RAYMOND JAMES PRESENTS

WORTHWHILE

Spring 2021

A publication of thoughtful insight dedicated to the life well planned.

RAYMOND JAMES

Spring has sprung, and along with it comes the newest edition of Raymond James' award-winning WorthWhile magazine. With our compliments, of course. A little something to help bridge the distance until we can meet again.

We love sharing this beautifully designed publication with those who will appreciate the balance of lifestyle and financial content relevant to your life. This issue offers a peek into the role insurance can play in protecting your blind sides; travel to little known national parks; and what an investor can do in a lower-for-longer interest rate environment. Tucked inside, you'll also find a look at breathtaking bumbershoots and the pandemic pet boom.

We hope you enjoy the magazine and find something worth sharing. We look forward to hearing your thoughts on this or anything else you'd like to discuss. Please feel free to reach out anytime. We always enjoy hearing from you.

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We all see ourselves as untouchable in some ways yet remarkably unguarded in others. It's an interesting dichotomy that plays out as we navigate life, and it may evolve as we age. The good news is there are ways to protect our vulnerabilities that can leave us with a sense of comfort, calm and protection. p16

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Covering our blind sides

Insurance is rarely a fun topic. We know we need it; we may even understand why. But it still leaves us feeling a little uncomfortable, out of our depth, perhaps even exposed. And all that is exactly why we need to talk about insurance and the role it can play to protect not just what we've worked hard for, but what we care about most. The Cover article breaks down some of the little white lies we tell ourselves to avoid digging a little deeper and reveals ways we can help protect our blind sides and make ourselves less vulnerable.

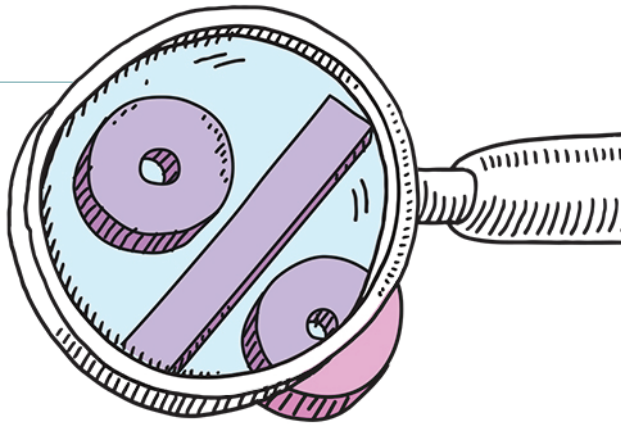
As you flip through this edition, you'll also find our takes on investing in a "lower for longer" interest rate environment; decluttering for peace of mind; hidden gems among our national parks; ways to connect and offer long-distance "tech support," and the role philanthropy can play in promoting mental health awareness and solutions. On the lighter side, dive into the recent pet boom, the buy-nothing economy and pretty things that are more than worth a look. We hope you find something to enjoy and share with those you care about.

Last but certainly not least, we'd be remiss if we didn't once again thank our readers for their thoughtful suggestions and feedback. One reader was inspired by our philanthropically friendly gifts in Worth a Look and encouraged us to pursue future articles on purposeful spending. Lance L. found the topics in the fall edition meaningful, particularly those on estate planning and giving. Complicated areas, to be sure, but ones that add both purpose and meaning to wealth, so we'll continue to bring them to the forefront. Ron F. expanded on both these ideas and suggested future articles that go further into the nuances of trusts and taxes, as well as the investment world's response to demand for ethical, sustainable governance and stewardship. We plan to address all this and more in future editions. In the meantime, please feel free to share your own thoughts with us as well.

We hope you and yours have had a wonderful start to the year, and we look forward to sharing even more in our upcoming summer issue. Thank you!

Email us

WorthWhile wants to know what you think – about articles we've done, suggestions for subjects you'd like to see covered, or anything else on your mind. Please write us at **worthwhile@raymondjames.com**. Your email address will not be shared with anyone. We may condense or excerpt from letters depending on the space we have available.



