**Your Elevator Pitch and LinkedIn Profile**

**Learning Objectives**

In this unit, you’ll:

* Create a personal pitch and story to share with potential employers
* Repurpose your LinkedIn profile to reflect your journey and transition into data science and learn how to highlight your transferable skills

**Work to Submit**

* Create a personal pitch
* Revise your LinkedIn profile
* Book and have your GROUP coaching call to practice your elevator pitch with your peers and start developing a data-focused LinkedIn profile.

Now that you’ve identified the first steps of your career and job search strategy, it’s important to update your LinkedIn profile and begin crafting your elevator pitch. Both of these items will come in handy when you begin building relationships with professionals who can help you get hired.

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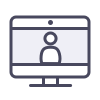
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  11

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  12

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  13

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* 17

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* 18

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* 23

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* 24

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* 25

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* 26

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* 27

[Find the Right Job Title and Companies](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18940)



* 28

[Data Storytelling](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18954)



* 29

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**Elevator Pitch**

Your personal pitch is the way you’ll introduce yourself to other professionals. It's the short “speech” you give when someone asks you, “What do you do?” or “What brings you here?”. While you’ll learn how to craft the perfect pitch in this subunit, be careful not to memorize it so perfectly that it sounds like you’re reading from a script. Instead, be sure to know all of your pitch's important elements, but then deliver it naturally and tailor it to the person you’re speaking to.

1

**The Perfect Elevator Pitch To Land A Job**

Save



5 - 10 Minutes

1 Points

This article from Forbes offers a comprehensive overview of all the steps you should follow to develop a perfect personal pitch.

2

**5 Minutes to a Great Elevator Pitch for Job Seekers**

Save



5 - 10 Minutes

2 Points

This video gives you three simple steps to craft your elevator pitch while improving your confidence and public speaking skills.

3

**Create your Personal Pitch**

Save

15 - 50 Minutes

9 Points

Use one of the frameworks in the resources provided or [use this template](https://docs.google.com/document/d/1rYYFEeQ6imqM9HAEMffC3ghOs1Jk0bwB2j3gwetmT-8/edit) to create your own personal pitch. It should be close to 30 seconds in length. Fill out the "Bring it together (your turn)" section of [this template](https://docs.google.com/document/d/1rYYFEeQ6imqM9HAEMffC3ghOs1Jk0bwB2j3gwetmT-8/edit) or write your pitch on a separate Google doc. Submit either for review during the Group Coaching Call.

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# The Perfect Elevator Pitch To Land A Job

[Nancy Collamer](https://www.forbes.com/sites/nextavenue/people/ncollamer/)

Contributor

[Next Avenue](https://www.forbes.com/sites/nextavenue/)

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Feb 4, 2013,10:35am EST

This article is more than 10 years old.

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If you’re looking for a job, one of the first tasks on your to-do list should be crafting an ideal "elevator pitch." It’s the 30-second speech that summarizes who you are, what you do and why you’d be a perfect candidate.

You should be able to reel off your elevator pitch at any time, from a job interview to a cocktail party conversation with someone who might be able to help you land a position.

(**MORE:** [Job Interview Advice Older Men Don’t Want to Hear](http://www.nextavenue.org/article/2012-12/job-interview-advice-older-men-dont-want-hear))

Sounds simple enough, right? But condensing 50+ years of your life accomplishments into a 30-second statement that packs a punch can feel as challenging as trying to stuff an elephant into a Volkswagen Beetle.

I get that. So to help you develop a knockout elevator pitch, I’ve broken the process down into nine steps:

**1. Clarify your job target**. As Yogi Berra famously said, “You’ve got to be very careful if you don’t know where you’re going, because you might not get there.”

So when you begin putting an elevator pitch together, nail down the best way to describe your field and the type of job you’re pursuing. Until you can clearly explain the type of position you want, nobody can help you find it or hire you to do it.

**2. Put it on paper**. Write down everything you’d want a prospective employer to know about your skills, accomplishments and work experiences that are relevant to your target position. Then grab a red pen and mercilessly delete everything that’s not critical to your pitch.

Keep editing until you’ve got the speech down to a few key bullet points or sentences. Your goal is to interest the listener in learning more, not to tell your whole life story. So remove extraneous details that detract from your core message.

**3. Format it.** A good pitch should answer three questions: Who are you? What do you do? What are you looking for?

(**MORE:** [Job Interview Advice Older Women Don’t Want to Hear](http://www.nextavenue.org/article/2012-12/job-interview-advice-older-women-dont-want-hear))

Here’s an example of how to begin a pitch that includes the essentials: “Hi. I am Jessica Hill. I am an accountant with 10 years experience in the insurance industry and I'm looking for opportunities in the Dallas area with both insurance and finance companies.”

That speech would take about 15 seconds. Jessica would then want to use her next 15 seconds to add details about her unique selling proposition, special skills and specific ways she could help a potential employer.

**4. Tailor the pitch to them, not you.** It’s important to remember that the people listening to your speech will have their antennas tuned to WIFM (What’s in It for Me?) So be sure to focus your message on their needs.

For example, this introduction: “I am a human resources professional with 10 years experience working for consumer products companies.” The pitch would be more powerful if you said, “I am a human resources professional with a strong track record in helping to identify and recruit top-level talent into management.”

Using benefit-focused terminology will help convince an interviewer that you have the experience, savvy and skills to get the job done at his or her business.

**5. Eliminate industry jargon.**You need to make your pitch easy for anyone to understand, so avoid using acronyms and tech-speak that the average person or job interviewer might not understand.

The last thing you want to do is make your listener feel stupid or uninformed.

**6. Read your pitch out loud**. As Fast Company’s Deborah Grayson Riegel recently pointed out in her article "[The Problem With Your Elevator Pitch and How to Fix It](http://www.fastcompany.com/3004484/problem-your-elevator-pitch-and-how-fix-it)," writing is more formal and structured than speaking. If you’re not careful, your elevator pitch can come off sounding more like an infomercial than a conversation.

Reading it aloud then tinkering with the words will help you sound more authentic.

**7. Practice, practice, practice (then solicit feedback).**Rehearse your pitch in front of a mirror or use the recording capabilities of your computer, so you can see and hear how you sound.

This might feel awkward at first, but the more you practice, the smoother your delivery will be.

Keep tweaking your pitch until it no longer sounds rehearsed. When your presentation is polished to your satisfaction, try it out on a few friends and ask them what they thought your key points were. If their response doesn’t square with your objective, the speech still needs work.

**8. Prepare a few variations.** You might want to say things slightly differently to an interviewer than to a former colleague. Also, sometimes you'll just have 15 seconds for a pitch (kind of a short elevator ride), other times you may have a minute or two.

So focus on mastering a few key talking points then work up ways to customize your speech for particular situations.

(**MORE:** [The Art of First Impressions](http://www.nextavenue.org/article/2012-04/art-first-impressions))

Use the word count feature on your computer to create shorter and longer pitches; a good rule of thumb is that you can say about 150 words in one minute.

**9. Nail it with confidence**. The best-worded elevator pitch in the world will fall flat unless it’s conveyed well.

When you give the speech, look the person in the eye, smile and deliver your message with a confident, upbeat delivery.

Get your pitch right and you might soon find yourself riding an actual elevator at your new job.

**More from** [**Next Avenue**](http://nextavenue.org)**:**

* [When the Job Interviewer Thinks You're Too Old](http://www.nextavenue.org/article/2012-10/when-job-interviewer-thinks-youre-too-old)
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* [The Right Way to Evaluate a Job Offer](http://www.nextavenue.org/article/2012-12/right-way-evaluate-job-offer)

Nancy Collamer, M.S. is a career coach, speaker and author of [*Second-Act Careers: 50+ Ways to Profit From Your Passions During Semi-Retirement*](http://www.amazon.com/Second-Act-Careers-Profit-Passions-Semi-Retirement/dp/1607743825/ref=sr_1_1?ie=UTF8&qid=1342560473&sr=8-1&keywords=nancy+collamer). Her website is [*MyLifestyleCareer.com*](http://MyLifestyleCareer.com); on Twitter she is [*@NancyCollamer*](http://twitter.com/nancycollamer).

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# Meet The Unknown Immigrant Billionaire Betting Her Fortune To Take On Musk In Space

Eren Ozmen Tim Pannell/FORBES

[Lauren Debter](https://www.forbes.com/sites/laurendebter/)

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Jul 12, 2018,06:00am EDT

  Even in the bloated-budget world of aerospace, $650 million is a lot of money. It's approximately the price of six of Boeing's workhorse 737s or, for the more militarily inclined, about the cost of seven F-35 stealth fighter jets. It's also the amount of money NASA and the Sierra Nevada Corp. spent developing the Dream Chaser, a reusable spacecraft designed to take astronauts into orbit. Sierra Nevada, which is based in Sparks, Nevada, and 100% owned by Eren Ozmen and her husband, Fatih, put in $300 million; NASA ponied up the other $350 million. The Dream Chaser's first free flight was in October 2013 when it was dropped 12,500 feet from a helicopter. The landing gear malfunctioned, and the vehicle skidded off the runway upon landing. A year later, NASA passed on Sierra Nevada's space plane and awarded the multibillion-dollar contracts to Boeing and SpaceX.

The original Dream Chaser, which looks like a mini space shuttle with upturned wings, now serves as an extremely expensive lobby decoration for Sierra Nevada's outpost in Louisville, Colorado. But the nine-figure failure barely put a dent in the Ozmens' dream of joining the space race. Within months of the snub, the company bid on another NASA contract, to carry cargo, including food, water and science experiments, to and from the International Space Station. This time it won. Sierra Nevada and its competitors Orbital ATK and SpaceX will split a contract worth up to $14 billion. (The exact amount will depend on a number of factors, including successful missions.) The new unmanned cargo ship, which has yet to be built, will also be called Dream Chaser.

The Ozmens, who are worth $1.3 billion each, are part of a growing wave of the uber-rich who are racing into space, filling the void left by NASA when it abandoned the space shuttle in the wake of the 2003 Columbia disaster. Elon Musk's SpaceX and Richard Branson's Virgin Galactic are the best-known ventures, but everyone from Larry Page (Planetary Resources) and Mark Cuban (Relativity Space) to Jeff Bezos (Blue Origin) and Paul Allen (Stratolaunch) is in the game. Most are passion projects, but the money is potentially good, too. Through 2017, NASA awarded $17.8 billion toward private space transport: $8.5 billion for crew and $9.3 billion for cargo.

