



Making financial decisions can often be more challenging than it appears. A variety of subtle influences can cloud our judgment. Here are 3 biases that can sabotage your wealth if you're not careful:

1. **Anchoring Bias.** This is where you focus primarily on the first piece of information you encounter, letting it influence your future decisions. For example, you could fixate on the value of a stock from when you initially purchased it. As a result, you could be reluctant to sell the stock even if it's currently trading at a much higher price.

2. **Loss Aversion.** This is the tendency for individuals to experience stronger emotional reactions to losses than to equivalent gains. As a result, this bias can create overly cautious behavior, such as favoring saving over investing or holding onto underperforming investments.

3. **Herd Behavior.** This mentality arises from our natural tendency to conform to the actions and opinions of the crowd, often overriding independent research and decision-making. This bias can contribute to financial bubbles, market crashes, and deviations from our investment plans during periods of market hype or panic.

Increased awareness, sound planning, and professional support can help counteract biases in decision-making. A clear investment plan with predetermined conditions can help mitigate emotional influence on decisions. Consider working with a financial advisor for objective guidance in navigating biases and developing effective strategies.

We're so happy you're here,
Edgewater Wealth Management

Sources:

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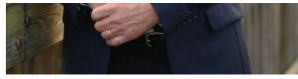
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Frank's Desk



It's earning season again. Seems like it was just last week that we were reviewing Q1 earnings, and now we are rooting for Q2's. My how time flies.

Why is it that time goes so fast as we get older, and moves so slow when we are young?



One explanation that I think makes the most sense is that when you are young, time passage makes up a much larger percent of our life experience. A year of life for a 10-year-old is 10% of their total existence. But for a more mature individual, like me, it's a mere 1.5% of my total life experience. The older I get, the shorter that percent becomes. The smaller the percent, the less I have to compare and contrast with. So, at 80 years old, time goes by sixteen times faster than at 5 years old.

And don't even ask me where time has gone.

As for the market, it's been quite the ride for the first half of the year. The S&P and the NASDAQ are both up well above double digits, and the Dow has been playing catch up over the past few weeks, being up over 5% at present. And all of this while the FED still threatens to continue to raise rates, there continues to be a threat of a recession, war continues in Ukraine, Taiwan is still a tender box, AI is going to take over the world, and we are entering into the heart of hurricane season.

So where do we go from here? I believe that the market is due for a pull back, likely at the end of Q2 earnings reports. Nothing catastrophic, but probably somewhere in the high single digits. Then look for the market to recover by years end. Rates will likely go higher, two 0.25% rate hikes by years end, and I don't see a recession coming this year at least. Then we have an election year to look forward to in 2024. Hurray!! So, relax. Take time this summer to find a nice cool shade tree and curl up with a good book; after all, with Hollywood on strike you won't be going to the movies any time soon. So let time do it's thing; fly baby fly. And remember, there is no need to worry about this craziness. That's my job.

Any opinions are those of Frank Houston and not necessarily those of Raymond James. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

Spotlight

BACK TO 
School

Tax free shopping July 24-August 6

FIRST DAY OF SCHOOL

St. Johns, Nassau, & Clay County - Thursday Aug. 10

Duval County - Monday Aug. 14



Articles



529 plans were originally established to help families pay for qualified higher education expenses by offering tax-deferred investment growth and tax-free withdrawals but, in 2017, federal tax legislation changed how these accounts can be used

[More Uses for a 529 Plan](#)



Speaking of 529 Plans, there are even more ways to use them. Thanks to the SECURE 2.0 Act you can now rollover unused funds from a 529 Plan to a Roth IRA. There are a few requirements, and we go over them in the article linked below.

[Move Your 529 Into a Roth IRA](#)



Saving for your children's education requires a long-term plan. And, like saving for retirement, the earlier you start your plan the better. Use this calculator to help develop or fine-tune your education savings plan. Click the "View Calculator" button for a detailed look at the results.

[View Calculator](#)

From Us to You

Kendall here, and we've got a house divided on our hands.

The muggy heat of August in Florida is upon us. August brings us the end of summer, lazy beach days and family vacations. It marks the last days of freedom for students before returning to the classroom. While some of us are sad to see summer days in the rear view, others are getting excited because it also begins the transition back to fall sports, specifically football season.



The start of football season brings a sense of excitement for fans across the country. Like anything else there are different levels of football fans. Hard-core viewers, occasional viewers, and of course the social viewers.

I got my first taste of how passionate people are in the south when it comes to football. I left my home state of New York in 1989 to come down to Florida to attend Jacksonville University. Not too soon after I landed, I was repeatedly asked if I was a Gator or a Seminole. College football was not big where I grew up, so I wasn't quite sure how to answer that question. My typical answer was well I'm neither. I am a JU dolphin. JU didn't have a football team while I was there.

Fast forward a few decades, I now have a house divided, with one of my daughters that is starting her junior year at the University of Florida and my other daughter is off to Tallahassee to start her first year of college. So we now have a Gator and Seminole in the house.

Let's Connect



Want a Second Opinion?

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Our mailing address is:
814 A1A North Suite 100
Ponte Vedra Beach, FL 32082

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