

## The Arena in 2023

Easily my favorite secular quote is that of Teddy Roosevelt commonly known now as the “Man in the Arena.” A few years ago, a colleague gave it to me for Christmas all framed up and wall-worthy and it is now prominently displayed on the wall in my favorite room of my home. Such a great gift. As a plebe at the Naval Academy, I was required to recite it almost daily. Why? Because it’s about getting into the proverbial ring, prepared to fight, and then fighting the good fight. But, fighting what? Not necessarily a physical fight or a battle of war, but a fight against our fears, to face them and to risk failure. Also, to actually fail and get up again and get back in the arena. Roosevelt said the following:

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Did you know that this is only part of an entire speech that Roosevelt delivered entitled “Citizenship in a Republic” and that he received the Nobel Prize for this speech? The speech in its entirety can be found here:

<https://www.theodorerooseveltcenter.org/Learn-About-TR/TR-Encyclopedia/Culture-and-Society/Man-in-the-Arena.aspx>

His next line after the above quote is this: “Shame on the man of cultivated taste who permits refinement to develop into fastidiousness that unfits him for doing the rough work of a workaday world.” I love this line... it’s basically warning us to not accept comfortability. Do not be complacent.

So, what's the relevance? The end of one year and the beginning of another always becomes a time of reflection for me. What's working, what's not, etc. Our business is solid, our clients really understand and agree with what we are trying to do for them – and ourselves. It's easier to measure this in down years simply through client retention. Our retention rate is very high and, if we lose a client, it's usually for the best as we cannot be all things to all people. I was recently struck by a client who left us due to the down-market year. It was the only year they were with us, and this one year, *for them*, told the whole story. The short sightedness of this was really interesting to me because it would seem that simple life experience would teach you to look at the bigger picture. As an example, I'd like to offer you an anecdote from my life:

In my early days in the Navy, I did really well in flight school, I was the top of my class in ground school, and continued to do well in Primary phase where I was able to be assigned to the jet pipeline. I did well when I transitioned to Intermediate and then Advanced phases. I succeeded on every step, never failed a flight, and the first piloting I ever did was in uniform. I was killing it. At the end of the Advanced phase, you take a training airplane out to the boat. This is the final test before earning the highly coveted "wings of gold" which indicate you are officially a naval aviator. Coincidentally, the "boat," or aircraft carrier, I was sent to was the USS Teddy Roosevelt, CVN 71. I was at the top of my class heading into this phase, and I was *the* top of my class in our field qualifications before heading to the boat. What happened when I actually flew out to the Teddy?

I failed.

Yep. All of my squadron mates received their wings, and I had to wait a painful 6 weeks until I could go to the next boat where I had to perform or that would inevitably be the end of my journey. So, what happened the first time? I got comfortable, complacent; I thought I was invincible. After disqualifying, I was mentally destroyed – a lesson in itself. As I now teach my children, it's your response - what you do after you get knocked down - that makes you the person you are. So, what was my response?

In reflecting on that quote from Teddy Roosevelt, I was determined not to be a cold or timid soul. I went to the simulator every morning to the point where the instructors were sick of seeing me. I worked every day as hard as I could. I qualified the next time around, and when I transitioned to the F/A-18C I performed so well they sent me to a forward deployed squadron in Japan. I took the Landing Signals Officer (LSO) path

where I instructed students on how to land on a carrier both day and night. As my last job on active duty, I worked directly for a 3-star admiral and was in charge of qualifying every person that landed on any U.S. Carrier. I went from disqualifying on my first shot at the boat, to being the U.S. Navy's resident expert authority for every naval aviator.

My point here is in no way to toot my own horn. If you know me at all, you know how hard it is for me to even put this story to paper. My point is this – if you only knew me that one year that I failed at the carrier, you wouldn't really know me at all. Knowing a person, or thing, can take much longer than that. You see, the American fighting spirit is filled with resiliency and resiliency takes time.

The American business owner is in the arena that is our economy - an arena of inflation, supply chain issues, prohibitive government restraints, world events, etc., and they will continue fighting the good fight. 2022 was a year where they were knocked around a bit, but we cannot look at this year by itself and believe it's the entire story. Businesses will find a way to be profitable and succeed. Not all will make it, but the ones that do will likely do very well. Perhaps it will happen in 2023, perhaps it will take a bit longer. We just don't know, but it will happen.

As an investor, remember that we're not ultimately investing in a ticker symbol or a portfolio of funds. We're investing in American resiliency, in people that will find a way to lead their companies through trials and headwinds, people that when knocked down, will fight to get back on their feet . . . and succeed. The markets go up, and they go down – this is the only guarantee we can offer you. Unfortunately, nobody ever really knows on which day the ups and downs will occur.

Remember that we view our relationship with you as one with longevity. One year does not tell us your entire story, your goals, your desires. Your financial plan is not carved in stone but is a malleable guide to achieve said goals, it's dynamic, it changes. Working alongside you to find resiliency together is the joy of it all.

Here's to 2023....

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