STEIN FINANCIAL GROUP

GOOD LIFE NEWSLETTER

Margie's Motivation

"You don't have to be great to start, but you have to start to be great."

— Zig Ziglar

The Market Minute

From the Wisdom of Crowds to the Wagering of Crowds

Anthony Gerbi

In 1906, statistician Francis Galton attended a livestock fair where hundreds of people tried to guess the weight of an ox. Most individual guesses were wrong, but when the guesses were combined, the crowd came remarkably close to the correct answer.

It became one of the most famous examples of the "wisdom of crowds." Under the right conditions, a large and diverse group can sometimes make a better prediction than any one expert. Individual errors have a way of canceling each other out.

Years later, the internet gave that idea a new home. Early prediction markets such as Intrade allowed people to buy and sell contracts based on elections and other future events. The resulting prices acted almost like a continuously updated poll. Instead of simply asking people what they thought would happen, the market asked them to put money behind their predictions.

Today, platforms such as Kalshi have brought prediction markets into the mainstream. Users can trade contracts tied to politics, weather, sports, entertainment and countless other events. If enough informed people participate, the market price can provide an interesting snapshot of what the crowd collectively expects to happen.

I can understand the appeal. I may even find the probabilities interesting as one more piece of information. But somewhere along the journey from the county fair to the smartphone, the emphasis seems to have changed.

What began as a way to learn from the crowd has increasingly become a way to sell wagers to the crowd.

That distinction matters. A market can produce useful information without being a useful place for an individual to put money.

When we invest in a diversified stock fund, we own small pieces of businesses that sell products, employ people and earn profits. When we buy a bond, we are lending money in exchange for interest. Those returns are uncertain, but they are connected to productive economic activity.

A prediction contract is different. It eventually resolves to yes or no. One participant's gain comes from someone else being wrong, before fees. There may be legitimate uses for certain businesses trying to hedge a specific risk, but for the average person predicting an election, a sporting event or an awards show, it is speculation.

Regulation and financial terminology do not change that basic reality.

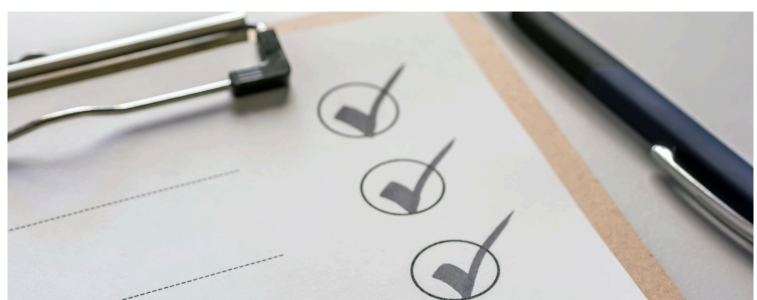
Prediction markets may be fascinating. They may sometimes be surprisingly accurate. They may even tell us something useful about the future.

But the crowd's opinion is still not an asset, and buying a piece of that opinion should not be confused with investing for your future.

Our Monthly Pick

[What a $15 pint of ice cream says about the economy]

A $15 pint of ice cream might sound outrageous, but it reflects broader economic trends shaping consumer prices. This article explores why everyday treats are becoming more expensive, what's driving those costs, and what rising prices reveal about inflation, consumer spending, and today's changing economy.



Your August Financial Checklist

- Ask us about the new "Trump Accounts" (530A Accounts). If you've recently welcomed a child or grandchild (or know someone who has) reach out to learn how these new accounts work and whether they could be a valuable savings opportunity.
- Schedule your annual review with Anthony or Amy! If you haven't met with us yet this year, now is a great time to review your retirement plan, investments, tax strategies, and any life changes to help ensure you're still on track.

Amy's Adventures

Sometimes you don't need an entire weekend to feel like you've gotten away. Waconia is only about 40 minutes from Minneapolis, making it the perfect after work escape, especially if you live on the west side of the metro.

I started the evening with dinner at Lola's on the Lake, a beautiful restaurant overlooking Lake Waconia. The atmosphere is relaxed, with gorgeous lake views, excellent food, creative cocktails, and friendly service. Whether you prefer sunshine or shade, the patio is a wonderful place to unwind.

After dinner, I wandered through Waconia's charming downtown and stopped at Coney's, a brand new shop that opened in mid-July serving ice cream, dirty sodas, and Swedish candy. The shop was busy with locals on a Tuesday evening, which is always a good sign. While I opted for ice cream, the dirty sodas seemed to be the star of the show.

To finish the evening, I drove a few minutes to Lake Waconia Regional Park. The park has a beautiful sandy beach, picnic areas, changing rooms, plenty of green space, and even permanent shade structures near the beach. It would be the perfect place to bring your ice cream or dirty soda and relax by the water as the sun sets.

One stop I am saving for next time is Schram Vineyards. I've heard wonderful things about the winery, and the vineyard views look absolutely stunning. It has already earned a spot on my list for my next visit.

If you're looking for an easy summer adventure that doesn't require a full day off, Waconia is well worth the drive!

Q&A: Amy Answers

What medical expenses can my Healthcare Savings Plan (HCSP) reimburse in retirement?

Your Healthcare Savings Plan (HCSP) is designed to help pay for qualified medical expenses in retirement, but many people don't realize just how much it can cover.

Depending on your situation, your HCSP may reimburse expenses such as health insurance premiums, Medicare premiums (excluding Medigap), deductibles, copays, coinsurance, prescription medications, dental care, vision care, hearing aids, and many other IRS-qualified medical expenses.

One thing that's often overlooked is how your HCSP is invested. Many account holders assume their balance is automatically invested, when in reality it may be sitting in a cash account earning very little. Reviewing your investment allocation is an important step to help your savings keep pace with future healthcare costs.

As you get closer to retirement, it's worth taking the time to understand what your HCSP can reimburse, how to submit claims, and whether your investment strategy still aligns with your goals.

If you're unsure what your HCSP covers or whether it's invested appropriately, we'd be happy to help you review your account. Making sure your HCSP is invested appropriately can help your savings continue to grow and be there when you need them most.

Erin's Event Column

5 Retirement Mistakes to Avoid in 2026

AUG 25 12pm

What's New on YouTube

Power Points: Why Planning for Long-Term Care Matters More Than Ever

Webinar Replay: Halftime Report Mid-Year Market Update 2026

Power Points: Why Wall Street Is More Optimistic Than Investors Right Now

Let's Connect!

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