[00:03:27] **Brad Long:** Actually coming to an easing cycle, you know, you see the Barclays Ag outperforming cash by about 400 basis points. Small caps, outperforming large caps by about 250 basis points. Uh, you know, in inflation, or I'm sorry, rate sensitive sectors, things like financials or REITs in particular. Very strongly for the quarter.

[00:03:46] **Brad Long:** I think REITs were one of the standouts up almost 16%, so you're zooming out for the year, very strong year. The third quarter is really defined as that kind of moment in time of the manifestation of actually starting to see lower rates. The only thing I would mention though on, you know, all of these prices moving, one of the things that hasn't been moving interestingly enough is oil.

[00:04:08] **Brad Long:** Uh, you know, a lot of headlines either this past weekend and over the, the last couple of months of, you know, the escalating conflicts in the Middle East, you know, Israel increasing its, uh, military actions with Hamas and Hezbollah direct strikes in Lebanon and Yemen, you know, intentions at certainly a local high, if not an all time high with Iran.

[00:04:26] **Brad Long:** And yet oil prices sit here, you know, us, uh, oil WTI trading at 67 or bread at 71. And so. Surprisingly, that's a price that really hasn't been moving with that increase in ex escalation, and we can talk about that later, but. In greater detail if we want, but there's probably two things under the, the hood there.

[00:04:45] **Brad Long:** One is kind of a narrative of perhaps weak demand side, right? The consumer can they continue to spend. So that's a question out there. And the other is Saudi Arabia, right? They were at one time really defending price at a kind of a hundred dollars oil was just what they were targeting in OPEC Plus. Well, we know OPEC plus includes Russia.

[00:05:04] **Brad Long:** Russia's been selling oil to largely China and India. I think Saudi Arabia or the market's talking about how Saudi Arabia is kind of sick of paying Russian bills. And so instead of protecting price, they're going for market share and they're putting more, uh, supply into the market. So even though you have this geopolitical uncertainty and uh, escalating tensions, you really haven't seen the typical response from oil.

[00:05:27] **Devon Francis:** That's very helpful. O one of the things that you touched upon Brad, was the rocky August that we saw there was a lot of volatility throughout the month of August. Can you remind listeners historically, what has volatility been like in the fall months in September, October?

[00:05:43] **Brad Long:** You know, you kind of pull out your Farmer's Alman Act.

[00:05:45] **Brad Long:** Can you talk about, you know, months of the year and seasons of the year and how they impact volatility? Usually the fall tends to be a little bit more volatile. For a handful of reasons. One, the natural cyclicality of summer being a lower month. You know, this is the nonprofit steward. So a lot of, uh, uh, educational, uh, systems here.

[00:06:04] **Brad Long:** You know, those, you tend to go into a sleepier period, though I know many on the line are very busy in summer months. Uh, when you talk about taxable individuals, you know, you come back from summer vacations, you start to focus on the portfolio a little bit, and then you're nearing tax season. We sit here almost in October.

[00:06:21] **Brad Long:** Pretty soon we'll have inked the tax season of 2024. You know, you have to position portfolios ahead of that, so fall tends to be a little bit of that. Kind of proverbial kickoff the dust from the summer and how do I prepare for the remainder of the year? And so as volumes pick up, people are trying to rediscover price.

[00:06:39] **Brad Long:** Uh, and then you do have the every four year cycle, which this year we happen to be in, which is a general election. Elections create uncertainty. Uncertainty creates volatility. Uh, and so we happen to be in one of those years. So falls tend to be a little bit more rocky than summers.

[00:06:53] **Bob DiMeo:** That's helpful, Brad.

[00:06:54] **Bob DiMeo:** And, and to your earlier point about sort of the growth scare. In August and, and then some good news since then. Tell me if you agree with this. It almost appears that, you know, we were in an environment where bad news was good news because it meant the Fed had to cut, but now it feels more like bad news is actually bad news and good news is good news.

[00:07:19] **Bob DiMeo:** What, what's your take on that?

[00:07:20] **Brad Long:** You're exactly right, Bob. If you think about the Fed and its role in its relationship to markets and the economy, the Fed has two jobs. Price stability, right? So making sure inflation is in check and then full employment. When the Fed is on the inflation horse, right, the price stability horse, that means that they're gonna be more restrictive.

[00:07:41] **Brad Long:** And so bad news means that inflation is likely to, uh, slow down. And with it, the Fed could ease their policies, right? So bad news is actually good in that it built a higher chance that rates would be moving downward. Now as the pendulum bet swings back to the economy. Bad news is bad news, right? Because, uh, we're not fighting inflation, we're fighting, we're not fighting, but we're, we're focused on, uh, full employment.