"We're doing it because we have the drive and innovation, and we see an opportunity--and need--for the U.S. to continue its leadership role in this important frontier," says Eren Ozmen, 59, [who ranks 19th on our annual list of America's richest self-made women.](https://www.forbes.com/self-made-women/)

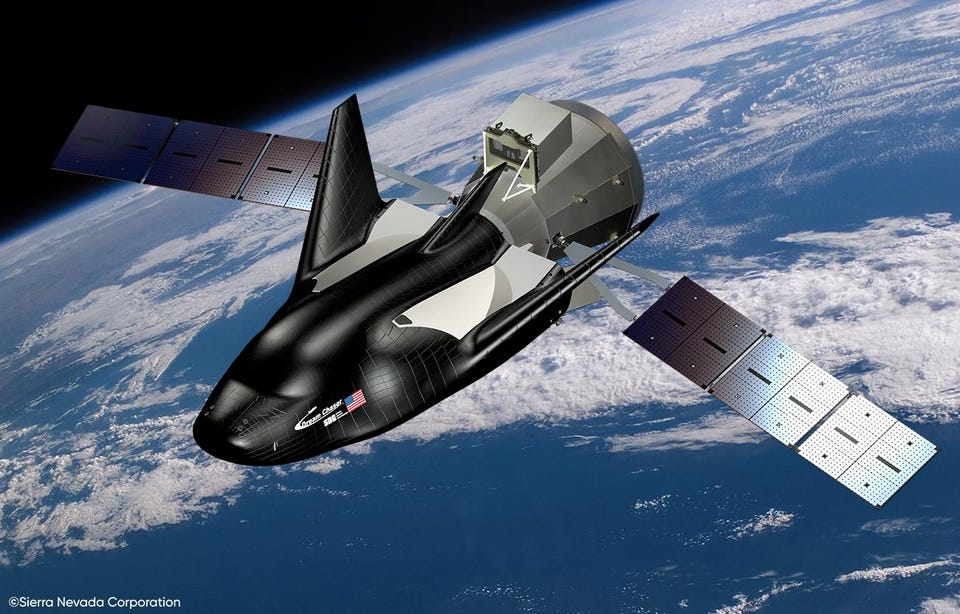
Until now, few had heard of the Ozmens or Sierra Nevada. Often confused with the California beer company with the same name, the firm even printed coasters that say #notthebeercompany. The Ozmens are Turkish immigrants who came to America for graduate school in the early 1980s and acquired Sierra Nevada, the small defense company where they both worked, for less than $5 million in 1994, using their house as collateral. Eren got a 51% stake and Fatih 49%. Starting in 1998, they went on an acquisition binge financed with the cash flow from their military contracts, buying up 19 aerospace and defense firms. Today Sierra Nevada is the biggest female-owned government contractor in the country, with $1.6 billion in 2017 sales and nearly 4,000 employees across 33 locations. Eighty percent of its revenue comes from the U.S. government (mostly the Air Force), to which it sells its military planes, drones, anti-IED devices and navigation technology.

Space is a big departure for Sierra Nevada--and a big risk. The company has never sent an aircraft into space, and it is largely known for upgrading existing planes. But it is spending lavishly on the Dream Chaser and working hard to overcome its underdog reputation.

"Space is more than a business for us," says Fatih, 60. "When we were children, on the other side of the world, we watched the moon landing on a black-and-white TV. It gave us goose bumps. It was so inspirational." Eren, in her heavy Turkish accent, adds: "Look at the United States and what women can do here, compared to the rest of the world. That is why we feel we have a legacy to leave behind."

T

**here are plenty** of reasons that NASA gave Sierra Nevada the nod. Sure, it had never built a functioning spacecraft, but few companies have, and Sierra Nevada has already sent lots of components--like batteries, hinges and slip rings--into space on more than 450 missions. Then there's Dream Chaser's design. A quarter of the length of the space shuttle, it promises to be the only spacecraft able to land on commercial runways and then fly again (up to 15 times in total) to the space station. And its ability to glide gently down to Earth ensures that precious scientific cargo, like protein crystals, plants and mice, won't get tossed around and compromised on reentry. That's an advantage Sierra Nevada has over most other companies, whose capsules return to Earth by slamming into the ocean. Today, the only way the U.S. can bring cargo back from space is via Musk's SpaceX Dragon. "Quite frankly, that is why NASA has us in this program, because we can transport the science and nobody else can," says John Roth, a vice president in the company's space division.



Space utility vehicle: Sierra Nevada’s unmanned Dream Chaser is designed to haul 6 tons of cargo to and from the International Space Station.

Courtesy company

Sierra Nevada has acquired its way into space. In December 2008, in the throes of the financial crisis, Sierra Nevada plunked down $38 million for a space upstart out of San Diego called SpaceDev. The company had recently lost a huge NASA contract, its stock was trading for pennies and its founder, Jim Benson, a tech entrepreneur who became one of commercial spaceflight's earliest prophets, had just died of a brain tumor.

Sierra Nevada had its eyes on a vehicle from SpaceDev called the Dream Chaser. It had a long, storied past: In 1982, an Australian P-3 spy plane snapped photos of the Russians fishing a spacecraft out of the middle of the Indian Ocean. The Australians passed the images on to American intelligence. It turned out to be a BOR-4, a Soviet space plane in which the lift is created by the body rather than the wings, making it suitable for space travel. NASA created a copycat, the HL-20, and spent ten years testing it before pulling the plug.

Eleven months after the Columbia exploded, President George W. Bush announced that the space shuttle program would be shut down once the International Space Station was completed in 2010 (in fact, it took another year). In preparation NASA invited companies to help supply the station. By this point NASA's HL-20 was mostly forgotten and gathering dust in a warehouse in Langley, Virginia. SpaceDev nabbed the rights to it in 2006, hoping to finally get it into space.

Eren Ozmen puts their acquisition strategy in rather unusual terms. "Our guys go hunting, and they bring me this giant bear, which is not fully dead, and say, 'Now you do the skinning and clean it up.' "

But it was an expensive job, and later that year NASA declined to fund it. Enter Sierra Nevada Corp., which was always hunting for promising companies to buy. "The company had been very successful in defense but wanted to get into space and had a lot of cash," says Scott Tibbitts, who sold his space-hardware company, Starsys Research, to SpaceDev in 2006.

Soon the Ozmens were devoting an outsize amount of time and money to the Dream Chaser. "It was very clear the space side was like a favorite son," says one former employee.

E

**ren Ozmen grew up in Diyarbakir,** Turkey, a bustling city on the banks of the Tigris River, where she was a voracious reader and serious student. Her parents, both nurses, valued education and encouraged their four girls to focus on schoolwork. As a student at Ankara University, she worked full time at a bank while studying journalism and public relations and spent her little free time studying English.

In 1980, as she was finishing her degree, she met Fatih Ozmen. A national cycling champion, he had just graduated from Ankara University with a degree in electrical engineering and planned to pursue his master's degree at the University of Nevada at Reno. In 1981, Eren also headed to America, enrolling in an English-language program at UC Berkeley. She reconnected with Fatih and, at his suggestion, applied to the M.B.A. program at UNR. After she arrived on campus, the two young Turks became best friends.



The husband-and-wife co-owners of Sierra Nevada Corp., Eren and Fatih Ozmen, and their long-haired dachshund Peanut, at their home in Reno.

Tim Pannell for Forbes

The pair soon struck a deal: Eren, a talented cook, would make Fatih homemade meals in exchange for some much-needed help in her statistics class. They shook hands and became roommates. They both insist they never even considered dating each other. "It was just like survival," says Eren.

More like survival of the fittest. Eren knew she had to get top grades if she wanted a job in America. She was also broke and holding down several part-time jobs on campus, selling homemade baklava at a bakery and working as a night janitor cleaning the building of a local company called Sierra Nevada Corp.

After graduating in 1985 with her M.B.A., Eren got a job as a financial reporting manager at a midsize sprinkler company in Carson City, Nevada, just south of Reno. She arrived to find that financial reports took weeks to generate by hand. She had used personal computers in school and knew that automating the process would cut the turnaround time down to a matter of hours. She asked her boss if they could buy a PC, but the expensive purchase was vetoed. So Eren took her first paycheck and bought an HP computer and brought it to work. She started producing financial reports in hours, as she had predicted, and was promoted on the spot.

In 1988, the sprinkler company was sold, and Eren was laid off. Fatih, who was now her husband, had been working at Sierra Nevada since 1981, first as an intern and later as an engineer, and told her they were still doing financial reports by hand. She brought in her PC and automated its systems.

Soon after starting, Ozmen was sitting at her desk late one night and discovered that Sierra Nevada was on the verge of going out of business. The little defense company, which primarily made systems to help planes land on aircraft carriers, had assumed that its general and administrative expenses were 10% of revenues, but she calculated that they were 30%. At that rate, the business couldn't keep operating for more than a few months. She marched to her boss' office to deliver the bad news. He didn't want to hear it, so she went straight to the owners. They were stymied. The bank wouldn't lend them any more money. At Eren's suggestion, the company stopped payroll for three months until the next contract kicked in. Employees had to borrow money to pay bills. "It was like the Titanic moment. We are waiting for this contract, but we didn't know if we were going to make it or not," says Eren.

Since arriving in America in 1981, Eren Ozmen has gone from janitor to billionaire co-owner of Sierra Nevada Corp. "Look at the U.S. and what women can do here, compared to the rest of the world."

That contract eventually came through, but Sierra Nevada was still living contract to contract two years later, when Eren, who was eight and a half months pregnant with her first child, got a call. The government audit agency had looked at the company's books and declared the company bankrupt and therefore unfit for its latest contract. Eren got on the phone with the auditor (she remembers his name to this day) and told him he had made a math error. He soon responded that she was right and that he needed to brush up on his accounting skills but that the report was already out of his hands. At that point Eren went into labor. Less than a week later, she was back in the office with her newborn.

The company limped along until 1994, when the Ozmens borrowed against their home to buy Sierra Nevada. Eren was sick of working for an engineer-led company that was lurching from financial crisis to financial crisis and figured she and her husband could do a better job running the place.

A Glance At Sierra Nevada's Dream Chaser

WATCH

0:48

It took five years for the company to stabilize, with Eren keeping a tight handle on costs. "I can tell you, it wasn't a free-spending, freewheeling company. Everything was looked at," recalls Tom Galligani, who worked at the company in the 1990s. Eren worked for a time as the company's CFO and today is its chairwoman and president. Fatih became CEO and focused on creating relationships with government agencies and developing new products. He also began looking for companies to acquire.

A

**s the sun sinks over** the Rockies, Eren sits by the window at Via Toscana, a white-tablecloth Italian restaurant outside Denver, sipping a glass of Merlot and explaining in rather unusual terms the couple's approach to buying companies. "Our guys go hunting, and they bring me this giant bear, which is not fully dead, and say, 'Now you do the skinning and clean it up,' " she says. Fatih, sitting beside her, joins in: "There's a lot of screaming. And blood.

Fatih and his team search for companies that have some sort of promising high-tech product. Then they go in for the kill. "Of the 19 [companies we've acquired], we've never bought a company that was for sale," he says.

"The first thing you do with the bear is to establish a trusting relationship," Eren says, while reminding it of the benefits. "Every company we bought is ten times bigger now." Over the years, Sierra Nevada has bought companies that do everything from unmanned-aerial-system technology to high-durability communications systems.

Its first acquisition was Advanced Countermeasure Systems, in 1998, which made equipment that helped protect soldiers from improvised explosive devices (IEDs). Revenues have since zoomed from $3 million a year to $60 million, Eren says. A company is especially attractive to Sierra Nevada if, like Advanced Countermeasure, it has so-called "sole-source" contracts with the military, meaning it is awarded contracts without a competitive bidding process, under the rationale that only that specific company's product can meet the government's requirements. Last year the majority of Sierra Nevada's $1.3 billion in government contracts were sole-source.

Sierra Nevada's biggest source of revenue is from aviation integration, which means folding new technologies into existing planes primarily at its dozen or so hangars in Centennial, Colorado. Often that entails stripping down commercial planes and turning them into jacked-up military ones, cutting holes to install weaponry, cameras, sensors, navigation gear and communications systems. "What we do is take someone else's airplane and make it better," says Taco Gilbert, one of the many retired generals on Sierra Nevada's payroll. For instance, it took the popular civilian PC-12 jet ("That a lot of doctors and lawyers fly around on," Gilbert says) and modified it so that Afghan special-ops-forces could pivot from surveilling the Taliban to conducting a medical evacuation in a matter of minutes. It sold the U.S. Customs & Border Protection a fleet of super-quiet planes that can track the movement of drug traffickers without detection. When wildfires were raging in California in 2017, Sierra Nevada aircraft, modified with heat sensors, thermal imaging and night vision, provided support.



Sierra Nevada Corp. President Eren Ozmen stands next to Vice President Mike Pence during the 2018 Space Symposium in Colorado.

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But it's not just Sierra Nevada's responsiveness that sets it apart; it's also its prices. In their own version of the "80/20" rule, the company strives to provide 80% of the solution at 20% of the cost and time. In other words, "good enough" is better than perfect, especially if "good enough" is cheap and fast. To deliver, Sierra Nevada spends 20% of its revenue on internal R&D, coming up with creative ways to upgrade the military's aging aircraft for less.

