



HIGHTOWER

White Pine Wealth Management

Summer 2023



July and August seem like the shortest months of the year in Maine. Summer weather was hard to come by in June around these parts and even if you *could* get anywhere from here, you didn't want to go. Because it was raining. And raining. And then, it was raining... But! We at White Pine Wealth Management are manifesting the kind of fabled Maine summer weather we earned when we were faithfully trudging through March. So, here's to a warm, sunny, blue-skyed July and August in our lovely little state. Ayuh.

National Independent Retailer Month



July is National Independent Retailer Month. According to indieretailermonth.com, “Each \$100 spent at local independents generated \$45 of secondary local spending, compared to \$14 for a big-box chain.” Maine is chock full of locally owned small businesses that depend on both tourism and resident patronage each year. These shops are part of what make our little towns charming, unique, and livable. While big box stores offer the convenience of everything in one stop, it is often the case that product quality, customer service, and specialized knowledge are more reliably found at independent retailers. And that includes [farmer’s markets](#), [co-ops](#), and online stores like [Etsy](#) and [eBay](#). If you’re thinking of becoming one of Maine’s independent entrepreneurs, here is some information about [resources available to you](#). We polled the team to learn about everyone’s favorite local retailers.

[Shana Bennett](#) – [Eastcraeft](#) is a boutique in Lisbon Falls that carries size inclusive fashion with a focus on raising mental health awareness and giving back to the community. I always find something new and fun when I stop in, including Moxie gear for the town’s upcoming Moxie Festival.

[Matt Emery](#) – [Erica’s Seafood in Harpswell](#). Where to find the best lobster roll is the subject of many debates, so I’ll just say that Erica’s are *possibly* the best, with a beautiful setting to boot.

[Natalie Munn](#) - Favorite local spot is [Elements in Biddeford](#). They serve incredible dark roast pour over coffees and Emily loves their mochas. It is a beautiful coffee shop and has served as a great study spot for my Series 7 and 66 studying as well as Emily's med school studying. She goes at least once a week!

[Nancy Mackin](#) - My favorite local shop is a hard one to choose! So, food and non-food: Food: [Elements Cafe \(Biddeford\)](#) Non-food: [Cottage Designs/OP Home \(Ocean Park\)](#).

[Gabrielle Nadeau](#) - I have many favorite local spots, but I would have to agree with Natalie and Nancy - [Elements in Biddeford](#) is very good!

[Casey McClurkin](#) - My fave local retailer is [Forget-Me-Nots in Falmouth](#), an upscale consignment boutique. My South Portland spot is [C.I.A.](#), which stands for Coffee. Ice Cream. Art. Yes please!

[Paige Batchelder](#) - Right now, it's [Hometown Furnishing Co](#) in Standish. It's three or four floors of multiple retailers in an old building that is as cool as the stuff sold there. Don't let the Facebook profile fool you - modern farmhouse is not really what they're about. It's vintage treasures and antiques, unusual crafts - think curated flea market. Heck - there was an awesome 70s deer lamp that may still be there with a rifle stock holding a lampshade that glowed like the truck stop it was probably sold in originally. My husband didn't think we needed it for some reason.



[Grey Terry](#) - I really like [Drillen's Hardware in South Portland](#), it's right near my house and they are always ready to help and give advice on any project I might have.

Financial Literacy – Summer Jobs & Custodial Roth IRAs



[Summer jobs help to boost confidence](#), create work experience and a work ethic, help teenagers explore what they enjoy and don't enjoy, and gets your child accustomed to being accountable, dependable, and competent. But there are other lasting benefits of which you may not be aware. It doesn't matter how old your child is, [if they have eligible earned income](#), they can contribute to a Roth IRA. If they are under age 18, a custodial Roth IRA can be opened for them. Teaching your kids about saving for retirement when they're young can set them up for lifelong habits that really pay off. [According to Investopedia](#), "If you make the maximum contribution each year (as of 2022, \$6,000), a Roth IRA could grow to more than \$2.6 million after 50 years, assuming an average 7% annual return." [The greatest asset your children have right now is time](#), which, it turns out, can be more important than market performance. And there can be lasting benefits to you, too, if you have set your child up for a secure retirement. Many parents express a desire to leave a significant estate to make sure their children are comfortable. By providing them with the tools they need to create their own financial security, you may be able to spend a little more in retirement without worry. We had jobs when we were kids and we've shared them below...