[00:08:10] **Brad Long:** And so when you talk about things like weaker job growth, uh, you know, the jolt data, less hours, uh, worked in a week ISM manufacturing data, when that shows a slower economy. Yes, that might be good news or maybe a tailwind for fixed income. As rate expectations fall, it does mean that it actually is a slower economy, not just a higher probability.

[00:08:32] **Brad Long:** Rates are gonna go lower, so we have the pendulum does swing. Uh, the Fed was very much focused on inflation, 21, 22, you know, arguably 23, and now we've swung back in the other direction, and so therefore the news cycles also shift.

[00:08:47] **Bob DiMeo:** That's helpful, and I want to get to the Fed's actions in a moment. But you, you also, when you mentioned SVB and other, uh, sort of unexpected developments, it, it almost feels like, particularly if the market's getting ahead of itself at a point in time that an event occurs, and it's not so much that event, but maybe it's been.

[00:09:09] **Bob DiMeo:** Ignoring valuations for a long time or over exuberance and then an event, um, which shouldn't necessarily cause a major pullback or concern. I don't know. Just suddenly has investors saying, wait a minute. Let, let me think about what I've paid for these securities. And any thoughts on that?

[00:09:29] **Brad Long:** I, I, I think you're exactly right, Bob.

[00:09:31] **Brad Long:** There are these. Even SVB, right? You had analysts and, and the fed and, and, uh, you know, uh, agencies knowing about SVBs, you know, BA balance sheet and positioning, and all of a sudden it's like a few series of events and it catalyzes this. See change in opinion. And that's when you had, you know, quite literally the run on the bank, uh, in terms of their stock.

[00:09:56] **Brad Long:** Same thing we saw here, uh, earlier this year. You know, it wasn't one of these things that was wholly new, but it does speak to this kind of built up anxiety that's in markets and you know how it kind of feeds on its own narrative. I mean, earlier July it was. I think July 11th we saw good CPI data, so that meant the Fed was moving in the right direction.

[00:10:18] **Brad Long:** Q2 earning season was pretty good and we were wrapping that up, you know, then it, uh, you know, uh, end of July we had even more escalation from Israel, early August. Poor si m manufacturing week job, say. I remember that Friday that came about and there was that Monday, you know, you had that kind of black Monday, if you will, in Japan.

[00:10:36] **Brad Long:** None of those things were particularly either new or unknown, but you know, the market just kind of grabbed onto them and ran with them, and it speaks to this almost emotional factor that we're certainly dealing with today.

[00:10:50] **Devon Francis:** So we've danced around the Fed's rate cut, but, uh, let's, let's address it head on.

[00:10:55] **Devon Francis:** So we're finally here. The long anticipated rate cutting cycle. Um, you know, the fed at their September meeting cut rates by 50 basis points. What's your reaction to the first cut?

[00:11:06] **Brad Long:** While not unprecedented, um, it is somewhat uncommon for, uh, you know, the fed to move 50 basis points if you put it in context of kind of today's environment.

[00:11:20] **Brad Long:** So, again, not unprecedented and not uncommon in a certain environment to move 50 basis points. And the last couple of times we did it, it was. March of 2020, right? So we know we were in the midst of Covid there, uh, September, 2007. We didn't quite know the GFC was right around the corner, but the Fed obviously knew that the economy was weakening.

[00:11:39] **Brad Long:** You know, that fall, you know, to the question earlier on volatility that fall, we saw commodities, uh, kind of peak. And then, you know, we moved into 2008 and markets bottomed in 2009. Uh, and then the last time we moved by 50 basis points out of the gate was, you know, January, 2001. Kind of the cooling of the.com bubble.

[00:11:57] **Brad Long:** But in all of those instances, unemployment was, uh, higher than where it is today. And rising, uh, you know, and the Fed was more reacting to that, you know, defending labor, uh, side of their demand as opposed to today it's a little bit more, uh, I think it's not only shifting to labor from inflation, but it's kind of giving the market a, what they asked for.

[00:12:19] **Brad Long:** Uh, and B, is that a bit of an acknowledgement to say. You know what? We probably could have gone in July, but we didn't. Uh, we're gonna play a little bit of catch up here. And they were very explicit to say, don't expect more out of this from us, over the next couple. But, you know, I have young boys in the house.

[00:12:36] **Brad Long:** You know, you give a mouse a cookie, he'll ask for a glass of milk. The market has already said thank you for 50. May I have another, uh, in expectations. So the Fed is gonna have to play a tricky game here going forward. To continue to set expectations to say we're willing to be accommodative. We're, we're data dependent, we're gonna react.