"This allows them to punch above their weight class and leapfrog the large guys," says Peter Arment, an aerospace analyst at R.W. Baird.

"You can go to Boeing or Lockheed and take five or ten years and spend a lot of money," Eren says. "Or we can provide you with something right now."

O

**n top of the $300 million** it spent on the original Dream Chaser, Sierra Nevada has spent an additional $200 million so far on the cargo version and expects to invest $500 million more by the time it's ready for takeoff. To recoup its costs, Sierra Nevada is counting on things going smoothly. The company has already earned $500 million in milestone payments from NASA as it successfully completed design reviews as well as safety and test flights using the crewed Dream Chaser (which shares 80% of the same design and features) before it was retired. Much like when Eren was counting on that key government contract to cover payroll in 1989, Sierra Nevada is now waiting for the big payoff that will come when it sends the vehicle into space. Its launch date is set for September 2020, 11 months after rival Orbital ATK's Cygnus takes off in October 2019 and a month later than SpaceX's Dragon 2. If the Dream Chaser completes its six missions to the space station by 2024, Sierra Nevada will pocket an estimated $1.8 billion.

Eren isn't blind to the risk that things could go wrong. But brimming with an immigrant's sense of patriotism, she talks of the glory of helping the U.S. reestablish its leadership in space. She thinks Sierra Nevada and other private companies can help the government catch up on the cheap. "Looking at what are the things we can do to make space available," Eren says, "it's the commercial companies who are going to come up with those creative ideas and help the country catch up."

Reach Lauren Gensler at lgensler@forbes.com. Cover image by Tim Pannell for Forbes.

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I am a staff writer at Forbes covering retail. I have been at Forbes since 2013, first on the markets and investing team and then on the billionaires team. In the course of my reporting, I

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# Divided Government And The Way Forward For The Markets

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Nov 23, 2022,11:10am EST

  The following comments from Brent Schutte, Chief Investment Officer, Northwestern Mutual Wealth Management Company, have been lightly edited for clarity and length.

## **Elections Are Emotional But Have Limited Market Impact**

Depending on where you live, you’ve likely heard at least a few ads leading up to the recent midterm elections. It seemed like just about every candidate was “wrong” or “too extreme.” Couple that with the significant decline we saw in the markets through September, and it’s natural to worry about what’s next for markets amid a divided and polarized political backdrop in Washington.

While politics and investing can be emotional, it’s important for investors to pay more attention to the business cycle. Historically, the business cycle has had a much stronger correlation with future market returns than politics.

A review of market returns leading up to and following every U.S. midterm election since 1950 shows that the [markets don’t see red or blue](https://www.northwesternmutual.com/life-and-money/why-politics-and-portfolios-dont-mix/). Both political parties have presided over periods of strong returns and market declines.

This year’s weakness in the lead-up to the election also isn’t uncommon. In fact, the S&P 500 has posted positive gains just 56% of the time in the six months before midterm elections going back to 1950, and average returns came in at a paltry .2%. By contrast, as the political dust settles during the six months following the midterm elections, the S&P 500 has posted positive results 100% of the time, with an average gain of 15.2%. The results are even more striking when looking at the one-year period following midterm elections, with the S&P 500 again posting positive results every time at an average return of 17.1%. While the past obviously doesn’t predict what will happen in the future, the results are hard to ignore.

In the 73 years since 1949, divided government like we have now has been the norm, not the exception. In 44 of those years, the government was split between the president’s party and that of one or both branches of the legislature. Despite the divisions, the S&P 500 has posted positive average returns under split control regardless of which party controlled the legislature or White House. When you look at all the years we have had a divided government (not just the year immediately following the election), one-year returns have been positive 70% of the time.

## **Business Cycles Drive The Markets**

While presidents and party control of the legislature can have some effect on specific industries, the reality is that the business cycle has a lot more to do with future market performance than the political party in control. Stock market valuations are typically higher later in the business cycle. As you might expect, politicians from either party elected at the beginning or middle of a business cycle—when the economy is experiencing above-average growth rates—have historically presided over stronger returns than those voted into office late in the cycle, when economic growth is receding from peak levels. On the flip side, markets tend to struggle during the late stages of the business cycle, regardless of which party controls the legislature. The average annual return for the S&P 500 in the two years following an election that took place in the later stages of an economic expansion was just 4.2%. By contrast, the average annual return overseen by either party during the early or middle stages of the economic cycle is 15.5%.

Even when it comes to specific industries, the impact you might expect doesn’t always hold true. Take the energy sector. While you’d expect it to do well under the more energy-friendly Trump administration and not as well once President Biden took office, the opposite was true. This was largely due to external factors such as slowing demand—and that’s the point.

## **Leadership In Markets And Politics Changes**

If we’re not already in one, it’s likely that we will see an uneven and shallow recession in the coming months. That puts us in the late stages of the business cycle. Just as investors should avoid overweighting politics in investment decisions, it’s also important to be aware that what has worked well in the past isn’t what will always work well in the future. Recessions, even mild ones, have consequences.

Consider this: Between 1990 and 2001, the S&P 500 and U.S. Small Caps were top-performing asset classes, and growth stocks clearly outpaced Emerging Markets. But following the recession of 2001, the tables were turned. Emerging Markets and International Developed markets handily outperformed the S&P 500 and Small Caps for the next six years—that is, until the Great Recession. Then, over the next 13 years, the S&P 500 once again led all asset classes. The question for investors now is what asset class is likely to lead the charge out of bear territory going forward.

Unfortunately, no one can say with any certainty. There is no perfect model of the future. While that sounds obvious, this basic admission often separates individual investors from professional money managers and financial planners who do this for a living.

Individual investors tend to sacrifice diversification in pursuit of assets that have been outperformers. Leading up to 2001, for example, individual investors piled into U.S. technology stocks, claiming a “new market reality and path to riches” had been declared. These investors outperformed those who remained steadfastly diversified, even in that “new market.” But the outperformance was short-lived, ending quickly and painfully for many.

Similarly, in the mid-2000s (when overseas markets outperformed), the refrain was that China, Europe and oil were the paths to future riches. This also ended abruptly for those who saw a new “forever trend” and chased these stories.

With the volatility we’ve seen this year, a different take on a similar mindset is emerging. Instead of trying to pick the next market leaders, some investors are swearing off an asset class or a tried-and-true investment approach. This has been particularly true regarding fixed income and the asset mix of 60% risk assets and 40% fixed income.

## **Now Is Not The Time To Abandon Fixed Income**

Uncommon losses in investment grade fixed income this year have prompted investors to sell bonds and move assets to money market funds. But it’s important to note that while losses in investment grade bonds this year are uncomfortable, they also are unusual. Historically, fixed income has provided a hedge against falling stock prices. Our research shows that of the 25 times since 1926 that equities ended the year in negative territory, bonds posted positive returns in all but four years. The common theme in three of those four instances was high inflation and strong commodity prices, similar to what we’ve seen this year. The sole exception was 1931, during the heart of the Great Depression. The historical relationship between inflation, commodities and bonds is the very reason we have recommended commodities in clients’ portfolios and spent last year warning that stocks and bonds could move in the same direction.

Looking forward, we note that investment grade bonds have moved from yielding 1.75% at the beginning of the year to now more than 5% on the Bloomberg Barclays Aggregate Investment Grade bonds index. Given our view that inflation is set to subside, we believe that this asset class will not only once again play its traditional role of providing protection against falling equity prices, but also will offer compelling real return opportunities.

This brings us to the greatly exaggerated demise of the 60/40 portfolio allocation. Instead of declaring it dead, we believe the allocation simply needs a broader view of the assets used to balance the equity allocation. Specifically, a portion of assets, in our view, should include commodities.

Keep in mind, every market cycle is different. Leading asset classes change. Policymakers shift. Supply chains adapt and technology evolves.

Having a well-crafted financial plan that’s diversified, manages risks and is tailored to your goals is a sound recipe for enduring financial success.

Commentary is written to give you an overview of recent market and economic conditions, but it is only our opinion at a point in time and shouldn’t be used as a source to make investment decisions or to try to predict future market performance. To learn more, [click here](https://www.northwesternmutual.com/commentary-disclosure/).

There are a number of risks with investing in the market; if you want to learn more about them and other investment-related terminology and disclosures, [click here](https://www.northwesternmutual.com/commentary-disclosure/).

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# How Negativity Bias Leads To Mistakes In Portfolios

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Apr 6, 2022,11:50am EDT

  In his role at Northwestern Mutual, Schutte guides the investment philosophy for individual retail investors. In this post, he discusses the potential pitfalls of negativity bias, an inclination to focus too heavily on bad news, and offers three reasons why investors should place their faith in long-term planning rather than short-lived instincts.

The post has been lightly edited.

## **Storms Are Memorable But Rare**

In the darkest days of a crisis, you’ll hear murmurings of secular bear markets, new paradigms or a broken economy. Something about financial duress causes people to forget history—namely, that the economy has recovered from recessions, a depression, wars, terrorist attacks, pandemics and a host of other crises. It may seem we jump from one financial crisis to the next, but the reality is these events are rare and relatively short in duration.

At Northwestern Mutual, we [reviewed price data](https://www.northwesternmutual.com/life-and-money/dont-let-fears-of-a-correction-derail-your-financial-plan/) going back to 1950 and found there were 24 separate occasions when the S&P 500 (U.S. large cap stocks) fell by more than 10%, which is defined as a correction.

Just 24 times in 70 years. And of the 24 corrections and bear markets, nearly half, or 11, lasted eight months or less.

How you act during these relatively short-lived, infrequent periods of strife is how financial security is gained and maintained. A financial plan factors in good and not-so-good markets to provide the resiliency needed to avoid selling at the worst times.

## **Negativity Can Be A Contrarian Indicator**

When everyone thinks things couldn’t get worse is precisely when it’s time to look for a silver lining.

The AAII Investor Sentiment survey measures whether investors are bullish or bearish on the market’s prospects. Going back to the first week of 1988, there have been only 27 instances when bullish investors fell below 19.2% of respondents (that’s out of 1,781 observations). Put another way, that means less than four out of five investors were pessimistic about the market’s prospects. Since 1988, investor sentiment has been this low just 1.5% of the time.

In all 27 instances when AAII sentiment dropped to these levels, investors who bought stocks the day after the reading had 52-week returns from that date that were positive.

A Northwestern Mutual analysis of the VIX Index, sometimes referred to as the market’s “fear index,” found that 12-month returns of cash invested the day the VIX exceeded 36 (it hit 82 in March 2020, for example) were positive 95% of the time.

A financial plan from an expert advisor factors in the occasional bear market by hedging downside risk through dynamic portfolio weightings, permanent life insurance, annuities, tax strategies and more. But a plan also maintains appropriate levels of liquidity so you can be opportunistic when markets falter.

## **Trust The Process**

Northwestern Mutual advisors believe it’s critical to help clients define their core investing principles and objectives so they can strategically parse a flood of information coming at them daily. A well-defined strategy based on a person’s wealth, tax situation, age, risk appetite and life goals guides all other decisions about asset allocation, portfolio weightings, sector outlooks and more.

The balanced, diversified approach helps prepare you for “all seasons” and has historically generated positive long-term returns through periods of inflation, deflation, tech booms, commodity busts, rising rates or falling rates. Since the end of the Great Recession in 2009, a [generic 60/40 portfolio](https://www.northwesternmutual.com/life-and-money/the-6040-portfolio-isnt-dead-but-it-could-use-a-tune-up/) (60% equities and 40% investment-grade bonds) experienced positive returns in 11 of the last 12 years, with double-digit returns in eight of those years.