The inflation outlook

by Scott J. Brown, Ph.D.
Chief Economist, Raymond James Financial

For a variety of reasons, investors are worried about higher inflation. However, while we may see reflation – a pickup in prices that were restrained due to the pandemic – a lasting increase in inflation appears unlikely.

The Consumer Price Index (CPI) measures the cost of a basket of goods and services over time. The basket represents what a typical consumer would purchase. The CPI is not a true cost-of-living index and personal inflation experience will vary. The Personal Consumption Expenditures Price Index (PCE Price Index), the Federal Reserve's chief inflation gauge, uses the same weights as the CPI, but allows the basket to change as consumption patterns change; it tends to rise more slowly than the CPI. Economists often exclude food and energy prices, but not because they don't matter. Rather, these prices are volatile, and we are interested in the underlying trend.

Money supply measures surged in the pandemic. However, the relationship between the monetary aggregates, growth and inflation broke down in the late 1980s. The surge in liquidity during the pandemic helped relieve financial strains, supported growth and lifted asset prices, but has not boosted inflation.

Large federal budget deficits do not cause higher inflation. In the 1980s, the U.S. ran deficits on the order of 5% of gross domestic product (GDP) while inflation fell. The Japanese government has a debt-to-GDP ratio of over 235%, yet continues to battle deflation (a general decline in the price level).

The pandemic has disrupted supply chains, lengthening supplier delivery times and raising input costs, but these pressures should recede as vaccines are distributed. The U.S. trade deficit widened during the pandemic, putting some downward pressure on the exchange rate of the dollar and upward pressure on commodity prices. However, while inflation in raw materials has increased, U.S. firms continue to face difficulties in passing higher costs along, and there is little inflation in imported finished goods.

Supply and demand

With limited ability to spend during the pandemic, household savings have increased. As the service side of the economy rebounds, strong demand could lead to higher prices for travel and hotels. However, there are plenty of empty hotel rooms and idle airplanes sitting on runways in the desert.

With strong demand for housing and continued supply constraints among builders, home prices have jumped in the pandemic. However, the price of a home does not factor into the CPI. The Bureau of Labor Statistics measures the service that a home provides, not its asset value – and so considers owners' equivalent rent (which accounts for 24% of the overall CPI).

