



Ropes Wealth Offers Reflections on Labors and Success

Observed the first Monday in September, Labor Day is an annual celebration of the social and economic achievements of American workers. The holiday is rooted in the late nineteenth century, when labor activists pushed for a federal holiday to recognize the many contributions workers have made to America's strength, prosperity, and well-being. Oregon was the first state to pass a law recognizing Labor Day, on February 21, 1887, followed quickly by Colorado, Massachusetts, New Jersey, and New York. On June 28, 1894, Congress passed an act making the first Monday in September of each year a federal holiday. Elaborate parades and union speeches celebrating Labor Day are less prominent now than they used to be, replaced with barbecues and last hurrah summer activities.

The upcoming holiday got me thinking about you and the many ways you and your families have worked hard to be where you are today. It also got me thinking about how infrequently we all slow down and celebrate our accomplishments in all their forms.

Nvidia CEO Jensen Huang must have had the same feeling this week after his company reported more than \$30 billion in sales and profits that doubled to \$16.6 billion. As the stock dipped by more than -6%, triggering similar declines in the other large tech mega caps, it was clear investors were not satisfied. Admittedly, Nvidia stock is up more than 154% this year and more than 3,000% over the past five years, thanks to the AI frenzy. Huang is probably still feeling like he has much to celebrate, even if the last week has been a little rough.

And so do investors in the financial markets, as we turn the page on summer and brace ourselves for the end of this year. After 2022's declines, it has been a spectacular comeback across most financial market segments in 2023 and 2024, made even better by the fact that we are seeing the green shoots of a sustainable market broadening and deepening, as more value-oriented companies and small and mid-capitalization stocks are gathering steam. Economic data is giving us enough good news to feel like we have skirted recession. Case and point, second quarter GDP growth was revised higher from 2.8% to 3% yesterday, thanks to better-than-reported consumer spending. This morning, we learned that the Federal Reserve's all-important inflation gauge, the Personal Consumption Expenditure (PCE) advanced by just 0.2% in July and 2.5% year-over-year, right in line with expectations. With inflation abating, but job growth slowing, the Fed remains on deck for a September interest rate cut, bringing together the most Goldilocks of circumstances of solid growth and declining interest rates.

The question for investors is, of course, is all the good news already priced in? The answer is that it depends. As such, it is an important time to review underlying exposures with your team to make sure your security selection and asset allocation are on the mark for shifts like a market broadening, more volatility, and falling interest rates. As candidates share more details of their thinking on taxes, it is also fair to consider how changes in tax rates could impact your portfolio and have a plan in either direction depending on the outcome of November's elections. We look forward to helping you think through that plan, and then putting it into action when the time is right.

On that note, we wish you and your families a wonderful Labor Day weekend. We hope you find the time to reflect on all your successes. Being a daughter of Massachusetts, and a fellow graduate of Boston Latin School (once they allowed girls, of course), I leave you with one of my all-time favorite poems from one of my all-time favorite authors, Ralph Waldo Emerson:

“To laugh often and much; to win the respect of the intelligent people and the affection of children; to earn the appreciation of honest critics and endure the betrayal of false friends; to appreciate beauty; to find the best in others; to leave the world a bit better whether by a healthy child, a garden patch, or a redeemed social condition; to know that one life has breathed easier because you lived here. This is to have succeeded.”

Cheers to your continued success and thank you for your relationship with us.

If you would like to speak personally with a member of our team at any time, please click [here](#).

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