1st & GOAL - A Hard Lesson on Cars

May 19, 2026

What a whirlwind! The last few weeks in our home have been filled two graduations, parties, family and friends…and food. Too much food. It is always exciting to watch the next generation achieve a milestone and launch into what's next. With that in mind, my time has been a bit more limited so this month's newsletter is shorter – hence the "1st & Goal". Fortunately, it feels like news/markets/investing has been steady for the past few weeks…a 7 week stock market rally will make you feel that way! This month's edition is also highlighting something unique…car affordability. Let's dive in.

1. With markets basically at all-time highs, the big question is **WILL IT CONTINUE**? The Iran War (or Military operation or now ceasefire - whatever you want to call it) seems to have had little effect on the stock market even though we are all starting to feel it at the pump. Higher oil prices for longer will cause lasting economic damage globally, but to what degree? Does it really matter to investing? What about "Sell in May and Go Away"? What about stock valuations? Will the bull market that started in 2009 continue forever? And how to invest in the bond market that has been dragging down portfolio returns? Join me for our May Webinar on May 28th 8p ET: "The Iran War ramifications and what to expect from markets for remainder of 2026".

2. Stock market leadership is narrow. What does that mean? Lance Roberts does a great job detailing the reward (markets at all time highs) and highlighting some new risks (low market breadth signals FOMO). Take a look at his recent commentary and let me know if you want to discuss.

3. Semiconductor stocks turning thousands into millions. It's not just Nvidia…in fact, Nvidia is a lagger compared to some of the other names you probably recognize (AMD, Micron, Sandisk).

4. Car Affordability. Americans are addicted to cars and car payments. I'm sure you noticed. You neighbor pulls into the driveway in the latest Tesla or F-150, and you think "Wow they are really doing well!" Actually, no. They are foolish. Most people **CANNOT** afford a new car not to mention a car payment. The average 40 year old has less than $50,000 in total savings and yet they drive cars with $1,000/mo payments. The average new car payment is $750/mo and used car payment is $550/mo.

   I know what you are thinking…if I don't have a car payment, I would be driving some junk clunker. Maybe. Most cars can get you from Point A to Point B. But you are throwing away money every month on an asset that loses value, and costs hundreds maybe thousands a year in interest not to mention upkeep (newer cars are more expensive to fix) while sacrificing your savings and the phenomenon called **COMPOUND INTEREST**.

   Full disclosure. I fell into this trap for decades and it cost me. I wanted to drive something a little nicer and what's $500-$600/mo anyway? Well I'll tell you what it is. $500/mo is $6k per year and with compounded 5% interest over 20 years, that is $206,000. If you are 45 with $50,000 in total savings and driving a new KIA, wouldn't you rather have $250,000 in savings but driving a 10-year old Subaru?

I created a **Car Affordability Matrix** for you to review, download, pass on to others. **YOU WILL NOT LIKE IT**, but sometimes advice is hard to hear. Car payments directly affect your savings. Be wise.

Let me know if you want to discuss or how I can help educate you, your family and loved ones.

Thanks for taking a few minutes to read this! I look forward to talking with you soon.

God bless,

Josh