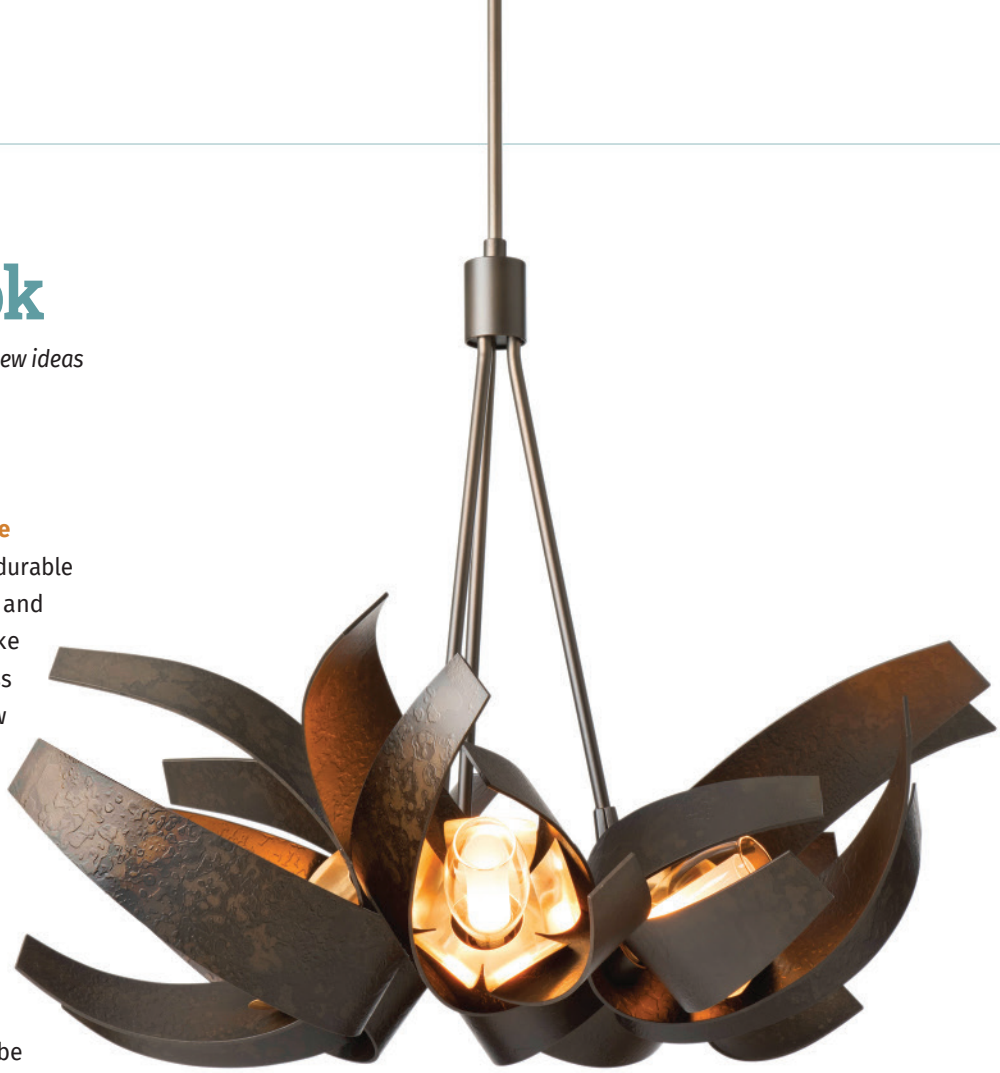
The Federal Reserve (the Fed) has a long-term inflation goal of 2% (as measured by the PCE Price Index), but made an important change in its monetary policy framework last year. Following a period with inflation below 2%, the Fed will shoot for a period with inflation above 2%. There is no mathematic formula, but the central bank will be more tolerant of higher inflation than it has in the past.

Economists view inflation as being driven by two factors: inflation expectations and the degree of economic slack (such as the unemployment rate). Inflation expectations, as measured through surveys of professional forecasts or through market measures (such as the spread between inflation-adjusted and fixed-rate Treasuries), have remained well-anchored. There should be ample slack in the economy well into next year.

Raymond James Chief Economist Scott J. Brown, Ph.D., serves on the economic advisory committees of the American Bankers Association and the Bond Market Association. // In addition to providing insight to Raymond James advisors and their clients, he is a frequent commentator on CNBC and other media outlets.

Worth a Look

A compendium of fresh looks and new ideas



An homage to the celestial forge

The juxtaposition of immanently durable materials, sure-handed power and statement-making style make Hubbardton Forge's Corona brass pendant a celebration of New England's finest blacksmithing traditions. Its clusters of "petals," surrounded by hand-forged steel, create strategic reflections and refractions whose warm, golden glow suggests the blooms of both its solar namesake and the forge fires expertly tamed in its crafting. Let there be light at hubbardtonforge.com.

An exquisite enigma

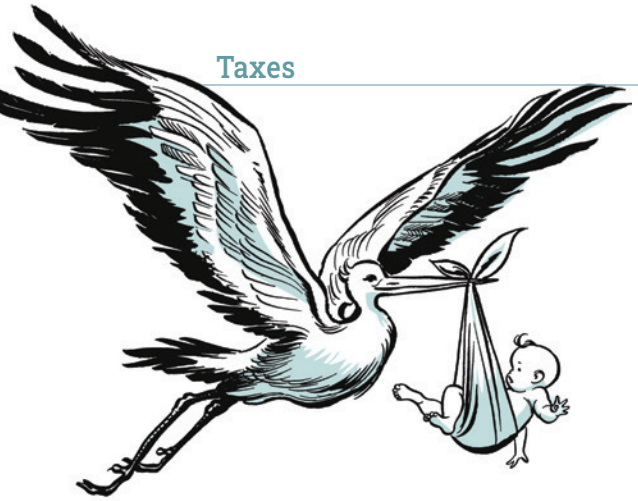
The perfect puzzle is a stranger's seemingly endless shaggy dog story that, hours later – after your subconscious mind unravels the layers of metaphor – reveals its truth. Puzzle boxes have long been a woodworker's test of precision in search of those moments of revelation, but Japan's Karakuri Box elevates it to a rarified art. The Apricot 2 is among the collective's most refined creations, a subtle marvel of Tochi, Japanese horse-chestnut wood. Underneath its perfectly carved bows and graceful inlay lies a secret able to delight. If you're willing to wait for good things, see it at karakuribox-webshop.com.

