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Top of Mind

We're Loaded, but Miserable

One day, years from now, when the stock market is flat or down, you'll look back on this magical period of market returns and tell your grandkids, "The market returned 15% per year...it just went up year after year after year..."

Grandkid: "Wow, the good old days. What did it feel like?"

You: "We were all miserable."

Meb Faber [posted that](#) ^ last month. He's alluding to the multidecade divergence between consumer sentiment and the performance of the stock market.

Whether it be data from the [University of Michigan, US Consumer Confidence Report](#), or countless [other surveys](#) - most people are seemingly discontent.

Not *everyone* owns stocks. And yeah, the stock market is not the economy...rah rah. I think this divergence hinges on two things:

First, polled sentiment is unreliable because there's a massive gap between what people *say* and how they *actually* live - there's also the ever-present effect of response bias.

Second, and more importantly, I think there's a growing recognition that money can't solve the problems people assumed it would. I'd argue it's factual to say that as net worth rises, money can solve fewer and fewer issues. And with [rising wealth levels](#) in this country, more people are probably running into that realization.

So, the "we're all miserable" sentiment isn't market frustration, it's the "we have money, now what" issue which can be scary.



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Two Examples of Family Payroll Really Paying Off

Hiring family can offer big financial benefits.

Normally, employers and employees both pay Social Security and Medicare taxes. Employers must also pay [FUTA](#) taxes.

But if you're a sole proprietor or single-member LLC, hiring your child can receive [special treatment](#).

If the child is under 18, no Social Security or Medicare taxes are due by either party! If under 21, there is no unemployment tax.

Example: You pay your child for *real work* via your single-member LLC. You deduct the wages, and thanks to special rules, neither of you owes federal payroll taxes.

Your child then reports the income on *their own tax return*, and most (or all) could be taxed at zero rates because of the standard deduction (\$16k in '26). Note the [Kiddie Tax](#) does not apply to *earned* income.

The net effect: you shift income from your higher tax bracket to your child's lower bracket, with no payroll tax cost.

Unfortunately, owners of corporations do not get the same benefits.

Another example at the opposite end:

Say your grandma spent most of her adult years raising kids and running a household. She worked for seven years before stepping away, which means she could not receive a Social Security benefit *of her own*. You need 40 credits [to be eligible](#).

Say you put her on the books at the family business for real hours doing legit work. Three years later, grandma hits her 40 Social Security credits (four earned per year) and qualifies for a monthly Social Security benefit check on her own record.

Or say grandma already had 40 Social Security credits, but in the [35-year lookback](#) there were a lot of gaps - which count as zero and bring down her calculated benefit.

If she can replace some of those zero years with earnings, that could also be a huge lift to her Social Security benefit.

Both examples I shared are not a DIY kind of thing. There are specific rules and required documents, along with countless other variables to consider. Talk with a pro.

Nonetheless, hopefully you see how people can get legally and financially creative.

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Deferring Interest A Cheeky New Fund

Most fixed income funds pay interest monthly, whether you like it or not - reported on a 1099. Not this one.

Rule of 55 What About 59.5?

There's a common misconception that you need to be 59.5 before accessing retirement funds penalty free.

Collective Wisdom Articles, Tweets, & More

How to get a student loan discount. Why parenting isn't scaling. South Korea's new trading rules.

Deferring Interest



A new, very unique fund just launched.

Most Treasury bill/money market funds pay interest monthly, whether you like it or not – reported on a 1099.

SGVA is different. It’s a Treasury Bill ETF *without forced income*; the return builds in the share price. Meaning, you only pay tax when you decide to sell. Appreciation is then taxed as capital gains, which could be lower than ordinary income rates.

As for *how* this is done, [check it out](#). And for the record, this isn't an endorsement. I’m not incentivized. I just think it's clever.

So, what are some use cases?

Reduce this year's tax liability. No interest to report means less current-year income, which can ease your quarterly estimated payments (if needed) and lower the risk of an underpayment penalty.

Take control over income timing. Save the gain for a lower-income year to land in the 0% capital gains bracket or realize it in a year without a Roth conversion so you're not stacking extra taxable income.

You’re in a high tax bracket. The gap between "ordinary income now" and "capital gains later" widens as your tax bracket climbs, but you must hold SGVA over a year to get the preferential long-term capital gains treatment.

You have realized capital losses. Unlike interest income, which capital losses can only offset up to \$3k/year, an SGVA gain can be offset dollar-for-dollar with realized capital losses.

Trade-offs: Capital gains are subject to state tax, unlike T-bill interest. It’s a new fund, so there could be some kinks.

Rule of 55

There’s a common misconception that you need to be 59.5 before accessing retirement funds penalty free.

The age of 59.5 is right for IRAs, but...

The [rule of 55](#) lets you pull money *penalty-free* from your current employer's workplace retirement plan (if permitted in the plan documents) when you leave that job in or after the year you turn 55.

The separation must happen at age 55 or later. So, if you leave at 53 and turn 55 while unemployed, you don't qualify.

Note that all funds must sit in your current employer’s plan - old 401(k)s don’t get the treatment unless rolled in.

For [public safety employees](#) under the TSP, the age is lowered to 50!

The rule of 55 (or 50) can be a helpful retirement planning lever. Some advisors gloss over this to try and gather your assets early, so be on guard.

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Article Arcade

Student Loan Discount! U.S. Department of Education Federal student loan borrowers on auto-pay get a 1% <i>interest rate reduction</i> as of July 1. Anyone already enrolled (or who enrolls by Sept. 30, 2026) keeps the reduced rate through <i>June 30, 2028</i>.	Parenting Isn’t Scaling Skylar's Substack “When children are allowed to become capable, the family has room to grow.”
South Korea’s New Rules Reuters Following the semiconductor stock volatility in July, South Korea is now ordering new investors to take classes. The country is also considering a cap on assets.	“I Was Bearish & Wrong” Of Dollars And Data “Instead of trying to time the market and ‘sinning a little,’ build a portfolio that works whether stocks are overvalued or not - otherwise you’re not investing, you’re betting.”
The Most Hated Asset A Wealth of Common Sense “There will be stories written about how stupid it was for people to pile into AI stocks when bonds were yielding so much.”	A Tribute to Tom Dorsey Nasdaq Dorsey Wright I was fortunate to know Tom Dorsey personally. He mentored me for years, taught me options, and even called when I changed jobs just to make sure I’d made a sound choice. He was a true legend.

Talk of the Month

Us: Hey, you should think about doing a Roth conversion.

Them: Why? I’m like 25. Isn’t that for retired people?

Us: Usually yes, but while you’re in school your taxable income is basically zero. Converting your pre-tax dollars now means you still pay almost nothing in tax, but you lock in tax-free growth for life.

This is probably the youngest Roth conversion opportunity I’ve seen because most young people now are starting with Roth and not Traditional contributions.

So, if you know that you’ll be taking a break from work, maybe it could make sense to intentionally contribute pretax and convert during that window...?