[Shana Bennett](#) – My summers were spent doing barn chores in exchange for riding lessons and working the ice cream window at Pat's Pizza in Yarmouth.

[Matt Emery](#) – Cleaning stalls and other odd jobs at our neighbor's horse stables.

[Natalie Munn](#) - In terms of a summer job, I never had a real summer job - I worked in the fall/winter/spring at the local ice arena as a skate guard in order to have my summers off. I made lots of popcorn and slushies, ran the cash register, monitored the ice, and on a normal Friday night, was one of six people babysitting 300 small children. I did spend time at my grandparents clothing store during some of my summer days. I have fond memories of the store and greeting customers or "going to work" with my Popie.

[Nancy Mackin](#) - My part-time job was always babysitting.

[Gabrielle Nadeau](#) - As for a summer job, I was either babysitting or working at a seafood restaurant in Camp Ellis, Saco, Maine!

[Melissa Duffy](#) - I worked at [Deering Ice Cream](#) at the Maine Mall and I was a camp counselor.

[Casey McClurkin](#) - My summer job was a year round job! I worked at the local video rental store, slinging VHS tapes. I think I made \$3.25 an hour?

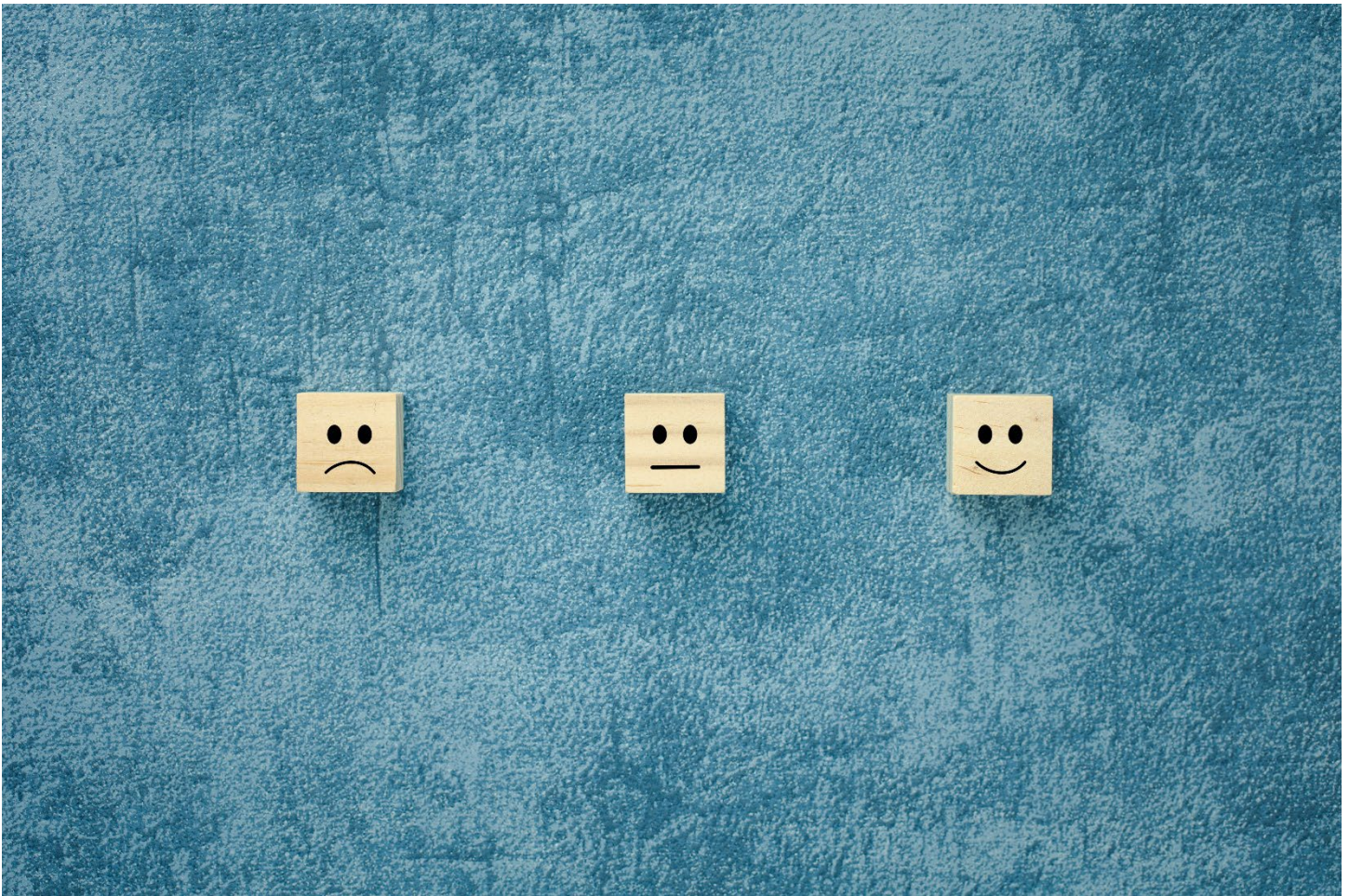
[Paige Batchelder](#) - I worked at The Cookie Jar in high school and during the summers in college. Cookies were \$0.19 a piece back then, which feels like horse and buggy prices now... Donuts happen EARLY and while it wasn't always easy to drag myself out of bed at the crack of dawn, it instilled a sense of responsibility and purpose. Also, I now know how to wield a frosting bag which has proved useful...well...never.