[00:12:54] **Brad Long:** We're a little late, uh, but we're not gonna continue down this 50 path. And I will say, though, be wary of what you wish for. Uh, if markets really think they wanna see 50 basis points, 50 basis points, a hundred basis points, the periods in time of which the Fed is cutting that aggressively. Are the 2020s, the 2008s, the 2001.

[00:13:16] **Brad Long:** I mean, markets were down 12% in 2001, down 22% in 2002. You know, those are periods of time where the economy is materially weakening. So if we do see those level of cuts, right, if be wary of what you ask for, uh, it's because we have material rising unemployment, and we're not talking about a soft landing anymore.

[00:13:34] **Brad Long:** We're talking about a hard land.

[00:13:36] **Devon Francis:** Yeah, that's a good point for folks to keep in mind. Um, if they did cut by another 50 basis points at the next meeting, that might signal, um, more trouble than you know, what we want to be in. So I know that, you know, you're not going to prognosticate as to what the Fed will do every step of the way, but if you had to, um, give your assessment of, of your expectations on a go forward basis from the Fed.

[00:13:59] **Devon Francis:** What do you think directionally in terms of magnitude, that sort of thing, timing, um, what do you expect

[00:14:06] **Brad Long:** Other than the 50 basis points, which is pretty contentious and usually, uh, markets are fairly good predictors kind of leading right up. To the Fed meeting, so you know, if markets believe it's going 25, the futures will show you 25 or 50.

[00:14:20] **Brad Long:** They'll show you 50. Leading up to when the Fed cut, it was almost right down the middle. It was like 37 and a half basis point expectation. So the markets were really uncertain. It's because the Fed is usually a very communicative and they wanna avoid the taper tantrums, you know, that we saw under Ben Bernanke when the market's unaware of what the Fed is doing.

[00:14:39] **Brad Long:** The main thing here from now is we hope, right? We all hope as participants that the Fed can gradually ease that we don't get a reigniting of inflation and we end up back at this neutral rate. And that's the one that I think is actually worthy of more discussion pace. Again, it will be a faster pace if we have a materially weakening economy.

[00:14:58] **Brad Long:** It'll be a slow and gradual pace. Uh, if we don't, we hope for the latter versus the former. But where's the end of the rainbow? So it's this concept of the neutral rate or r star and kind of the economic, uh, parlance. And it's, it's the, uh, it's the rate in which the Fed does not have its foot on the economic gas pedal, right?

[00:15:17] **Brad Long:** It's not accommodative, nor does it have its foot on the economic break, right? It's trying to slow the economy and therefore slow inflation. It's this neutral policy. There's been a lot of discussion through academia and, and, uh, market participants around, has the neutral rate shifted upward in today's economy?

[00:15:35] **Brad Long:** Right. So the past 30 years or more, we've had very benign inflation 'cause we've been in a period of. Globalizing, right? So we've had a global economy that's been great for prices. So you don't have to, if you're making a product in Des Moines, Iowa, you don't just make it there with high cost goods, you can ship part of that off at a lower cost, and that passes on to, uh, investors and consumers as the form of lower inflation.

[00:16:00] **Brad Long:** As we enter, and we've been in a period of materially falling rates, right? So lower cost of capital means businesses are more exploratory. That means jobs are more prevalent, more jobs, more spending, more spending, more earnings, more earnings growing economy. Now, as we have kind of a higher cost of capital, and this idea of.

[00:16:17] **Brad Long:** Maybe deglobalization is too tough of a term, right? We're not just gonna close our walls and say, you know, that thing that was made globally is now just, again, picking on Des Moines is just made in Des Moines. Uh, but you have these deglobalization, decarbonization, which is very expensive, and deficits, which play an inflationary role in the economy and markets.

[00:16:40] **Brad Long:** Now the flip side of that, you have demographics slowing here in the US, materially in China and other parts and technology. Kind of think of the Moore's law of technology, right? It makes productivity higher, uh, and so inflation is lower. Those are the two secular, uh, points that are fighting one another and recently deglobalization, decarbonization than deficits arising above demographics and technology.

[00:17:03] **Brad Long:** And that might mean that the neutral rate shifts up. So historically, this is how it usually plays out. The fed's target is 2% inflation. Then historically it's been about a 1% real rate, so that would put you at 3% as the neutral rate. But if that rate is shifting up because of those trends that we mentioned, then you know your landing point might be a little higher.