Springtime savoir faire

To walk along Park Avenue underneath the bright red ombré umbrella is to stroll beneath your own kind of sunshine. Scully & Scully, one of New York's storied high-street curators of fine goods, presents this Italy-made golden rose umbrella for such occasions. Its rose bloom handle hints at the hidden garden beneath the two-tone canopy. Bring style to precipitation at scullyandscully.com.

Ne'er a finer light against a nasty nor'easter

One can imagine Tashtego, the Pequod's talented hunter, leaning nearly over the bow regardless of the treacherous waves as the steel point of his harpoon flickers in the light of the Stelton Ship Lamp. Though its stainless steel exterior and wind-resistant design make it suitable for the seas, the House & Hold kerosene lamp may find as comfortable a place among your garden party decor. Start a conversation, or a transatlantic expedition for revenge, at houseandhold.com.



Life-changing events change your taxes, too

Legislation and life – two things guaranteed to change your federal tax situation. Here are a few major milestones you'll need to tell your tax pro and your advisor about as soon as possible. The former can find credits you qualify for and dig up deductions, while the latter can help you come up with flexible solutions, like lines of credit, to pay an unexpected tax bill from the IRS.

1 **You say "I do."** For married couples, filing jointly tends to yield lower taxes and higher deductions, but not always. Make sure the name you use to file matches your Social Security card, and you update your W-4s.

2 **"I don't anymore."** The end of a marriage means your filing status will change to single or head of household. If your divorce is finalized in 2021, then you'd file as married filing single or married filing jointly for 2020 even though you'll be divorced come tax day. Dependents can only be claimed by one of you; if you have two children, each spouse could claim one, for example. If you have an odd number of children or can't agree how to claim dependents, the IRS tends to favor the custodial parent. Plus, only the custodial parent can claim the child tax credit.

3 **You welcome a bundle of joy.** Kids – whether adopted, biological, step or foster children – come with a bundle of tax breaks for qualifying care costs, education and the child tax credit. Single parents can file as head of household, which offers better tax rates and a higher standard deduction. New parents may want to consider a 529 college-savings plan as well; savings grow tax-deferred and many states offer deductions or credits.

4 **You upsize or downsize.** A house purchase opens up potential deductions on paid points, mortgage interest and property taxes if you itemize. In some cases, there are credits or deductions for home improvements and energy-efficient upgrades. Selling? If you meet certain conditions, you may exclude the first $250,000 of gain from the sale of your home from your income and avoid paying taxes on it. The exclusion is increased to $500,000 for a married couple filing jointly.

5 **You lose a loved one.** The dearly departed still need someone to file a final tax return (perhaps also an estate tax return) on their behalf. Money left to heirs generally is income-tax-free at the federal level, with the exception of money withdrawn from an inherited IRA or 401(k) plan account (distributions from qualified accounts have their own rules).

TIP

Moving to a different state could mean a different income tax situation.

Heirs may also have to pay taxes on gains earned after selling bequeathed stocks and other property. When you inherit property, you get the benefit of what's called a "stepped-up basis," which means if you sell the asset, you'll be taxed only on the gain since the deceased's date of death, not the gain from the original purchase price. Note: Surviving spouses may still be able to file jointly up to two years afterward, provided they haven't remarried and meet the other requirements.

6 **Your job changes.** New gig? Rethink your W-4. Lose an old one? Unemployment benefits are taxable. Promoted? A raise may mean a higher tax bracket and a chance to adjust your withholdings, as well as dial up your contributions to tax-advantaged retirement accounts. Double-check that the higher income didn't phase you out of Roth contributions or out of the ability to deduct contributions to a traditional IRA, which changes based on your modified adjusted gross income. Retiring? Distributions from qualified accounts are taxable, so talk to your finance professionals before you make any distribution decisions.