If you have a strategically diversified investment portfolio that’s appropriate for your age, wealth and goals, you can remain still when markets grow frantic. You’re already positioned well for a multitude of outcomes. But if the last correction was uncomfortable or you’re getting closer to a pivotal goal, pepper in more bonds or other safer sources of income and cash to boost your comfort levels for the next downturn—and stay the course.

An advisor’s work goes well beyond an investment portfolio. A plan puts all the disparate pieces of your financial life into a single view, including estate planning, insurance, business succession strategies, tax strategies, asset management and more—all additional considerations for your financial peace of mind. When all these pieces are working in harmony, you can find sources of optimism when others grow fearful.

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# Transforming The Wealth Management Experience For Today’s Client

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Nov 8, 2021,11:06am EST

  The future of wealth management will be won by advisors who value both modern technology and traditional relationship building, says Tim Gerend, executive vice president and chief distribution officer at Northwestern Mutual.

And that approach is leading to record results at Northwestern Mutual. The company last year welcomed more new clients than ever before and saw record growth in net cash flow and insurance premiums, proving the value of advisors who can help clients make sense of their complete financial picture, he says.

In the following interview, Gerend discusses the mix of traits and abilities that define top wealth advisors—and how those characteristics help foster long-lasting advisor-client relationships.

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# MoneyStamps Of South America - As Investments, They’re Different – Part 1

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

Richard Lehmann blogs on Income Investing and Philately

May 19, 2020,03:42pm EDT

This article is more than 2 years old.

  The stamps of South American countries have been of interest to me because of their huge potential for appreciation. Unlike most third world countries, the countries in the region gained their independence from Spain before the invention of postage stamps. Stamp issuance was mainly in locally printed stamps used for internal communications in countries with limited interaction with the outside world and low literacy rates. This is unlike most other third world countries which became colonies of European powers who sent people into their colonies to govern, develop industry, infrastructure and trade. They printed stamps in Europe mainly for use in trade and to satisfy home country collectors. The difference is that stamp print quantities are smaller and surviving quantities smaller still given a lack of collector interest.   As MoneyStamps, these countries are a treasure trove of current and future investment picks.

Having traveled extensively in the region for a decade while also being a collector, I can attest to the paucity of dealers in even the largest cities. Things have changed in the last two decades as prosperity and middle-class population growth has given rise to more collector interest locally. With the rise of the Internet, this rise in collector interest is being met, albeit in an inconsistent way.

The lack of locally produced Spanish language catalogs has been an obstacle and country supplements by Scott have not been forthcoming even in digital format. The regionally produced catalogs I acquired in my travels are from Argentina, Brazil, Colombia, Uruguay and Venezuela. They serve to identify varieties of stamps not recognized by any of the global catalog companies. Numerous studies have been published privately covering the various nations, but these do not attempt to price the items. In fact, pricing is a major issue since the catalogs I cited are many years out of date on pricing since currency stability is unknown in the region. They do however provide a guide to varieties not covered elsewhere. Note that there is a Michel catalog for South America and it comes in two volumes at a cost of $160 each, but it is three years old and out of print. Stanley Gibbons offers regional catalogs for something as finite as the Falkland or the Leeward Islands but has apparently not published a South American catalog since 1989.

In this and future articles I will address just why these countries offer the best opportunities for investors to purchase MoneyStamps at price levels well below the price profiles for other more widely collected countries. The country that stands out most clearly is Colombia. It was, by far, the most prolific issuer of stamps at the national, state and private level. From its first stamps in 1863 until 1940 it produced over 600 different stamps at the national level, over 400 by regional states and over 300 stamps by the private air carrier Sociedad Colombo-Alemana de Transportes Aereos (SCADTA) which operated for a brief period in the 1920’s. I think only the USA and Russia issued more stamps in this time period.

PROMOTED

Regarding the Moneystamps for Colombia, they have 1079 mint or used issues which qualify with 611 rated MSR 5 to MSR10. Below is a selection of  these stamps.

The MoneyStamp ratings are assigned based on weighing the various factors and then measured on a scale of one to ten with the designation MSR 1 to MSR10. Stamps rated MSR 1 to MSR 4 are issues which meet the value and time criteria to be considered for investment purposes but have so far demonstrated low appreciation rates or lack other attributes that would point to above average future performance.  They are however judged likely to hold their value going forward or they would not be rated at all. Stamps rated from MSR 5 to MSR10 are those judged likely to appreciate at greater than the rate of inflation.

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I'm a former Forbes columnist, investment advisor and publisher of the Forbes/Lehmann Distressed Municipal Debt Report. As a lifetime investor in

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# Covid-19 Related Municipal Defaults Begin

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

Richard Lehmann blogs on Income Investing and Philately

Apr 28, 2020,04:45pm EDT

This article is more than 2 years old.

  The COVID-19 pandemic has come to the municipal bond market. So far, 5 issuers of $407 million in bonds have used it as an excuse for not making their scheduled interest and principal payments and 2 have even used it to request additional draw-downs of reserve funds. The magnitude of the problem, however, will likely be much, much bigger. We note there are some 236 issuers of $23.89 billion who have been failing to make their scheduled monthly payments and relying on the bond reserve accounts to make up any shortfall. How many of them will now see a plausible excuse to cutoff fund remittances altogether?  Hospitals and retirement facilities will likely stop payments unless they can qualify for federal loans and aid. In fact, would it surprise anyone to see a wave of lawsuits by relatives of those who died from the virus. And what about those private purpose issues which had to shut down or are dependent on sales or other tax revenues and now need cash to start back up. They are vulnerable because the bonds often represent the only capital invested in the project. We may see bond issuers going back to the current large bondholders and asking for loans of a secondary issue.

In the case of nursing and retirement homes, knowing the story and characters behind numerous deals, not collapsing would be the surprise. As some are fond of thinking, “A crisis is a terrible thing to waste.” We will keep track of those using the pandemic as an excuse for their failure and let you know who is blowing smoke. We expect that numerous projects and issues will fail, but mainly because for many, failure has been in the cards for years. Stay up-to-date with our newsletter, the Forbes/Lehmann Distressed Municipal Debt Report at distresseddebtsecurities.com

Check out my [website](https://stampfinder.com).

Richard Lehmann is publisher of the Forbes/Lehmann Distressed Municipal Debt Report.

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# The Dynamics Of Price Discovery In The Stamp Market

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

Richard Lehmann blogs on Income Investing and Philately

Apr 21, 2020,05:23pm EDT

This article is more than 2 years old.

  We hear a lot about “the market price” for a given item, be it stocks, oil, gold or stamps. In the case of the first three, prices are a function of minute by minute transactions, or in the case of gold, a daily price fixing based on pending orders. When it comes to stamps, the process is anything but clear and subject to a variety of considerations which have greatly changed over time. The term ‘price discovery’ is used in economics to recognize that pricing as a process rather than a dictate. Yes, the prices quoted for stocks are set by the value needed to balance the buy and sell orders in hand, ready to be executed. In philately, things are not so clear.

               The biggest obstacle to stamp pricing is that there is no way of knowing how many of any given item are available or in demand. This is because most buyers are ambivalent toward what they want on any given day. They will go on-line to see what is being offered for a multiple of items. They will choose to buy specific items because they look cheap or have been on their want list for the longest or meet criteria of quality, dealer or source.

What made stamp pricing so uncertain is that the price or a price change fora stamp has no effect on supply. This is because supply is mainly a function of collector death or a major dealer’s impending retirement. In years past, price discovery had numerous stamp shows throughout the year where dealers would congregate to exchange experiences and opinions and be influenced by customer buying and questions. At some point, one or more of these dealers would be asked by the catalog companies to express their opinion on the stamps in their specialty and that opinion would be based on years of experience in setting prices.  What often occurs is that a country is judged to be on the rise or decline and a percentage effect is decided on for most of the items for that country. Also, certain specific items would be treated much better or worse than the average. I suspect much of this is driven by whether that dealer is looking for the item for specific customers or is overstocked on that item. Items over $100 are easier to price because they are often sold individually at public auction.

               The Internet has played a major role in disrupting how things were done in the past. Stamp shows are on the decline and smaller than before. While the huge sales sites like eBay would appear to serve as a more reliable pricing source, it is a mixed blessing. The stamp offerings there are from a mixture of dealers, collectors selling off their collections, scam artists and rank amateurs who often don’t know the value of what they have. In short, you have a flea market, not an organized or regulated forum. Add to this the fact that eBay does not generate the sale information in a readily usable form, thereby leaving catalog companies with a daunting task making sense of it all. The overall effect of all this is that stamp prices have declined due to numerous part time and one-time sellers willing to undercut the market in order to liquidate their collections. Since many of these sellers are retired, they put a very low value on the time and effort needed to conduct their business. This represents not a threat, but a permanent reality for professional dealers.  A reality for which they need a new strategy.

My recommendation to dealers who don’t do stamp shows is to abandon the individual sale of stamps and sets priced below $5 dollars or even more and focus on the advanced collectors who generally are only missing higher priced items. This strategy is helped by eBay in that they now show a dealer’s professional credentials, such as for the ASDA and NSDA, on each listing. This conveys a stature as the Mercedes dealer who sells quality and stands behind his product without question. This becomes more and more important as the price of an item rises, since this makes buyers more cautious.

A successful dealer is one who understands what’s most important in business; namely turnover, turnover, turnover. Focus on that rather than getting what you think a stamp is worth. Dump it after six months for whatever you can get, with few exceptions, and you won’t find yourself with too much money tied up in stagnant inventory.

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My perspective is as a promoter of stamps as an investment by individuals who are looking for a safe-haven investment to diversify their asset holdings. Dealers should focus on cultivating this niche of buyers because their focus is on Moneystamps, rather than on filling a blank space in an album. They want to invest large amounts of money in investment grade stamps and will buy multiple copies of a high priced one when they consider it a good long-term investment. My efforts are in making such investors aware of how good a long-term investment such Moneystamps have been. They represent a Godsend for an industry where the traditional buyers are in steady decline due to demographics. It is a decline unlikely to reverse in the next decade. The number of investors seeking safe-haven assets, on the other hand, is massive and will continue to grow. They have the power to remake the stamp industry. Ignore them at your peril.

Richard Lehmann is president of USID Inc., which owns the **www.stampfinder .com website** and author of the book **Moneystamps – The Safe-Haven Investment In An Unsafe World**, available in digital or hard copy on Amazon. He is a past director of the ASDA.

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# The Perfect Elevator Pitch To Land A Job

[Nancy Collamer](https://www.forbes.com/sites/nextavenue/people/ncollamer/)

Contributor

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Stockbyte

If you’re looking for a job, one of the first tasks on your to-do list should be crafting an ideal "elevator pitch." It’s the 30-second speech that summarizes who you are, what you do and why you’d be a perfect candidate.

You should be able to reel off your elevator pitch at any time, from a job interview to a cocktail party conversation with someone who might be able to help you land a position.

(**MORE:** [Job Interview Advice Older Men Don’t Want to Hear](http://www.nextavenue.org/article/2012-12/job-interview-advice-older-men-dont-want-hear))

Sounds simple enough, right? But condensing 50+ years of your life accomplishments into a 30-second statement that packs a punch can feel as challenging as trying to stuff an elephant into a Volkswagen Beetle.

I get that. So to help you develop a knockout elevator pitch, I’ve broken the process down into nine steps:

**1. Clarify your job target**. As Yogi Berra famously said, “You’ve got to be very careful if you don’t know where you’re going, because you might not get there.”

So when you begin putting an elevator pitch together, nail down the best way to describe your field and the type of job you’re pursuing. Until you can clearly explain the type of position you want, nobody can help you find it or hire you to do it.

**2. Put it on paper**. Write down everything you’d want a prospective employer to know about your skills, accomplishments and work experiences that are relevant to your target position. Then grab a red pen and mercilessly delete everything that’s not critical to your pitch.