[00:17:26] **Brad Long:** Is that three point a half? Is it four? Is it three and a quarter? We don't precisely know, but it's likely that it's moving up a little bit higher. So let's just say for good measure, three and a half. That's still 125 basis points from where we are today. That's the equivalent of five rate cuts. So, you know, we'll be moving in the direction of lower, the question is pace, right?

[00:17:45] **Brad Long:** So that's soft or hard, and then magnitude where we ultimately

[00:17:49] **Bob DiMeo:** land. So Brad, that begs the question, um, what are the investment implications of the fed cutting rates?

[00:17:57] **Brad Long:** It's obviously a, it's a tailwind mathematically for fixed income investors, right? In lower rates, if you have some duration in the portfolio, that means you can't replace, uh, the yield that you would otherwise get today.

[00:18:10] **Brad Long:** And so that shows up through price appreciation. Now, I will say, uh, those that have cozied up to cash and it's like, that's you, meaning that's everybody. There's, you know, $7 trillion in money market funds out there. So people like to say, oh, no, I didn't do that. That's someone else. Um, you know, your expectation on future returns in cash have just fallen by 14%, right?

[00:18:32] **Brad Long:** They were five and a quarter. The fed cut by 50 basis points. You're not, let's just use the word around math 4 75. If I just told you, Hey, the return on your portfolio just fell by 15% and I think it's gonna continue to fall, what would you do with it? You'd probably put your money elsewhere. Um, people will probably sit in cash for a while.

[00:18:50] **Brad Long:** And again, just that mental proverbial weight for the AllClear signal. We know that historically doesn't work, but that's one of the implications, Bob, is as we get towards this neutral rate, eventually this cash will say, Hey, let's come back to work. Um, also, you know, typically in, you know, uh, a. A more neutral rate environment that's beneficial for equities, but equities are fairly full valuation.

[00:19:13] **Brad Long:** So it's always hard to say what that precisely means, but I think one of the fairly obvious ones is the implications on cash and their relative value in the market, and it's certainly, uh, falling today.

[00:19:27] **Bob DiMeo:** That's helpful and, uh, let's jump to the third rail, if you will. And we talked about elections in the last episode with you, uh, in July, but things have changed greatly since that recording.

[00:19:40] **Bob DiMeo:** So what, what's your take and can you describe the current state of, of the election landscape?

[00:19:47] **Brad Long:** Oh God, that's a, that's a loaded one. Um, you know, kind of be wary of October. Right. So in regards to politics and elections, obviously we have no idea. And if this election has done anything, it's proved that, you know, kind of the unknown or the left tails of the third rails, they are, they're, they're likely to happen, uh, if anything else.

[00:20:08] **Brad Long:** So. Who knows what we'll see for the rest of the month. We've written extensively on this and we'll continue to say it. You know, markets don't play politics, and moreover, elections are about promises, not about policies. So for us as investors, right, we can't, we can't try to, uh, interpret promises into what that actually means to outcomes for markets.

[00:20:31] **Brad Long:** We need to look at policy. So the big ones on the table and the candidates are a little bit all over the map on this is, you know, taxes deficit. Decarbonization, uh, you know, China specifically and, you know, foreign policy. Those are a lot of big bites at the apple. Um, as we look at betting odds today, right?

[00:20:51] **Brad Long:** We're not here to predict an election. It seems more likely that the, uh, the, that the Senate will move towards the Republican party. And so now you're, you're really, uh, you know, trying to wager on the White House in a scenario in which you have a split, right? You have a blue white house and you have a red.

[00:21:11] **Brad Long:** Senate that probably leads to more steady as she goes. So you'll see the expiration of tax policy. So those are the Trump era tax credits, which will then rever both corporate and personal taxes up. Um, who knows under that scenario where you'll have on deficit, I think the only thing that you could say is you're probably gonna have continued gamesmanship on budgeting and closing government and trying to get, uh, deficits in order.

[00:21:36] **Brad Long:** But both blue, red and everything in between have been. Fairly horrible with deficits, right? We sit at the highest, uh, debt to GDP level, you know, only somewhat close to the post World War

II era. And that has, we've accumulated those debts under republicans, democrats, congress, senate, and Executive Branch.

[00:21:56] **Brad Long:** So, you know, all are to blame. Um, and then on the other kind of points on decarbonization, you know, that's expensive, right? Moving from a fossil fuel based economy. To more of a sustainable based economy. That is, you know, as we talked about, inflationary. So there's, there's a lot of promises out there.

[00:22:12] **Brad Long:** There is not a lot of policy to bite into. So, you know, post-November election will have at least clarity of who will be sitting in those seats and maybe probability of what will come forward, right? The probability of attacks, uh, you know, overhaul the probability of material, uh, you know, change in our, our relationship with China.