Sources: tldraccounting.com; turbotax.intuit.com; irs.gov; creditkarma.com; fool.com; debt.com; cnbc.com; thebalance.com; alllaw.com; 1040.com

While we are familiar with the tax provisions of the issues presented herein, as financial advisors, we are not qualified to render advice on tax or legal matters. You should discuss tax or legal matters with the appropriate professional.

Mental health heroes

What we can learn from the philanthropists taking action to reinforce resilience

"Just as the green sprouts come up through the cement in the sidewalk, there's something about life and the human heart that wants to renew itself."

Those are the words of mindfulness expert Jack Kornfield, offering a resilient perspective as mental health and substance abuse disorders rise in the wake of the pandemic. We take a closer look at three philanthropists tending to that renewal, discovering hope and lessons in impactful giving for anyone with the desire to affect change.

DONOR
TARAJI P. HENSON

Project: When the "Empire" star sought a therapist for herself and her son, she realized how difficult it was to find compassionate care. A mere 4% of psychologists are Black, the American Psychological Association reports. She also was struck by an alarming rise in the suicide rate among Black children. To bolster mental health support for Black communities, Henson took action by creating the Boris Lawrence Henson Foundation in 2018. Since the start of the pandemic, the nonprofit has been offering free virtual therapy, helping 1,500 participants so far.

Takeaway: If you're passionate about an issue and can't find an existing charity that lives up to your vision, consider starting your own or using a donor-advised fund to make strategic grants within your own community.

The statistics of Black children who've died by suicide have continued to rise; we cannot ignore that. ... I am compelled to do something."

DONOR
MACKENZIE SCOTT

Project: Scott made headlines in 2020 by donating roughly $6 billion of her fortune in a single year, a breathtaking pace. Taking a data-driven approach, she and her team of advisors spread this money across hundreds of community-based organizations in 50 states, Puerto Rico and Washington, D.C., leaving "no strings attached" to allow flexibility. Scott intentionally chose nonprofits such as Easterseals that provide mental health services and help meet the basic needs of people with disabilities, veterans, caregivers and their families.

Takeaway: When the need is great, don't be afraid to give boldly – but first, do your homework with the help of those in your inner circle and trusted advisors.

Because our research is data-driven and rigorous, our giving process can be human and soft."

DONOR
MELINDA GATES

Project: Gates' Pivotal Ventures helped fund the launch of The Upswing Fund for Adolescent Mental Health in October 2020. The fund plans to make grants to nonprofits to increase patient capacity, purchase telehealth and technology resources, and support efforts to address the barriers that keep young people from accessing care. It is especially interested in accelerating the cycle of innovation to make an outsized impact.

Takeaway: Philanthropists can play a key role in supporting unconventional approaches to big problems.

Growing up is never easy – especially during a pandemic. ... Let's make sure young people everywhere know they are not alone."

Sources: "Ten Percent Happier" podcast; JAMA; American Psychological Association; SAMHSA; borislhensonfoundation.org; mackenzie-scott.medium.com; pivotal-ventures.org; Forbes; easterseals.org; The Washington Post

Love and care, long distance

Discover meaningful ways to remove the longing from long-distance relationships

A full year into the pandemic has taught us many things. We now can somewhat confidently say we know how to Zoom and how to make or bake a new culinary delight (sourdough, anyone?). We have found comfort in our hobbies and rediscovered the importance of staying connected with newfound fervor. Still, loving our family and friends from a distance has left us looking for even better ways to send a digital hug and get one back. The challenges of distance and separation aren't likely to disappear entirely even with a vaccine – we're a mobile society, after all – so we should take what we've learned about congregating digitally, improve upon it and enjoy doing so. Turns out, we are not required to stick to office-like video chats, sharing TikTok sea shanties and game apps, among other pandemic-era ephemera. That was so 2020.