Keep editing until you’ve got the speech down to a few key bullet points or sentences. Your goal is to interest the listener in learning more, not to tell your whole life story. So remove extraneous details that detract from your core message.

**3. Format it.** A good pitch should answer three questions: Who are you? What do you do? What are you looking for?

(**MORE:** [Job Interview Advice Older Women Don’t Want to Hear](http://www.nextavenue.org/article/2012-12/job-interview-advice-older-women-dont-want-hear))

Here’s an example of how to begin a pitch that includes the essentials: “Hi. I am Jessica Hill. I am an accountant with 10 years experience in the insurance industry and I'm looking for opportunities in the Dallas area with both insurance and finance companies.”

That speech would take about 15 seconds. Jessica would then want to use her next 15 seconds to add details about her unique selling proposition, special skills and specific ways she could help a potential employer.

**4. Tailor the pitch to them, not you.** It’s important to remember that the people listening to your speech will have their antennas tuned to WIFM (What’s in It for Me?) So be sure to focus your message on their needs.

For example, this introduction: “I am a human resources professional with 10 years experience working for consumer products companies.” The pitch would be more powerful if you said, “I am a human resources professional with a strong track record in helping to identify and recruit top-level talent into management.”

Using benefit-focused terminology will help convince an interviewer that you have the experience, savvy and skills to get the job done at his or her business.

**5. Eliminate industry jargon.**You need to make your pitch easy for anyone to understand, so avoid using acronyms and tech-speak that the average person or job interviewer might not understand.

The last thing you want to do is make your listener feel stupid or uninformed.

**6. Read your pitch out loud**. As Fast Company’s Deborah Grayson Riegel recently pointed out in her article "[The Problem With Your Elevator Pitch and How to Fix It](http://www.fastcompany.com/3004484/problem-your-elevator-pitch-and-how-fix-it)," writing is more formal and structured than speaking. If you’re not careful, your elevator pitch can come off sounding more like an infomercial than a conversation.

Reading it aloud then tinkering with the words will help you sound more authentic.

**7. Practice, practice, practice (then solicit feedback).**Rehearse your pitch in front of a mirror or use the recording capabilities of your computer, so you can see and hear how you sound.

This might feel awkward at first, but the more you practice, the smoother your delivery will be.

Keep tweaking your pitch until it no longer sounds rehearsed. When your presentation is polished to your satisfaction, try it out on a few friends and ask them what they thought your key points were. If their response doesn’t square with your objective, the speech still needs work.

**8. Prepare a few variations.** You might want to say things slightly differently to an interviewer than to a former colleague. Also, sometimes you'll just have 15 seconds for a pitch (kind of a short elevator ride), other times you may have a minute or two.

So focus on mastering a few key talking points then work up ways to customize your speech for particular situations.

(**MORE:** [The Art of First Impressions](http://www.nextavenue.org/article/2012-04/art-first-impressions))

Use the word count feature on your computer to create shorter and longer pitches; a good rule of thumb is that you can say about 150 words in one minute.

**9. Nail it with confidence**. The best-worded elevator pitch in the world will fall flat unless it’s conveyed well.

When you give the speech, look the person in the eye, smile and deliver your message with a confident, upbeat delivery.

Get your pitch right and you might soon find yourself riding an actual elevator at your new job.

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Nancy Collamer, M.S. is a career coach, speaker and author of [*Second-Act Careers: 50+ Ways to Profit From Your Passions During Semi-Retirement*](http://www.amazon.com/Second-Act-Careers-Profit-Passions-Semi-Retirement/dp/1607743825/ref=sr_1_1?ie=UTF8&qid=1342560473&sr=8-1&keywords=nancy+collamer). Her website is [*MyLifestyleCareer.com*](http://MyLifestyleCareer.com); on Twitter she is [*@NancyCollamer*](http://twitter.com/nancycollamer).

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# Meet The Unknown Immigrant Billionaire Betting Her Fortune To Take On Musk In Space

Eren Ozmen Tim Pannell/FORBES

[Lauren Debter](https://www.forbes.com/sites/laurendebter/)

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  Even in the bloated-budget world of aerospace, $650 million is a lot of money. It's approximately the price of six of Boeing's workhorse 737s or, for the more militarily inclined, about the cost of seven F-35 stealth fighter jets. It's also the amount of money NASA and the Sierra Nevada Corp. spent developing the Dream Chaser, a reusable spacecraft designed to take astronauts into orbit. Sierra Nevada, which is based in Sparks, Nevada, and 100% owned by Eren Ozmen and her husband, Fatih, put in $300 million; NASA ponied up the other $350 million. The Dream Chaser's first free flight was in October 2013 when it was dropped 12,500 feet from a helicopter. The landing gear malfunctioned, and the vehicle skidded off the runway upon landing. A year later, NASA passed on Sierra Nevada's space plane and awarded the multibillion-dollar contracts to Boeing and SpaceX.

The original Dream Chaser, which looks like a mini space shuttle with upturned wings, now serves as an extremely expensive lobby decoration for Sierra Nevada's outpost in Louisville, Colorado. But the nine-figure failure barely put a dent in the Ozmens' dream of joining the space race. Within months of the snub, the company bid on another NASA contract, to carry cargo, including food, water and science experiments, to and from the International Space Station. This time it won. Sierra Nevada and its competitors Orbital ATK and SpaceX will split a contract worth up to $14 billion. (The exact amount will depend on a number of factors, including successful missions.) The new unmanned cargo ship, which has yet to be built, will also be called Dream Chaser.

The Ozmens, who are worth $1.3 billion each, are part of a growing wave of the uber-rich who are racing into space, filling the void left by NASA when it abandoned the space shuttle in the wake of the 2003 Columbia disaster. Elon Musk's SpaceX and Richard Branson's Virgin Galactic are the best-known ventures, but everyone from Larry Page (Planetary Resources) and Mark Cuban (Relativity Space) to Jeff Bezos (Blue Origin) and Paul Allen (Stratolaunch) is in the game. Most are passion projects, but the money is potentially good, too. Through 2017, NASA awarded $17.8 billion toward private space transport: $8.5 billion for crew and $9.3 billion for cargo.

"We're doing it because we have the drive and innovation, and we see an opportunity--and need--for the U.S. to continue its leadership role in this important frontier," says Eren Ozmen, 59, [who ranks 19th on our annual list of America's richest self-made women.](https://www.forbes.com/self-made-women/)

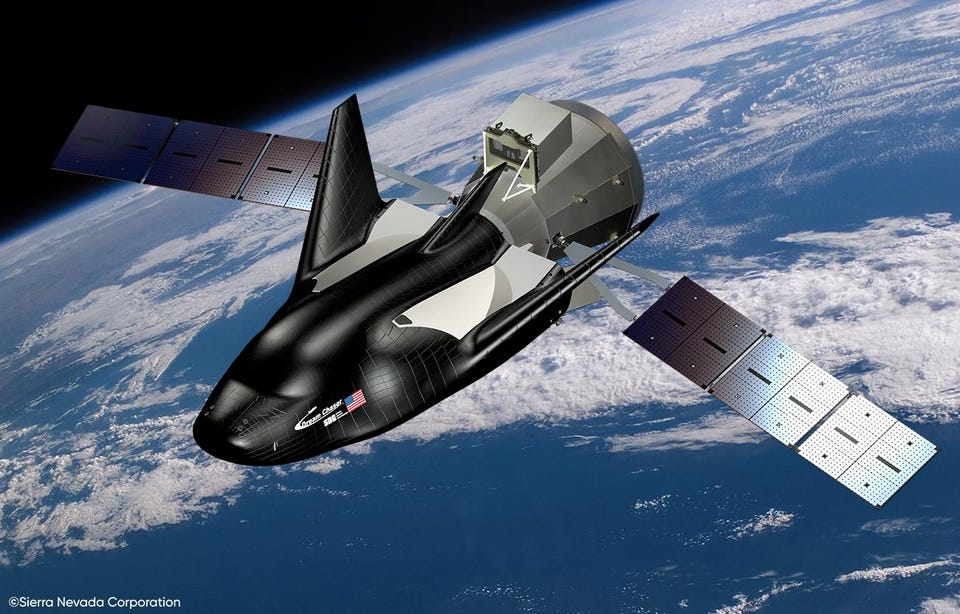
Until now, few had heard of the Ozmens or Sierra Nevada. Often confused with the California beer company with the same name, the firm even printed coasters that say #notthebeercompany. The Ozmens are Turkish immigrants who came to America for graduate school in the early 1980s and acquired Sierra Nevada, the small defense company where they both worked, for less than $5 million in 1994, using their house as collateral. Eren got a 51% stake and Fatih 49%. Starting in 1998, they went on an acquisition binge financed with the cash flow from their military contracts, buying up 19 aerospace and defense firms. Today Sierra Nevada is the biggest female-owned government contractor in the country, with $1.6 billion in 2017 sales and nearly 4,000 employees across 33 locations. Eighty percent of its revenue comes from the U.S. government (mostly the Air Force), to which it sells its military planes, drones, anti-IED devices and navigation technology.

Space is a big departure for Sierra Nevada--and a big risk. The company has never sent an aircraft into space, and it is largely known for upgrading existing planes. But it is spending lavishly on the Dream Chaser and working hard to overcome its underdog reputation.

"Space is more than a business for us," says Fatih, 60. "When we were children, on the other side of the world, we watched the moon landing on a black-and-white TV. It gave us goose bumps. It was so inspirational." Eren, in her heavy Turkish accent, adds: "Look at the United States and what women can do here, compared to the rest of the world. That is why we feel we have a legacy to leave behind."

T

**here are plenty** of reasons that NASA gave Sierra Nevada the nod. Sure, it had never built a functioning spacecraft, but few companies have, and Sierra Nevada has already sent lots of components--like batteries, hinges and slip rings--into space on more than 450 missions. Then there's Dream Chaser's design. A quarter of the length of the space shuttle, it promises to be the only spacecraft able to land on commercial runways and then fly again (up to 15 times in total) to the space station. And its ability to glide gently down to Earth ensures that precious scientific cargo, like protein crystals, plants and mice, won't get tossed around and compromised on reentry. That's an advantage Sierra Nevada has over most other companies, whose capsules return to Earth by slamming into the ocean. Today, the only way the U.S. can bring cargo back from space is via Musk's SpaceX Dragon. "Quite frankly, that is why NASA has us in this program, because we can transport the science and nobody else can," says John Roth, a vice president in the company's space division.



Space utility vehicle: Sierra Nevada’s unmanned Dream Chaser is designed to haul 6 tons of cargo to and from the International Space Station.

Courtesy company

Sierra Nevada has acquired its way into space. In December 2008, in the throes of the financial crisis, Sierra Nevada plunked down $38 million for a space upstart out of San Diego called SpaceDev. The company had recently lost a huge NASA contract, its stock was trading for pennies and its founder, Jim Benson, a tech entrepreneur who became one of commercial spaceflight's earliest prophets, had just died of a brain tumor.

Sierra Nevada had its eyes on a vehicle from SpaceDev called the Dream Chaser. It had a long, storied past: In 1982, an Australian P-3 spy plane snapped photos of the Russians fishing a spacecraft out of the middle of the Indian Ocean. The Australians passed the images on to American intelligence. It turned out to be a BOR-4, a Soviet space plane in which the lift is created by the body rather than the wings, making it suitable for space travel. NASA created a copycat, the HL-20, and spent ten years testing it before pulling the plug.

Eleven months after the Columbia exploded, President George W. Bush announced that the space shuttle program would be shut down once the International Space Station was completed in 2010 (in fact, it took another year). In preparation NASA invited companies to help supply the station. By this point NASA's HL-20 was mostly forgotten and gathering dust in a warehouse in Langley, Virginia. SpaceDev nabbed the rights to it in 2006, hoping to finally get it into space.