[Grey Terry](#) - When I was 10 I started mowing the grass at a family friend's Christmas tree farm. I was barely taller than the mower. As I got older, I picked up more jobs and my mom would drive me around to different houses with the lawn mower folded up in the back of the station wagon.

Blueberries for the win...



According to this article [“14 Fun Places for Blueberry Picking in Maine \(2023\)”](#), Maine produces 99% of the blueberries in the country. That means that without Maine, pancakes would become extinct. (We can’t find a source for that, but that is what it means. Trust us. #savetheflapjacks) Apparently [owing to glacier-churned soil](#), wild blueberries are an important part of Maine’s economy ([\\$80 million!](#) in 2021) despite having [faced some challenges](#) in recent years ([\\$55 million in 2022](#)). Harvested in late July to early September, blueberries are a superfood, [bursting with juicy health benefits](#) like lowering blood pressure, preventing heart disease, and being an excellent source of antioxidants. Which is why, scientifically speaking, it’s okay to eat them in pie. [And cobbler. And cake. And ice cream...](#) making you a health nut. If you want to be [blueberry independent](#), you can grow your own. Blueberry bushes are self-fertile, so they can pollinate themselves, but you will [get better results with three or more bushes](#). If you’ve had problems with the birds eating your blueberries before you can get to them, a client [recommended this tape](#) to us and says it works wonders! Happy picking!



[Mental health awareness has increased significantly](#) in recent years, owing in part to Covid and all the challenges it helped to highlight. Hightower has been focusing on mental wellbeing recently, providing its employees with free resources to help them feel their best, inside and out. Team members were given a subscription to the [Calm app](#), health insurance benefits have been enhanced with increased mental health care access, and a firm-wide push was initiated to talk about the challenges that many of us face at some point in our lives. With the Work From Home phenomenon, and the ability to work virtually anywhere on the planet no matter where your employer is physically located, according to Forbes article [The Importance of Vacation in the Workplace](#), “Data from the [American Time Use survey](#) revealed that 30% of full-time employees report working weekends and holidays.” Summer is when vacations are easiest for families, and though [many people are changing their plans](#) because of inflation, it is still extremely important to set your Out of Office message and just unplug. [According to one article](#), “research found that working 55 hours or more a week was associated with a 35% higher risk of stroke and a 17% higher risk of dying from heart disease than a workweek of 35 to 40 hours”. But vacations are not the only way to improve your overall mental (and physical) health. Research has shown that [simply viewing acts of kindness](#) can help improve your mindset. And adults are definitely not the only ones struggling. A book that has come up again and again in conversations with parents is [The Emotional Lives of Teenagers](#), a NY Times best-seller. There is also a [strong connection between mental wellness and pet ownership](#). If you’re lonely, or stressed, [adopting a pet](#) can be a good distraction that also

