



The Tale Twister

Cullman Lions Club

July 18, 2022

Program

Lion Carey Thompson introduced our speaker tonight, Lion Brian Spaeth. Although he is a financial advisor for Edward Jones, he was careful not give us a sales-pitch for his company – just time-tested guidelines on investing in today's highly volatile markets, as well as some facts on the financial performance in various sectors in recent weeks.



Lion Brian Spaeth

Lion Brian said that he could not really give individual advice from the podium, tonight – that it would depend on your level of tolerance for risk, your time horizon (whether you are going to retire in ten years, etc. or already retired), your own goals, or what the money was for. Besides the impact of Covid on our economy, he talked about the indirect impact of China's policy of zero-tolerance for Covid, in which it has basically shut-down its economy in several provinces, including two of the three largest shipping ports in the world -- this has greatly impacted the world's supply chain. For instance, automobile manufacturers have tens of thousands of new cars, sitting in storage lots, waiting of chips

and other parts. Another impact, of course, has been the Russian invasion of Ukraine. Another has been the slowdown in fossil fuel production in the U.S., which until 2020 had been a net exporter of oil, but began a reversal with a new direction for U.S. fossil fuel production. All these things have contributed to a possible recession and the greatest inflation numbers (9.1%) that we have seen in 41 years. This has led to a great drop in stocks (the S&P returns so far this year has been a negative 20.6%), bonds, and nearly all investment options. There is simply as great deal of uncertainty and volatility.

Lion Brian passed out some fact sheets & market outlooks showing recent market activity in different sectors, and some general forecasts for the next few months, with guidance for average investors. He noted some National banks that are now providing higher interest rates on certificates of deposit (CD's) than can be found locally and recommended that CD's be purchased in a laddered manner, where one buys some that matured in 3 months, some at 6 months, etc., so as to get better interest rates, and mitigate risk of possibly not getting the best outcome, overall. He said he would not recommend buying CD's for a 3 or 5 year maturity now, because rates are very likely to be better in the future.

On the subject of inflation, Lion Brian noted that mortgages have risen from the 2% range to the 6% range in the last year, but that those rates were above 13% back in 1979 & 1980 – the last time we had inflation running so high. Even so, he felt that the possible



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recession, into which we now seem to be moving, will not be nearly as bad as that of 2008 & 2009 with its financial and housing crisis -- even though both stocks and bonds were down then, as they are today. Lion Brian explained that our mortgage lending and financial institutions are much stronger than today than then. We are in period of great uncertainty for reasons mentioned earlier, and most people do not know what to do. We always hear, "buy low and sell high." Are we at the bottom? Is it time to buy? No one really knows. Brian says that he is more bullish, despite the uncertainty, and that if you think the market will be higher in 5 years, his advice is to stay in the market. But to get advice from a financial adviser based on your individual situation and decide for yourself where to best put your money. He noted that since 1928 the market has pulled back over twenty-percent a total of 26 times and has not failed to recover any of those times.

Lion Brian stated that energy prices were 42% higher than a year ago, causing almost half of our current inflation problem. But since June commodity prices have fallen sharply from highs; e.g., natural gas is down 28%; lumber is down 62%; wheat is down 44%; and even oil is down 22% from its most recent high. Core inflation, which excludes food & energy, is down just slightly from the previous month. A tight labor market continues to support strong wage growth -- restaurants can't get staff -- airlines can't find enough pilots -- but beaches are packed, and there's about \$2 trillion sitting in savings and checking accounts or cash right now. In an affirmative statement Brian said, "I just know that the spirit of Americans is not going to let our economy and our Country down ..."

This was a most interesting and informative program. Lion Brian offered to include Lions on a quarterly, overall market report/forecast email. If you are interested, see him.

Other Business

Lion President Milford Parrish will be sponsoring Steve Rodgers for consideration to be recruited as a possible Lion at the next BOD meeting.

He asked the Smith Lake-property-proceeds-Steering Committee to meet 7-25-2022.

He encouraged our Lions to attend a one-day Leadership Conference this year on Saturday, August 13th -- particularly those Lions recently elected as officers in the Club. The conference will be in Hanceville at Wallace State, and the Club will pay the \$25 conference fee.

He encouraged Lions wear vests whenever we have a guest speaker.

Secretary Lion Craig Gadow made a trial run at setting up a live video broadcast of tonight's meeting to Lion David Bussman, who has been working in south Alabama for many months and is only home on weekends. This may be something that could be offered to members at large (MAL) and any Lions who are unable to attend our Club meetings. Details on how to participate may follow soon.



President Lion Milford Parrish and Secretary Lion Craig Gadow setting up video camera for live transmission of tonight's meeting.



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Lion Richard Gurley's wife, Lioness Jennie, has COVID, but she has shown recent improvement.

August 1: Travis Sharpe, President and Founder of Cullman-based, Unsheltered International, will speak on his organization.

Lion Don Smith instructed the Club in how to go the Cullman County Fair's website to get the Fair's daily schedule and many other Fair details. That site is: cullmanfair.org
Lion Don noted that in past years, the schedule has been revised as many as 16 times. He advised us that if someone asks us a question about the Fair, either used this web site or refer the questioner to it.



Travis Sharpe

Lion Charlie Childers asked for volunteers to help paint the rooms at the theater.

Lion Jerry Bonner passed out Melvin Jones Fellow plaques to Lions Doug Doggett and Steve Cartee.

Upcoming Programs and Events

July 25 : MS Patty Bearden, Director of the Youth Advocates Program will speak on her organization. (See photo on next page.)

Tale Twister Input



Ms. Patti Bearden

If you need something special or to report a correction in the *Tale Twister*, see Lions Carey Thompson or Don Smith at the meetings. Lion Carey can be reached at 256-739-0580 (H) or 256-426-3207 (C). Lion Don can be reached at 256-737-7433 (H) or 256-426-7722 (C).