Eren Ozmen puts their acquisition strategy in rather unusual terms. "Our guys go hunting, and they bring me this giant bear, which is not fully dead, and say, 'Now you do the skinning and clean it up.' "

But it was an expensive job, and later that year NASA declined to fund it. Enter Sierra Nevada Corp., which was always hunting for promising companies to buy. "The company had been very successful in defense but wanted to get into space and had a lot of cash," says Scott Tibbitts, who sold his space-hardware company, Starsys Research, to SpaceDev in 2006.

Soon the Ozmens were devoting an outsize amount of time and money to the Dream Chaser. "It was very clear the space side was like a favorite son," says one former employee.

E

**ren Ozmen grew up in Diyarbakir,** Turkey, a bustling city on the banks of the Tigris River, where she was a voracious reader and serious student. Her parents, both nurses, valued education and encouraged their four girls to focus on schoolwork. As a student at Ankara University, she worked full time at a bank while studying journalism and public relations and spent her little free time studying English.

In 1980, as she was finishing her degree, she met Fatih Ozmen. A national cycling champion, he had just graduated from Ankara University with a degree in electrical engineering and planned to pursue his master's degree at the University of Nevada at Reno. In 1981, Eren also headed to America, enrolling in an English-language program at UC Berkeley. She reconnected with Fatih and, at his suggestion, applied to the M.B.A. program at UNR. After she arrived on campus, the two young Turks became best friends.



The husband-and-wife co-owners of Sierra Nevada Corp., Eren and Fatih Ozmen, and their long-haired dachshund Peanut, at their home in Reno.

Tim Pannell for Forbes

The pair soon struck a deal: Eren, a talented cook, would make Fatih homemade meals in exchange for some much-needed help in her statistics class. They shook hands and became roommates. They both insist they never even considered dating each other. "It was just like survival," says Eren.

More like survival of the fittest. Eren knew she had to get top grades if she wanted a job in America. She was also broke and holding down several part-time jobs on campus, selling homemade baklava at a bakery and working as a night janitor cleaning the building of a local company called Sierra Nevada Corp.

After graduating in 1985 with her M.B.A., Eren got a job as a financial reporting manager at a midsize sprinkler company in Carson City, Nevada, just south of Reno. She arrived to find that financial reports took weeks to generate by hand. She had used personal computers in school and knew that automating the process would cut the turnaround time down to a matter of hours. She asked her boss if they could buy a PC, but the expensive purchase was vetoed. So Eren took her first paycheck and bought an HP computer and brought it to work. She started producing financial reports in hours, as she had predicted, and was promoted on the spot.

In 1988, the sprinkler company was sold, and Eren was laid off. Fatih, who was now her husband, had been working at Sierra Nevada since 1981, first as an intern and later as an engineer, and told her they were still doing financial reports by hand. She brought in her PC and automated its systems.

Soon after starting, Ozmen was sitting at her desk late one night and discovered that Sierra Nevada was on the verge of going out of business. The little defense company, which primarily made systems to help planes land on aircraft carriers, had assumed that its general and administrative expenses were 10% of revenues, but she calculated that they were 30%. At that rate, the business couldn't keep operating for more than a few months. She marched to her boss' office to deliver the bad news. He didn't want to hear it, so she went straight to the owners. They were stymied. The bank wouldn't lend them any more money. At Eren's suggestion, the company stopped payroll for three months until the next contract kicked in. Employees had to borrow money to pay bills. "It was like the Titanic moment. We are waiting for this contract, but we didn't know if we were going to make it or not," says Eren.

Since arriving in America in 1981, Eren Ozmen has gone from janitor to billionaire co-owner of Sierra Nevada Corp. "Look at the U.S. and what women can do here, compared to the rest of the world."

That contract eventually came through, but Sierra Nevada was still living contract to contract two years later, when Eren, who was eight and a half months pregnant with her first child, got a call. The government audit agency had looked at the company's books and declared the company bankrupt and therefore unfit for its latest contract. Eren got on the phone with the auditor (she remembers his name to this day) and told him he had made a math error. He soon responded that she was right and that he needed to brush up on his accounting skills but that the report was already out of his hands. At that point Eren went into labor. Less than a week later, she was back in the office with her newborn.

The company limped along until 1994, when the Ozmens borrowed against their home to buy Sierra Nevada. Eren was sick of working for an engineer-led company that was lurching from financial crisis to financial crisis and figured she and her husband could do a better job running the place.

A Glance At Sierra Nevada's Dream Chaser

WATCH

0:48

It took five years for the company to stabilize, with Eren keeping a tight handle on costs. "I can tell you, it wasn't a free-spending, freewheeling company. Everything was looked at," recalls Tom Galligani, who worked at the company in the 1990s. Eren worked for a time as the company's CFO and today is its chairwoman and president. Fatih became CEO and focused on creating relationships with government agencies and developing new products. He also began looking for companies to acquire.

A

**s the sun sinks over** the Rockies, Eren sits by the window at Via Toscana, a white-tablecloth Italian restaurant outside Denver, sipping a glass of Merlot and explaining in rather unusual terms the couple's approach to buying companies. "Our guys go hunting, and they bring me this giant bear, which is not fully dead, and say, 'Now you do the skinning and clean it up,' " she says. Fatih, sitting beside her, joins in: "There's a lot of screaming. And blood.

Fatih and his team search for companies that have some sort of promising high-tech product. Then they go in for the kill. "Of the 19 [companies we've acquired], we've never bought a company that was for sale," he says.

"The first thing you do with the bear is to establish a trusting relationship," Eren says, while reminding it of the benefits. "Every company we bought is ten times bigger now." Over the years, Sierra Nevada has bought companies that do everything from unmanned-aerial-system technology to high-durability communications systems.

Its first acquisition was Advanced Countermeasure Systems, in 1998, which made equipment that helped protect soldiers from improvised explosive devices (IEDs). Revenues have since zoomed from $3 million a year to $60 million, Eren says. A company is especially attractive to Sierra Nevada if, like Advanced Countermeasure, it has so-called "sole-source" contracts with the military, meaning it is awarded contracts without a competitive bidding process, under the rationale that only that specific company's product can meet the government's requirements. Last year the majority of Sierra Nevada's $1.3 billion in government contracts were sole-source.

Sierra Nevada's biggest source of revenue is from aviation integration, which means folding new technologies into existing planes primarily at its dozen or so hangars in Centennial, Colorado. Often that entails stripping down commercial planes and turning them into jacked-up military ones, cutting holes to install weaponry, cameras, sensors, navigation gear and communications systems. "What we do is take someone else's airplane and make it better," says Taco Gilbert, one of the many retired generals on Sierra Nevada's payroll. For instance, it took the popular civilian PC-12 jet ("That a lot of doctors and lawyers fly around on," Gilbert says) and modified it so that Afghan special-ops-forces could pivot from surveilling the Taliban to conducting a medical evacuation in a matter of minutes. It sold the U.S. Customs & Border Protection a fleet of super-quiet planes that can track the movement of drug traffickers without detection. When wildfires were raging in California in 2017, Sierra Nevada aircraft, modified with heat sensors, thermal imaging and night vision, provided support.



Sierra Nevada Corp. President Eren Ozmen stands next to Vice President Mike Pence during the 2018 Space Symposium in Colorado.

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But it's not just Sierra Nevada's responsiveness that sets it apart; it's also its prices. In their own version of the "80/20" rule, the company strives to provide 80% of the solution at 20% of the cost and time. In other words, "good enough" is better than perfect, especially if "good enough" is cheap and fast. To deliver, Sierra Nevada spends 20% of its revenue on internal R&D, coming up with creative ways to upgrade the military's aging aircraft for less.

"This allows them to punch above their weight class and leapfrog the large guys," says Peter Arment, an aerospace analyst at R.W. Baird.

"You can go to Boeing or Lockheed and take five or ten years and spend a lot of money," Eren says. "Or we can provide you with something right now."

O

**n top of the $300 million** it spent on the original Dream Chaser, Sierra Nevada has spent an additional $200 million so far on the cargo version and expects to invest $500 million more by the time it's ready for takeoff. To recoup its costs, Sierra Nevada is counting on things going smoothly. The company has already earned $500 million in milestone payments from NASA as it successfully completed design reviews as well as safety and test flights using the crewed Dream Chaser (which shares 80% of the same design and features) before it was retired. Much like when Eren was counting on that key government contract to cover payroll in 1989, Sierra Nevada is now waiting for the big payoff that will come when it sends the vehicle into space. Its launch date is set for September 2020, 11 months after rival Orbital ATK's Cygnus takes off in October 2019 and a month later than SpaceX's Dragon 2. If the Dream Chaser completes its six missions to the space station by 2024, Sierra Nevada will pocket an estimated $1.8 billion.

Eren isn't blind to the risk that things could go wrong. But brimming with an immigrant's sense of patriotism, she talks of the glory of helping the U.S. reestablish its leadership in space. She thinks Sierra Nevada and other private companies can help the government catch up on the cheap. "Looking at what are the things we can do to make space available," Eren says, "it's the commercial companies who are going to come up with those creative ideas and help the country catch up."

Reach Lauren Gensler at lgensler@forbes.com. Cover image by Tim Pannell for Forbes.

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I am a staff writer at Forbes covering retail. I have been at Forbes since 2013, first on the markets and investing team and then on the billionaires team. In the course of my reporting, I

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Nov 23, 2022,11:10am EST

  The following comments from Brent Schutte, Chief Investment Officer, Northwestern Mutual Wealth Management Company, have been lightly edited for clarity and length.

## **Elections Are Emotional But Have Limited Market Impact**

Depending on where you live, you’ve likely heard at least a few ads leading up to the recent midterm elections. It seemed like just about every candidate was “wrong” or “too extreme.” Couple that with the significant decline we saw in the markets through September, and it’s natural to worry about what’s next for markets amid a divided and polarized political backdrop in Washington.

While politics and investing can be emotional, it’s important for investors to pay more attention to the business cycle. Historically, the business cycle has had a much stronger correlation with future market returns than politics.

A review of market returns leading up to and following every U.S. midterm election since 1950 shows that the [markets don’t see red or blue](https://www.northwesternmutual.com/life-and-money/why-politics-and-portfolios-dont-mix/). Both political parties have presided over periods of strong returns and market declines.

This year’s weakness in the lead-up to the election also isn’t uncommon. In fact, the S&P 500 has posted positive gains just 56% of the time in the six months before midterm elections going back to 1950, and average returns came in at a paltry .2%. By contrast, as the political dust settles during the six months following the midterm elections, the S&P 500 has posted positive results 100% of the time, with an average gain of 15.2%. The results are even more striking when looking at the one-year period following midterm elections, with the S&P 500 again posting positive results every time at an average return of 17.1%. While the past obviously doesn’t predict what will happen in the future, the results are hard to ignore.

In the 73 years since 1949, divided government like we have now has been the norm, not the exception. In 44 of those years, the government was split between the president’s party and that of one or both branches of the legislature. Despite the divisions, the S&P 500 has posted positive average returns under split control regardless of which party controlled the legislature or White House. When you look at all the years we have had a divided government (not just the year immediately following the election), one-year returns have been positive 70% of the time.

## **Business Cycles Drive The Markets**

While presidents and party control of the legislature can have some effect on specific industries, the reality is that the business cycle has a lot more to do with future market performance than the political party in control. Stock market valuations are typically higher later in the business cycle. As you might expect, politicians from either party elected at the beginning or middle of a business cycle—when the economy is experiencing above-average growth rates—have historically presided over stronger returns than those voted into office late in the cycle, when economic growth is receding from peak levels. On the flip side, markets tend to struggle during the late stages of the business cycle, regardless of which party controls the legislature. The average annual return for the S&P 500 in the two years following an election that took place in the later stages of an economic expansion was just 4.2%. By contrast, the average annual return overseen by either party during the early or middle stages of the economic cycle is 15.5%.