keeps you active. White Pine Wealth Management cares about your mental health. If there are parts of your financial life that are causing you stress and anxiety, we'd welcome a conversation about ways we can help.

Summer Reading



In a world where smart phones, e-readers, and laptops are the place where we do the majority of our daily reading, we submit that a book – the kind with paper and a spine – is an absolute must-do on summer vacation. Not only does it take the technology out of your hands (and therefore the constant distraction from notifications, messages, and advertisements), it can go anywhere with you and not require a cord or a signal or bandwidth. We've compiled a few [recommendations](#) that should help to slow your scroll.

Shana Bennett – Admittedly, I do not get to read as much as I would like outside of picture books at bedtime for the kiddos. That said, this time of year we read *Blueberries for Sal* by Robert McCloskey almost daily. It is usually preceded by a trip behind the house to scour the blueberry patches for a light snack and some fresh air before settling down for the night.

Gibson Wilkes – [The Seven Husbands of Evelyn Hugo by Taylor Jenkins Reid](#). It's being adapted to a movie.

Matt Emery – I'm currently reading [David McCullough's biography of Harry Truman](#) and am thoroughly enjoying it.

Natalie Munn – A summer read to me reflects the season of growth. I am currently reading [Think Again by Adam Grant](#)... It challenges your school of thought and attempts to open your mind to rethinking the way things have always been. Highly recommend!

Nancy Mackin – [Maine – A Novel](#). It's an older book, but I read it on a weekend getaway at the Samoset in the winter months - I loved it!

Melissa Duffy – [The Summer Guest by Justin Cronin](#)

Casey McClurkin – My summer time reading recommendation is [Lessons in Chemistry by Bonnie Garmus](#).

Paige Batchelder – I have just ordered [An Immense World: How Animal Senses Reveal the Hidden Realms Around Us](#) for my summer vacation. After watching my puppy figure out how to use a button to communicate with me, I was so intrigued by his stunning brilliance that I went down a Google rabbit hole and found this NY Times bestseller that I'm very excited to dig into. It will be hard to save it for the mountains.

Grey Terry – I don't have any books on the bed stand right now. Most of my summer reading is done at the beach and that usually involves the latest Wall Street Journal or National Geographic.

Explore Maine – Kennebunkport Area



Originally named Arundel in 1717, and arguably one of the most famous of our towns, Kennebunkport boasts everything that is iconic about our state. Charming coves nestled up to the craggy rocks, sprawling oceanfront estates, shop-lined streets peppered with local artisans, gourmet cuisine, and more. Made famous by the [Presidents Bush family compound](#), Kennebunkport is home to the [White Barn Inn](#), a topnotch dining experience rumored to be a favorite of HW. It is home to the historic [Colony Hotel](#), myriad [seafood restaurants](#), frequently uncrowded [beaches](#) beckoning you to dip your feet, [art galleries](#), and [retail shops](#). Don't forget to check out the [various museums](#) in the area, including the [Maine Classic Car Museum](#) in Arundel. A special gem, open to the public, is the [Franciscan Monastery of Kennebunk](#), sitting serenely along the Kennebunk River. Finish up your day in [Cape Porpoise](#), Kennebunkport's original fishing village, where you can putter around seeing beautiful harborside homes before heading to [The Lost Fire](#), (be sure to make reservations!) a Patagonian grill and bar that our own Natalie Munn discovered. A chef's kiss will not do it justice.

