

October NEWSLETTER

CAPITAL CITY FINANCIAL PARTNERS

2026

Our first Capital City Summit!

We're excited to invite you to CCFP's very first Capital City Summit on Saturday, October 10, 2026, at the Hyatt Regency in Greenville!

You'll hear from two nationally recognized speakers:

Becky Swansburg, Tax & Legislative Risk Expert, brings firsthand experience from Washington, D.C., including time in Congress and the White House. She'll share unique insight into how tax legislation and legislative changes can impact your retirement.

Christine Cashen, Hall of Fame Speaker, will bring her signature humor, energy, and practical advice to the stage, offering an inspiring perspective on making the most of your next chapter.

Saturday, October 10, 2026
10:00 AM – 2:30 PM | Doors open at 9:15 AM
Hyatt Regency Greenville

Seating is limited, so we encourage you to reserve your seats early!

GVLRetirementSummit.com

October Client Events

10/7 Columbia Oktoberfest
Three Notch'd Brewery
4:00pm - 6:00pm

10/22 - Greenville Oktoberfest
Southernside Brewery
4:30pm - 6:00pm



MARKET UPDATE: Q3 IN REVIEW

The third quarter of 2026 is officially in the books. If you paid attention to the financial headlines over the past few months, there was plenty to worry about: interest rates, inflation, housing affordability, artificial intelligence, tariffs, and concerns about the economy. But when we step back from the headlines and look at the underlying data, the picture is more balanced.

The economy continues to show resilience. Corporate earnings remain strong. Household finances are generally healthy. Most importantly, none of this changes the basic principles of a sound financial plan.

Here are a few things worth paying attention to:

1. Stocks have continued to perform well.
Through September 30, 2026, several major markets posted positive returns:

- S&P 500: +12.71%
- Dow Jones: +6.98%
- U.S. Small Cap: +13.65%
- Developed International: +9.89%
- Emerging Markets: +22.69%

Bonds have been a different story, with U.S. Aggregate Bonds returning -2.78% and 7–10 Year U.S. Treasuries returning -4.63%.

This is a good reminder that different parts of your portfolio can behave very differently in the same year. Diversification is designed to keep one part of your portfolio from determining your entire financial outcome.

2. Consumers are in better shape than the headlines suggest.
Real median household income reached a record $87,460 in 2025, and household net worth has also reached record levels. Household leverage is around 10.3%, its lowest level since the 1960s. That's important because a strong consumer can provide an important foundation for the broader economy.

3. Housing remains a challenge.
Mortgage rates remain elevated, and the housing market has become much more balanced or even favorable to buyers in some markets. For anyone considering downsizing or relocating in retirement, selling may be more difficult than it was a few years ago, but buying may also provide more negotiating power. This is why major financial decisions shouldn't be made in isolation.

4. The job market remains resilient, and companies continue to make money.
As of August, unemployment was approximately 4.1%, while the percentage of prime-working-age Americans who are employed remains close to historic highs.

At the same time, S&P 500 earnings are expected to grow nearly 29% in the third quarter. Over long periods of time, stock prices tend to follow the underlying earnings and cash flows of the businesses you're investing in.

5. Higher interest rates and a high market aren't necessarily bad news.
The S&P 500's valuation has declined from roughly 23 times earnings to around 19 times earnings, according to J.P. Morgan. In other words, earnings have grown faster than stock prices. That doesn't mean stocks can't fall. It simply means that the market's valuation isn't telling us that a crash is inevitable.

Higher interest rates have created challenges for mortgages and other forms of borrowing. But cash, CDs, money market funds, and short-term bonds can now generate significantly more income than they did for much of the past decade. That's useful when we're building the "income bucket" of a retirement plan.

6. Diversification is doing what it's supposed to do.
For years, U.S. large-cap stocks, particularly technology companies, dominated the investment landscape. In 2026, emerging markets have been among the strongest performers, while international developed markets and small-cap stocks have also participated.
We don't know what will lead over the next five or ten years. And that's exactly the point. A diversified portfolio gives you exposure to different markets, industries, countries, and types of investments so that you don't have to successfully predict the future.

The Bottom Line
Nobody knows what the next quarter, or the next year, will bring. Inflation could remain stubborn. Interest rates could stay elevated. Stocks could experience a significant correction or the economy could continue to surprise us on the upside. We simply don't know.

If it's been a while since we've reviewed your plan, portfolio, or retirement strategy, this is a good time to do it. A strong financial plan should be reviewed regularly.

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SOURCES:

11 Things That Mattered in Q3: Stay Wealthy: https://taylor-schulte.kit.com/posts/11-things-that-mattered-in-q3

Median income: Census Bureau: https://www.census.gov/library/publications/2026/demo/p60-289.html

Wage growth: Atlanta Fed: https://www.atlantafed.org/research-and-data/data/wage-growth-tracker

Inflation: BLS: https://www.bls.gov/cpi/

Household net worth: Federal Reserve: https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/

Housing market: Redfin: https://www.redfin.com/news/housing-market-news/

Mortgage rates: Freddie Mac: https://www.freddiemac.com/pmms

Unemployment: St. Louis Fed: https://fred.stlouisfed.org/series/UNRATE

Prime-age employment: St. Louis Fed: https://fred.stlouisfed.org/series/LNS12300060

Earnings growth: FactSet: https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_101626.pdf

Treasury yields: St. Louis Fed: https://fred.stlouisfed.org/series/dgs10

Fed rate hike: Federal Reserve: https://www.federalreserve.gov/newsevents/pressreleases/monetary20260916a.htm