Even when it comes to specific industries, the impact you might expect doesn’t always hold true. Take the energy sector. While you’d expect it to do well under the more energy-friendly Trump administration and not as well once President Biden took office, the opposite was true. This was largely due to external factors such as slowing demand—and that’s the point.

## **Leadership In Markets And Politics Changes**

If we’re not already in one, it’s likely that we will see an uneven and shallow recession in the coming months. That puts us in the late stages of the business cycle. Just as investors should avoid overweighting politics in investment decisions, it’s also important to be aware that what has worked well in the past isn’t what will always work well in the future. Recessions, even mild ones, have consequences.

Consider this: Between 1990 and 2001, the S&P 500 and U.S. Small Caps were top-performing asset classes, and growth stocks clearly outpaced Emerging Markets. But following the recession of 2001, the tables were turned. Emerging Markets and International Developed markets handily outperformed the S&P 500 and Small Caps for the next six years—that is, until the Great Recession. Then, over the next 13 years, the S&P 500 once again led all asset classes. The question for investors now is what asset class is likely to lead the charge out of bear territory going forward.

Unfortunately, no one can say with any certainty. There is no perfect model of the future. While that sounds obvious, this basic admission often separates individual investors from professional money managers and financial planners who do this for a living.

Individual investors tend to sacrifice diversification in pursuit of assets that have been outperformers. Leading up to 2001, for example, individual investors piled into U.S. technology stocks, claiming a “new market reality and path to riches” had been declared. These investors outperformed those who remained steadfastly diversified, even in that “new market.” But the outperformance was short-lived, ending quickly and painfully for many.

Similarly, in the mid-2000s (when overseas markets outperformed), the refrain was that China, Europe and oil were the paths to future riches. This also ended abruptly for those who saw a new “forever trend” and chased these stories.

With the volatility we’ve seen this year, a different take on a similar mindset is emerging. Instead of trying to pick the next market leaders, some investors are swearing off an asset class or a tried-and-true investment approach. This has been particularly true regarding fixed income and the asset mix of 60% risk assets and 40% fixed income.

## **Now Is Not The Time To Abandon Fixed Income**

Uncommon losses in investment grade fixed income this year have prompted investors to sell bonds and move assets to money market funds. But it’s important to note that while losses in investment grade bonds this year are uncomfortable, they also are unusual. Historically, fixed income has provided a hedge against falling stock prices. Our research shows that of the 25 times since 1926 that equities ended the year in negative territory, bonds posted positive returns in all but four years. The common theme in three of those four instances was high inflation and strong commodity prices, similar to what we’ve seen this year. The sole exception was 1931, during the heart of the Great Depression. The historical relationship between inflation, commodities and bonds is the very reason we have recommended commodities in clients’ portfolios and spent last year warning that stocks and bonds could move in the same direction.

Looking forward, we note that investment grade bonds have moved from yielding 1.75% at the beginning of the year to now more than 5% on the Bloomberg Barclays Aggregate Investment Grade bonds index. Given our view that inflation is set to subside, we believe that this asset class will not only once again play its traditional role of providing protection against falling equity prices, but also will offer compelling real return opportunities.

This brings us to the greatly exaggerated demise of the 60/40 portfolio allocation. Instead of declaring it dead, we believe the allocation simply needs a broader view of the assets used to balance the equity allocation. Specifically, a portion of assets, in our view, should include commodities.

Keep in mind, every market cycle is different. Leading asset classes change. Policymakers shift. Supply chains adapt and technology evolves.

Having a well-crafted financial plan that’s diversified, manages risks and is tailored to your goals is a sound recipe for enduring financial success.

Commentary is written to give you an overview of recent market and economic conditions, but it is only our opinion at a point in time and shouldn’t be used as a source to make investment decisions or to try to predict future market performance. To learn more, [click here](https://www.northwesternmutual.com/commentary-disclosure/).

There are a number of risks with investing in the market; if you want to learn more about them and other investment-related terminology and disclosures, [click here](https://www.northwesternmutual.com/commentary-disclosure/).

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# How Negativity Bias Leads To Mistakes In Portfolios

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Apr 6, 2022,11:50am EDT

  In his role at Northwestern Mutual, Schutte guides the investment philosophy for individual retail investors. In this post, he discusses the potential pitfalls of negativity bias, an inclination to focus too heavily on bad news, and offers three reasons why investors should place their faith in long-term planning rather than short-lived instincts.

The post has been lightly edited.

## **Storms Are Memorable But Rare**

In the darkest days of a crisis, you’ll hear murmurings of secular bear markets, new paradigms or a broken economy. Something about financial duress causes people to forget history—namely, that the economy has recovered from recessions, a depression, wars, terrorist attacks, pandemics and a host of other crises. It may seem we jump from one financial crisis to the next, but the reality is these events are rare and relatively short in duration.

At Northwestern Mutual, we [reviewed price data](https://www.northwesternmutual.com/life-and-money/dont-let-fears-of-a-correction-derail-your-financial-plan/) going back to 1950 and found there were 24 separate occasions when the S&P 500 (U.S. large cap stocks) fell by more than 10%, which is defined as a correction.

Just 24 times in 70 years. And of the 24 corrections and bear markets, nearly half, or 11, lasted eight months or less.

How you act during these relatively short-lived, infrequent periods of strife is how financial security is gained and maintained. A financial plan factors in good and not-so-good markets to provide the resiliency needed to avoid selling at the worst times.

## **Negativity Can Be A Contrarian Indicator**

When everyone thinks things couldn’t get worse is precisely when it’s time to look for a silver lining.

The AAII Investor Sentiment survey measures whether investors are bullish or bearish on the market’s prospects. Going back to the first week of 1988, there have been only 27 instances when bullish investors fell below 19.2% of respondents (that’s out of 1,781 observations). Put another way, that means less than four out of five investors were pessimistic about the market’s prospects. Since 1988, investor sentiment has been this low just 1.5% of the time.

In all 27 instances when AAII sentiment dropped to these levels, investors who bought stocks the day after the reading had 52-week returns from that date that were positive.

A Northwestern Mutual analysis of the VIX Index, sometimes referred to as the market’s “fear index,” found that 12-month returns of cash invested the day the VIX exceeded 36 (it hit 82 in March 2020, for example) were positive 95% of the time.

A financial plan from an expert advisor factors in the occasional bear market by hedging downside risk through dynamic portfolio weightings, permanent life insurance, annuities, tax strategies and more. But a plan also maintains appropriate levels of liquidity so you can be opportunistic when markets falter.

## **Trust The Process**

Northwestern Mutual advisors believe it’s critical to help clients define their core investing principles and objectives so they can strategically parse a flood of information coming at them daily. A well-defined strategy based on a person’s wealth, tax situation, age, risk appetite and life goals guides all other decisions about asset allocation, portfolio weightings, sector outlooks and more.

The balanced, diversified approach helps prepare you for “all seasons” and has historically generated positive long-term returns through periods of inflation, deflation, tech booms, commodity busts, rising rates or falling rates. Since the end of the Great Recession in 2009, a [generic 60/40 portfolio](https://www.northwesternmutual.com/life-and-money/the-6040-portfolio-isnt-dead-but-it-could-use-a-tune-up/) (60% equities and 40% investment-grade bonds) experienced positive returns in 11 of the last 12 years, with double-digit returns in eight of those years.

If you have a strategically diversified investment portfolio that’s appropriate for your age, wealth and goals, you can remain still when markets grow frantic. You’re already positioned well for a multitude of outcomes. But if the last correction was uncomfortable or you’re getting closer to a pivotal goal, pepper in more bonds or other safer sources of income and cash to boost your comfort levels for the next downturn—and stay the course.

An advisor’s work goes well beyond an investment portfolio. A plan puts all the disparate pieces of your financial life into a single view, including estate planning, insurance, business succession strategies, tax strategies, asset management and more—all additional considerations for your financial peace of mind. When all these pieces are working in harmony, you can find sources of optimism when others grow fearful.

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# Transforming The Wealth Management Experience For Today’s Client

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Nov 8, 2021,11:06am EST

  The future of wealth management will be won by advisors who value both modern technology and traditional relationship building, says Tim Gerend, executive vice president and chief distribution officer at Northwestern Mutual.

And that approach is leading to record results at Northwestern Mutual. The company last year welcomed more new clients than ever before and saw record growth in net cash flow and insurance premiums, proving the value of advisors who can help clients make sense of their complete financial picture, he says.

In the following interview, Gerend discusses the mix of traits and abilities that define top wealth advisors—and how those characteristics help foster long-lasting advisor-client relationships.

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# MoneyStamps Of South America - As Investments, They’re Different – Part 1

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

Richard Lehmann blogs on Income Investing and Philately

May 19, 2020,03:42pm EDT

This article is more than 2 years old.

  The stamps of South American countries have been of interest to me because of their huge potential for appreciation. Unlike most third world countries, the countries in the region gained their independence from Spain before the invention of postage stamps. Stamp issuance was mainly in locally printed stamps used for internal communications in countries with limited interaction with the outside world and low literacy rates. This is unlike most other third world countries which became colonies of European powers who sent people into their colonies to govern, develop industry, infrastructure and trade. They printed stamps in Europe mainly for use in trade and to satisfy home country collectors. The difference is that stamp print quantities are smaller and surviving quantities smaller still given a lack of collector interest.   As MoneyStamps, these countries are a treasure trove of current and future investment picks.

Having traveled extensively in the region for a decade while also being a collector, I can attest to the paucity of dealers in even the largest cities. Things have changed in the last two decades as prosperity and middle-class population growth has given rise to more collector interest locally. With the rise of the Internet, this rise in collector interest is being met, albeit in an inconsistent way.

The lack of locally produced Spanish language catalogs has been an obstacle and country supplements by Scott have not been forthcoming even in digital format. The regionally produced catalogs I acquired in my travels are from Argentina, Brazil, Colombia, Uruguay and Venezuela. They serve to identify varieties of stamps not recognized by any of the global catalog companies. Numerous studies have been published privately covering the various nations, but these do not attempt to price the items. In fact, pricing is a major issue since the catalogs I cited are many years out of date on pricing since currency stability is unknown in the region. They do however provide a guide to varieties not covered elsewhere. Note that there is a Michel catalog for South America and it comes in two volumes at a cost of $160 each, but it is three years old and out of print. Stanley Gibbons offers regional catalogs for something as finite as the Falkland or the Leeward Islands but has apparently not published a South American catalog since 1989.

In this and future articles I will address just why these countries offer the best opportunities for investors to purchase MoneyStamps at price levels well below the price profiles for other more widely collected countries. The country that stands out most clearly is Colombia. It was, by far, the most prolific issuer of stamps at the national, state and private level. From its first stamps in 1863 until 1940 it produced over 600 different stamps at the national level, over 400 by regional states and over 300 stamps by the private air carrier Sociedad Colombo-Alemana de Transportes Aereos (SCADTA) which operated for a brief period in the 1920’s. I think only the USA and Russia issued more stamps in this time period.

PROMOTED

Regarding the Moneystamps for Colombia, they have 1079 mint or used issues which qualify with 611 rated MSR 5 to MSR10. Below is a selection of  these stamps.

The MoneyStamp ratings are assigned based on weighing the various factors and then measured on a scale of one to ten with the designation MSR 1 to MSR10. Stamps rated MSR 1 to MSR 4 are issues which meet the value and time criteria to be considered for investment purposes but have so far demonstrated low appreciation rates or lack other attributes that would point to above average future performance.  They are however judged likely to hold their value going forward or they would not be rated at all. Stamps rated from MSR 5 to MSR10 are those judged likely to appreciate at greater than the rate of inflation.