Market Commentary



After declining more than -18% in 2022, the S&P 500 Total Return Index rallied +16.89% over the first half of 2023. On a more granular level, we can see that the bulk of the performance in 2023 can be attributed to Technology stocks with the Tech-heavy Nasdaq 100 Total Return Index delivering +39.35% year to date, while the Russell 1000 Value Index is up only +5.12% so far in 2023. Outside the U.S., the market recovery has been more modest, with the MSCI ACWI Ex-USA IMI (net) Index up 9.10% through the first half of 2023, with Developed Markets generally outperforming Emerging Markets. All performance data has been provided by Black Diamond.

“the bulk of the performance in 2023 can be attributed to Technology stocks ...”

The Federal Reserve kept rates steady at their June meeting but indicated that additional rate hikes will likely be needed to fully tame inflation. Headline Inflation has been on the decline since peaking at 9.1% in June of 2022, but at 4% in May, is still higher than the Federal Reserve’s target of 2.0%. The yield curve briefly inverted in late March of 2022, then inverted again in late June of 2022 and has remained so ever since. If it remains inverted into August it will become the 2nd longest curve inversion on record, eclipsed only by the late 1970’s-early ‘80’s run, according to Strategas.

“The Federal Reserve kept rates steady at their June meeting but indicated that additional rate hikes will likely be needed to fully tame inflation....”

Market concentration and AI

While a market advance of more than 16% in six months is excellent by any measure, the number alone is not telling the whole story and belies some current dynamics that are both notable and unusual. First is the path the markets took to get to 16% over the first half. Despite an early rally in January, the markets were essentially flat going into “Bank Failure Weekend” when Silicon Valley Bank capsized. Virtually all of the year-to-date market gains occurred after the banking scare on March 10th. While it may seem odd for the markets to have rallied *after* the banking system started showing signs of stress, most market-watchers think the banking scare led the market to believe that the Federal Reserve’s rate-hiking cycle would soon come to an end.

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While such optimism has since proven somewhat premature (the Fed has strongly suggested that more rate hikes this year are likely), an additional dynamic helped propel stocks even further in the second quarter: The potential for Artificial Intelligence to revolutionize productivity and the way business is conducted. Of course, it remains to be seen whether A.I. will prove revolutionary, evolutionary, or just hype, but investors have a history of throwing caution to the wind to avoid missing out on the “next big thing” and the stocks of companies that have anything to do with A.I. rallied sharply in the second quarter of 2023.

In addition to the bumpy ride, another notable theme of the markets in 2023 has been concentration. In contrast to the broad declines of 2022, the strength of the market indices in 2023 has been primarily centered around a small number of very large companies. According to Hightower's Chief Market Strategist Michael Farr's commentary on June 29, 2023, the seven largest companies in the S&P 500 are up 86% on average year to date, while the

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other 493 companies in aggregate have hardly moved. In another example, provided by Strategas, just two stocks, Microsoft and Apple, had a combined weighting of 14.2% of the S&P 500 Index as of May 15th, which was almost twice the 7.3% combined weight of the entire Energy and Materials sectors! There is no modern historical precedent for the current degree of market concentration.

But before we judge the investing public as being completely irrational (after all, most investors are well aware of the level of concentration in the markets), it is important to note that the small number of companies that have been exerting such an outsized influence, generally have very strong balance sheets and large amounts of cash. They are established, profitable, and most pay a dividend. Many seem to be regarding these large companies as safe havens during a time of economic uncertainty. That many of these same companies also stand to benefit from the A.I. craze is a coincidence that goes a long way toward explaining why a small number of stocks have garnered a disproportionately large share of attention.

“...While a strong labor market is ordinarily a good thing, it could add fuel to the inflationary fire and make further interest rate hikes necessary....”

Despite these explanations, a market with nearly all optimism and “buyer votes” flowing to a mere handful of stocks feels more tenuous and riskier than what would be considered normal, much like a concentrated portfolio of a handful of stocks would be considered riskier than a more diversified portfolio of many stocks. Unlike the thin markets of the first half of 2023, a market rally that featured the simultaneous rise of the majority of stocks (what investment practitioners call “breadth”) would be more encouraging and more comforting.

