



SEPTEMBER 2026

The Holiday Workers Built

Most people know Labor Day as the last long weekend of the summer, but the story behind it is less familiar.

The first Labor Day was held on Tuesday, September 5, 1882, in New York City. Roughly 10,000 workers gave up a day's pay to march from City Hall to Union Square.

Shoemakers, printers, bricklayers, and piano makers all turned out, and afterward everyone headed to a park for a picnic, which means the cookout tradition is as old as the holiday itself.

Oddly, historians still cannot agree on who came up with the idea. Credit usually goes to Peter J. McGuire, a carpenters' union leader, though many believe it was actually Matthew Maguire, a machinist from New Jersey. Two men, nearly the same last name, and the record is still unsettled. It took until 1894 for President Grover Cleveland to sign Labor Day into law as a national holiday.

And the rule about not wearing white afterward? Nobody has ever produced a convincing explanation for that one.

We hope you had a safe and enjoyable Labor Day weekend, however you spent it: a parade, a cookout, or just relaxing with nothing on the calendar!



This Month's Market Perspective

Most market news traces back to one number: the federal funds rate. It's what banks charge each other for overnight loans, and nearly every other rate is priced off it. Credit cards, auto loans, and what your savings account pays all moves with it. When the Federal Reserve raises rates, borrowing costs more and savers earn more. When it cuts, the reverse happens.

The Federal Reserve held that rate at 3.50% to 3.75% in July and meets again on September 15th and 16th. What's notable is that the direction of the next move is genuinely unsettled. Three regional Fed presidents voted in July to raise rates, which is unusual. Since then, employers cut 23,000 jobs in July and inflation eased to 3.4% from 3.5%, which briefly took a September hike off the table. But after Fed Chair Kevin Warsh's hawkish remarks at Jackson Hole on August 28th, futures markets swung back to pricing a September increase as slightly more likely than not. The Fed is caught between inflation above its 2% target and a softening job market, and those two problems call for opposite responses.

Corporate profits are the brighter picture. Per FactSet 88% of S&P 500 companies have reported second-quarter results, with 86% of them earning more than analysts expected, above the five-year average of 78%. Stock prices largely reflect what investors expect companies to earn, so results ahead of expectations give prices something real to stand on. One caution: The widely reported 50.4% earnings growth figure is inflated by one-time investment gains at Alphabet and Amazon. Setting those aside, growth was 32.0%, still a strong quarter.

Have questions, concerns, or just want to talk, please feel free to contact your Essex Advisor to discuss your financial situation and portfolio strategy.

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Back To School Basics - Another Year Closer to College Tuition

The FAFSA for the 2027-28 school year is expected to open on October 1. It determines eligibility for federal grants, work study, federal student loans, and most state and college aid, and this year's form uses your 2025 tax return.

Many families skip it because they assume they earn too much to qualify. There is no income cutoff. Eligibility depends on the cost of the school, family size, assets, and how many children are in college, not income alone. Filing also opens the door to federal student loans, and some colleges require the form before they will consider a student for merit awards. You can find more information [here](#).

Timing matters as well. The federal deadline is not until June 2028, but many states and colleges set their own deadline months earlier, and some award aid until the money runs out. The form also has to be filed every year a student is in school and deadlines can be accessed [here](#).

If you have questions about how college funding fits into your broader plan, please don't hesitate to reach out.

Trump Accounts Are Live. The \$1,000 Isn't Automatic.

The federal government's new savings accounts for children opened on July 4th. Eligible children receive a \$1,000 deposit from the Treasury, but the accounts do not open on their own. A parent or guardian has to enroll the child by filing [IRS Form 4547](#) or signing up [here](#). There is no cost, and millions of eligible children still have no account.

Two things worth knowing about how these accounts work:

Who qualifies for the \$1,000

Children born between January 1, 2025 and December 31, 2028 with a Social Security number. There is no income limit. Children born earlier can still have an account opened for them, and many qualify for a separate \$250 grant if their zip code has a median household income of \$150,000 or less.

How the money is taxed

Contributions go in after tax and grow tax deferred, and any investment earnings are taxed as ordinary income when withdrawn. That differs from a 529 plan, where withdrawals for qualified education expenses come out tax free. Families can add up to \$5,000 a year, and an employer may cover up to \$2,500 of that.

When the money can be used.

No withdrawals are allowed before the year the child turns 18, with very limited exceptions. At 18 the account becomes a traditional IRA, and withdrawals before age 59 1/2 generally trigger a 10% penalty on top of income tax, unless the money goes towards higher education or a first home.

These accounts serve a different purpose than the education savings accounts many families already use. You can find a comparison to other college savings vehicles [here](#). If you have questions about how a Trump Account fits alongside a 529 plan or other savings for a child or grandchild, don't hesitate to reach out.

Schwab Alert: Remote Access Scams

You have already or will receive an email from Schwab regarding Financial Crime Awareness. This warning alerts you of a scam where someone posing as your financial institution or a government agency claims your account has been compromised and pressures you into installing software so they can fix it. Once installed, they can take over your account.



The safest response to any unexpected call, text, or email is to not act on it. Schwab will never request personal information by email.

Stay informed, stay protected. If you have questions, please contact your Essex advisor immediately, or call Schwab Alliance™ at 800-515-2157 (or +1-602-355-3405 if calling from outside the U.S.). For more information, and to check out other useful tips, please visit [SchwabSafe](#).

Let's Keep the Conversation Going

Whether you have questions about your financial plan, recent market developments, a life change or an opportunity you'd like to discuss, we're here to help. Your financial plan should evolve as your goals and circumstances change, and we're always happy to have that conversation.

If you know someone who could benefit from thoughtful, planning-based financial guidance, we'd be grateful for the introduction.

[CONTACT THE ESSEX TEAM](#)



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