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I'm a former Forbes columnist, investment advisor and publisher of the Forbes/Lehmann Distressed Municipal Debt Report. As a lifetime investor in

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# Covid-19 Related Municipal Defaults Begin

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

Richard Lehmann blogs on Income Investing and Philately

Apr 28, 2020,04:45pm EDT

This article is more than 2 years old.

  The COVID-19 pandemic has come to the municipal bond market. So far, 5 issuers of $407 million in bonds have used it as an excuse for not making their scheduled interest and principal payments and 2 have even used it to request additional draw-downs of reserve funds. The magnitude of the problem, however, will likely be much, much bigger. We note there are some 236 issuers of $23.89 billion who have been failing to make their scheduled monthly payments and relying on the bond reserve accounts to make up any shortfall. How many of them will now see a plausible excuse to cutoff fund remittances altogether?  Hospitals and retirement facilities will likely stop payments unless they can qualify for federal loans and aid. In fact, would it surprise anyone to see a wave of lawsuits by relatives of those who died from the virus. And what about those private purpose issues which had to shut down or are dependent on sales or other tax revenues and now need cash to start back up. They are vulnerable because the bonds often represent the only capital invested in the project. We may see bond issuers going back to the current large bondholders and asking for loans of a secondary issue.

In the case of nursing and retirement homes, knowing the story and characters behind numerous deals, not collapsing would be the surprise. As some are fond of thinking, “A crisis is a terrible thing to waste.” We will keep track of those using the pandemic as an excuse for their failure and let you know who is blowing smoke. We expect that numerous projects and issues will fail, but mainly because for many, failure has been in the cards for years. Stay up-to-date with our newsletter, the Forbes/Lehmann Distressed Municipal Debt Report at distresseddebtsecurities.com

Check out my [website](https://stampfinder.com).

Richard Lehmann is publisher of the Forbes/Lehmann Distressed Municipal Debt R

I'm a former Forbes columnist, investment advisor and publisher of the Forbes/Lehmann Distressed Municipal Debt Report. As a lifetime investor in

# The Dynamics Of Price Discovery In The Stamp Market

[Richard Lehmann](https://www.forbes.com/sites/richardlehmann/)

Contributor

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Apr 21, 2020,05:23pm EDT

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  We hear a lot about “the market price” for a given item, be it stocks, oil, gold or stamps. In the case of the first three, prices are a function of minute by minute transactions, or in the case of gold, a daily price fixing based on pending orders. When it comes to stamps, the process is anything but clear and subject to a variety of considerations which have greatly changed over time. The term ‘price discovery’ is used in economics to recognize that pricing as a process rather than a dictate. Yes, the prices quoted for stocks are set by the value needed to balance the buy and sell orders in hand, ready to be executed. In philately, things are not so clear.

               The biggest obstacle to stamp pricing is that there is no way of knowing how many of any given item are available or in demand. This is because most buyers are ambivalent toward what they want on any given day. They will go on-line to see what is being offered for a multiple of items. They will choose to buy specific items because they look cheap or have been on their want list for the longest or meet criteria of quality, dealer or source.

What made stamp pricing so uncertain is that the price or a price change fora stamp has no effect on supply. This is because supply is mainly a function of collector death or a major dealer’s impending retirement. In years past, price discovery had numerous stamp shows throughout the year where dealers would congregate to exchange experiences and opinions and be influenced by customer buying and questions. At some point, one or more of these dealers would be asked by the catalog companies to express their opinion on the stamps in their specialty and that opinion would be based on years of experience in setting prices.  What often occurs is that a country is judged to be on the rise or decline and a percentage effect is decided on for most of the items for that country. Also, certain specific items would be treated much better or worse than the average. I suspect much of this is driven by whether that dealer is looking for the item for specific customers or is overstocked on that item. Items over $100 are easier to price because they are often sold individually at public auction.

               The Internet has played a major role in disrupting how things were done in the past. Stamp shows are on the decline and smaller than before. While the huge sales sites like eBay would appear to serve as a more reliable pricing source, it is a mixed blessing. The stamp offerings there are from a mixture of dealers, collectors selling off their collections, scam artists and rank amateurs who often don’t know the value of what they have. In short, you have a flea market, not an organized or regulated forum. Add to this the fact that eBay does not generate the sale information in a readily usable form, thereby leaving catalog companies with a daunting task making sense of it all. The overall effect of all this is that stamp prices have declined due to numerous part time and one-time sellers willing to undercut the market in order to liquidate their collections. Since many of these sellers are retired, they put a very low value on the time and effort needed to conduct their business. This represents not a threat, but a permanent reality for professional dealers.  A reality for which they need a new strategy.

My recommendation to dealers who don’t do stamp shows is to abandon the individual sale of stamps and sets priced below $5 dollars or even more and focus on the advanced collectors who generally are only missing higher priced items. This strategy is helped by eBay in that they now show a dealer’s professional credentials, such as for the ASDA and NSDA, on each listing. This conveys a stature as the Mercedes dealer who sells quality and stands behind his product without question. This becomes more and more important as the price of an item rises, since this makes buyers more cautious.

A successful dealer is one who understands what’s most important in business; namely turnover, turnover, turnover. Focus on that rather than getting what you think a stamp is worth. Dump it after six months for whatever you can get, with few exceptions, and you won’t find yourself with too much money tied up in stagnant inventory.

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My perspective is as a promoter of stamps as an investment by individuals who are looking for a safe-haven investment to diversify their asset holdings. Dealers should focus on cultivating this niche of buyers because their focus is on Moneystamps, rather than on filling a blank space in an album. They want to invest large amounts of money in investment grade stamps and will buy multiple copies of a high priced one when they consider it a good long-term investment. My efforts are in making such investors aware of how good a long-term investment such Moneystamps have been. They represent a Godsend for an industry where the traditional buyers are in steady decline due to demographics. It is a decline unlikely to reverse in the next decade. The number of investors seeking safe-haven assets, on the other hand, is massive and will continue to grow. They have the power to remake the stamp industry. Ignore them at your peril.

Richard Lehmann is president of USID Inc., which owns the **www.stampfinder .com website** and author of the book **Moneystamps – The Safe-Haven Investment In An Unsafe World**, available in digital or hard copy on Amazon. He is a past director of the ASDA.

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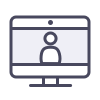
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[Foundations of Probability](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10700)

  5

[Python: Data Structures & Algorithms](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10703)

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[Technical Skills Survey](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10712)

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[Your Data Science Toolbox](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10720)

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[The Apps Project](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10727)

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[Congratulations!](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/10742)

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[What is Data Science?](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18565)

  11

[Problem Identification](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18576)

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[The Python Data Science Stack](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18594)

  13

[Creating Your Job Search Strategy](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18610)

  14

[Applying the Data Science Method](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18619)

  15

[Data Wrangling](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18648)

* 16

[SQL & Databases](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18674)



* 17

[Your Elevator Pitch and LinkedIn Profile](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18694)



* + 17.1

[Elevator Pitch](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18695) 2/3

* + 17.2

[Create (or Update) Your LinkedIn Profile](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18699) 0/5

* + 17.3

[Wrap Up](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18706)

* 18

[Statistics for Exploratory Data Analysis](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18708)



* 19

[Python Statistics in EDA](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18751)



* 20

[Effective Networking](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18769)



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[Machine Learning Overview](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18786)



* 22

[Supervised Learning](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18803)



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[Unsupervised Learning](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18856)



* 24

[Feature Engineering](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18892)



* 25

[Informational Interviews](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18911)



* 26

[Machine Learning Applications](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18921)



* 27

[Find the Right Job Title and Companies](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18940)



* 28

[Data Storytelling](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18954)



* 29

[Specializations](https://www.springboard.com/workshops/data-science-career-track-f2c/learn#/curriculum/18978)

scroll icon

**Create (or Update) Your LinkedIn Profile**

LinkedIn is one of the most powerful tools you’ll use for your job search. The sooner you have a profile that brands you as a professional in the space of data science, the faster you’ll be able to develop strong connections with data science professionals.

1

**Get a LinkedIn Job Seeker Premium Account Optional**

Saved



15 - 30 Minutes

LinkedIn accounts are free to create and use. However, the paid accounts offer several important benefits over the free version, including:

* Advanced search and filtering options
* Ability to send additional cold emails (InMails)

You can try LinkedIn Premium for free for one month if this is your first time creating an account. We highly recommend upgrading to the paid account for the duration of your job search to enhance your efforts.

2

**The 31 Best LinkedIn Profile Tips for Job Seekers**

Save



10 - 20 Minutes

4 Points

This article offers 31 tips for creating a great LinkedIn profile.

3

**How to Write a LinkedIn Summary (About Section): Examples and Tips**

Saved



5 - 15 Minutes

3 Points

The LinkedIn summary is an opportunity to craft your narrative, convey your journey, and demonstrate your communication skills. A good summary helps you stand out to anyone reading your profile. How do you actually write one? This article provides a few great ideas.

4

**Five Examples of Great LinkedIn Summaries**

Save



10 - 20 Minutes

4 Points

Need a little inspiration to help you write up a well-crafted LinkedIn profile summary? This article is here to help. Explore several examples of standout LinkedIn summaries with business writer Aja Frost.

5

**Update Your LinkedIn Profile**

Saved

2 - 5 Hours

64 Points

It's time to create or update your LinkedIn profile! **If you don't feel comfortable making changes to your public profile yet, feel free to create a mockup version of your LinkedIn profile in a Google Doc or similar tool,** and then make those changes to your actual profile when you feel comfortable doing so.

Use the tips you've learned from the resources in this unit to craft (or update) your LinkedIn profile. Don't worry if you are missing some information; it's important to start building your profile now, as you'll be adding to it throughout the course. When you've finished, submit your profile's public link — or a link to your mockup — so your career coach can give you additional feedback.   
  
You can use [this rubric](https://docs.google.com/document/d/1j6QjNv1JstkjbVSVzIt1vHKPNWjSEyvKt9k8ZuRt_CY/edit) as a guide while working on this task. In a later section, your LinkedIn profile will be evaluated using this rubric.

Pro tip: Send an email with a link to your LinkedIn page to your mentor and ask for their feedback.

Top of Form

Paste URL(s) to your document(s):

Please ensure that the document url is shared with public accessibility. Not making your submission publicly accessible could increase the time to receive feedback

Top of Form



Bottom of Form

+ Add another link

Bottom of Form

Top of Form

You can submit a project multiple times.

Bottom of Form

6

**Schedule an Elevator Pitch and LinkedIn Group Coaching Call**

Saved



2 - 5 Minutes

1 Points

**Note: If you haven't completed your first coaching call yet (Job Search Strategy), please go back to Unit 1.4 to complete that call before booking this group coaching call.**  
As you work on drafting your Elevator Pitch and creating your LinkedIn profile, it’s essential to get feedback to make adjustments so you can put your best foot forward. Schedule a group call to collaborate with a Career Coach and other job-seeking students using the link provided. This will be the **first of two group coaching calls** during the course and will have no more than 6 students per call.

**Group Call Agenda:**

**✔** Refine the way you present your skills and experience to others

**✔** Receive feedback and recommendations from peers

**✔** Learn how to make a compelling LinkedIn profile

Get a jump start on preparing for the call by crafting your pitch! Use [this template for building your Elevator Pitch](https://docs.google.com/document/d/1rYYFEeQ6imqM9HAEMffC3ghOs1Jk0bwB2j3gwetmT-8/edit) to help get started! **You will be using this template during the group coaching call, so please have this filled out and ready to go!**

Please note that the career coach calls are typically scheduled 2 weeks in advance which helps in booking slots with our best coaches for you. Calls that are rescheduled or canceled less than 24-hours in advance will be considered a no-show. Here is the [Career Coaching Call Policy](https://data-science-career.springboard.com/article/1757-career-call-policies) for your reference.

Completed Curriculum

30%

Weekly Goal

Your goal: 250 pts - 85 pts remaining



165