As we look forward into the second half of 2023 and beyond, our prior characterization of the investing landscape as abnormally uncertain unfortunately remains in place. It seems we are still in an environment where good news is bad news as far as the markets are concerned. As these lines were being written, on the morning of July 6th, the Dow Jones Industrial Average was down nearly 500 points because the much-anticipated ADP jobs report had revealed that private sector jobs *increased* by 497,000 in June, which was more than double what Wall St. was anticipating. While a strong labor market is ordinarily a good thing, it could add fuel to the inflationary fire and make further interest rate hikes necessary. If more rate hikes are needed, the chances that the fight against inflation could push us into a recession could increase, in spite of the labor market's strength. Such reactions to good news by the markets—markets that have been increasingly represented by a tiny cohort of stocks, coupled with a yield curve that remains inverted—is keeping us cautious and focused on maintaining diversification.

[Matt Emery](#) is our Director of Research & Portfolio Management.

National Back to School Month



August is National Back to School month. Here in Maine, kids return home from camp, trunks full of summer laundry and friendship bracelets. College freshman rush about trying to outfit their dorm rooms and bid bittersweet farewells to fellow classmates heading out.

Teachers begin preparing their classrooms with new supplies and decorations. Parents start planning morning routines, drop-offs, and after-school care. Coaches call their players back to the fields for pre-season try-outs and practices. If you're wondering what your school district has lined up, we have added a few links to the local school calendars (on some you may need to poke around to find it or wait for an update) for you to get organized and ready for the most wonderful time of the year.

[Biddeford Schools](#)

[Brunswick Schools](#)

[Cape Elizabeth Schools](#)

[Cheverus High School](#)

[Falmouth Schools](#)

[Gorham Schools](#)

[MSAD 6 \(Buxton, Hollis, Standish, Limington, & Frye Island\) Schools](#)

[MSAD 51 \(Cumberland & North Yarmouth\) Schools](#)

[North Yarmouth Academy School](#)

[Portland Schools](#)

[RSU 1 \(Bath, West Bath, Phippsburg, & Woolwich\) Schools](#)

[RSU 5 \(Freeport, Durham, & Pownal\) Schools](#)

[RSU 21 \(Kennebunk, Kennebunkport, & Arundel\) Schools](#)

[Saco Schools](#)

[Scarborough Schools](#)

[SMCC](#)

[South Portland Schools](#)

[University of Maine](#)

[University of New England](#)

[Waynflete School](#)

[Wells/Ogunquit Schools](#)

[Yarmouth Schools](#)

The Great Outdoors



If you've ever watched an episode or two (or twenty) of [Northwoods Law](#), one thing becomes clear – there are a lot of people out there who have no idea what they're doing. Maine is full of incredible recreational opportunities that offer relaxation, physical challenges, breathtaking scenery, and more. If you're headed out this summer, here are a few things to keep in mind:

1. [Prepare adequately for your trip.](#)
2. [Know the laws.](#)
3. [Know what to do in case of an interaction with wildlife.](#)
4. [Take a wilderness first aid course.](#)
5. [Bring a solar powered cell phone charger.](#)
6. [Tips for hiking the Appalachian Trail.](#)
7. [Know what can be eaten.](#)
8. [Know what plants to avoid.](#)
9. [Learn to read a compass.](#)
10. [Know how to be a good lost person.](#)

When the summer's through...



We'll be taking a break from our newsletter until we [see you in September](#). In July, the whole team headed out for a [trip on the Calista Ann](#) for our summer team outing.



The [Seadogs Game](#) we host for clients is July 21st. and is quite a popular event! We have reached our ticket capacity. Stay tuned for pics and updates on next year's game/invite.

Our office will be closed on Monday September 4th in observance of Labor Day, a NYSE holiday. With vacations and family visits, we will be making the most of these fleeting summer months while still keeping up with all of you, our wonderful clients. We look forward to catching up at your annual review, and wherever the summer sun shines on your shoulders, White Pine Wealth Management is honored to help you get there.





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