[00:22:34] **Brad Long:** But until then, right, we really shouldn't be trying to read tea leaves on promises before we can really take a big bite at the apple.

[00:22:40] **Devon Francis:** And I think it's important to underscore, and this is something that you've shared with folks, um, many times when we've talked about the elections before. Um, but when you sat down with Lizanne Saunders a couple weeks ago at our, um, client conference in Chicago, and Lizanne, of course is the chief market strategist of Schwab, she was talking about the historical records of had someone invested only under Democratic leadership or only under Republican leadership.

[00:23:08] **Devon Francis:** Versus having stayed invested throughout the course of, you know, uh, any type of leadership. And the results were just really staggering. So, uh, as you opened up this conversation by saying, I think it's really important to reiterate that you shouldn't let your politics drive your investment decisions. In the long run, markets tend to go up, and if you stay invested, then that tends to reap the, the largest benefits.

[00:23:36] **Brad Long:** I think her figures were investing post World War ii. If you invested, you know, $10,000 under just Republican regimes, you'd have $120,000. If you invest, and these are round numbers, uh, if you invested under just Democratic regimes, you'd have $300,000. Like, wow, what a gain. Look, you know, everyone should vote blue.

[00:23:57] **Brad Long:** Uh, if you invested under both and didn't touch it, you have $38 million. It's a pretty big delta, comically different, and what that speaks to, it speaks both to. Markets don't play politics, but also just the, the power of compounding. You know, compounding interest has been noted as kind of the eighth one of the world.

[00:24:16] **Brad Long:** And you know, if you're trying to, just like in 2016 people were really worried what would happen when, you know, Trump got elected. So they sell their cash to port, their portfolios to cash. They were really smart and good for a day, and then the markets took off from there. Right? So. Trying to time these things is, is difficult to say the least, uh, but ends up being often or very often not fruitful at all.

[00:24:41] **Devon Francis:** So, as we wrap up, are there, and, you know, stepping away from the election, but just thinking about the current environment in general, are there any asset class or strategy considerations that you want to leave the listeners with?

[00:24:54] **Brad Long:** I, I don't know if it would be, uh, asset class related. We do have. Um, you know, maybe some economic related elements that are gonna be perhaps working their way in.

[00:25:06] **Brad Long:** Uh, you see some of the labor, uh, issues and strikes that are out there. You know, Boeing is exemplifying that, uh, you know, in the northeast of the country. But you have, you know, uh, uh, shoremen, you know, all, all up and down the West coast talking about potentially going on a strike. Pretty soon we'll be talking about the holiday season and, you know, spending around that period of time, you know, the sensitivity today around.

[00:25:29] **Brad Long:** Labor, unemployment, wages, you know, and a soft landing. There's gonna be a lot of noise in that data. So there's probably gonna be trading days in which market expectations are X and it looks materially worse or different. I. It might be because of, you know, because of a union strike in the northwest. Um, so I would just say guard against some of these easy knee-jerk reactions when you have a preconceived notion of, well, what if we go into a recession because we anticipate we're seeing noise in the data, we anticipate that noise.

[00:26:04] **Brad Long:** So, you know, don't be, uh, on high alert for some of that because we do think there is, uh, just gonna be a little bit of volatility ahead.

[00:26:12] **Devon Francis:** That's really helpful. So we have covered a lot today. Uh, talked a lot about the current landscape. Anything you'd like to leave listeners with? Anything you'd like to add or underscore?

[00:26:23] **Brad Long:** No, I'm just say, uh, if you got a plan, stick to it. Right. We're in the middle of the game and now is not the time to change the game plan. So stay with it. And we're, we're almost at the end of the year and now's not the time of shift.

[00:26:35] **Devon Francis:** It's a helpful reminder, so always great to have you on the show. We really appreciate your insight, your expertise, and thank you for your time and effort.

[00:26:44] **Bob DiMeo:** Thanks so much, Brad. It is always great to have you on the show and some of the statistics you mentioned regarding Lizanne Saunders, she's got a lot of really great content. Encourage folks to go to schwab.com for specifics on that study and more directionally, I think Brad nailed that. It's just a, a, a giant gap in terms of, uh, outperformance by staying invested historically.

[00:27:06] **Bob DiMeo:** So, uh, this has been great. If you are someone who oversees an endowment or a foundation or pool of monies and can benefit from informed input, please as always, feel free to reach out to me or Devon via LinkedIn or at the email associated in the show notes. And to all you good stewards, thanks for investing time to help your nonprofits prosper.

[00:27:26] **Bob DiMeo:** We'll connect with you soon on the next episode.

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