Connect the thoughts

Oxytocin is a powerful thing, that neurotransmitter that gets released when we share a good meal or a warm embrace, a bond that is bridged every time we rock our grandchild to sleep, trip the light fantastic with our mates, or chuckle uncontrollably at our best friend's antics. According to a recent poll by IPSOS, 66% of Americans struggle with feelings of isolation and discouragement as a result of social distance, while 74% admit they had a difficult time staying in contact with close friends and family during quarantine. While we may not always be able to cradle our grandchild or cheer our special pal's latest achievement, we can find more meaningful ways to remove the longing from long-distance relationships.

Americans over the age of 50 report the least negative impact of all populations surveyed by IPSOS, averaging 10% to 15% less stress than those ages 18-34. There are several hacks to living remotely and, surprisingly, it is the elders, not the digital natives, who know how to best operate the "remote control." Focusing on creative ways to connect during any extended stint as an introvert provides purpose for our time away from the cheeks we most want to kiss and the necks we most long to hug.

The soul in our food

In cultures where seasoned cookware is an heirloom, the recipes always have a special ingredient, nobody makes them better than grandma and the kitchen is the spiritual center of the family. Those moments, and that food, have a lasting impact.

While nothing can quite replace a good meal shared in great company – we have yet to invent a way to taste those tantalizing dishes on Instagram display – we can share a favorite family recipe instead. Ask your grandchil-

dren to join you for a co-cooking class, sending the recipe and shopping list along with the event invite. Then, using one of the myriad video apps, cook together in real time, sharing pointers and poignant anecdotes that go along with the meal. Your focus will be off the screen and on the moment. By the end of the shared meal that follows, you'll all recognize that the secret of the dish isn't in the sauce. But you knew that already.

Little shared confidences

Planned conversations and the expectations that come with them can be difficult for anyone, especially children. Changing the pace and the content can go a long way toward engaging young ones more meaningfully. Apps like Marco Polo allow you to send a short video message that the recipient can watch at any time. Rather than asking about school, use the video chat to share an unusual bug you found on your walk or your cat's strange shenanigans. It's like a treasure-filled show-and-tell.

By presenting our random musings whenever we think of someone, we share a more visceral look into the details of our daily lives. In return, the call-and-response format allows loved ones of any age to reply with spontaneity and creativity.

Rediscover classic party games

Fits of giggles are the mark of a good party game, and luckily many of the classics still work even when game night gets a long rain check. Pictionary remains a classic for a reason, and Zoom, the ubiquitous video chat program, spares us the necessity of a big easel with its whiteboard feature. There are a cornucopia of setup guides online. Even simpler: trivia games, charades, "two truths and a lie" – the list is extensive.

Going analog

Sometimes offering tangible tea and sympathy is just the ticket. For these moments, try sending matching mugs, cookies and tea sachets to your closest pal before a virtual or phone tête-à-tête. The similarity in tastes, sights and smells will enhance the feeling of being close together and fill the mug with warm memories for future use. Bonus: anti-anxiety GABA neurotransmitters release when hot liquids are consumed.

Another analog way to offer comfort is to write letters. The elegance and emotion imbued in the handwritten has only been enhanced with the adoption of instant communication. Pen, ink and love can say a lot more than hours in front of a screen. Letter writing allows more thoughtfulness and a sense of private journaling that fosters authenticity. Not sure where to start? Prompts and questions can be found at Storyworth, StoryCorps and "The 36 Questions that Lead to Love," a 2015 essay published by The New York Times. Depending on the age of your pen pal, you can tell stories of your own youthful adventures, resilience and lessons learned. If you have older grandchildren, relay anecdotes about their parents at their age to capture their attention and imagination. Perhaps start by sending an old family photo, a personalized stationery set, and a note about childhood mischief-making. You may even begin to write a story together, be it a biography or fantasy. Use sites such as goinswriter.com and jerryjenkins.com for tips on how to get going.

> 66% of Americans struggle with feelings of isolation and discouragement as a result of social distance

Not feeling very wordy? An old-school care package can speak volumes without a sense of obligation to reciprocate. We live in an age when you can essentially send anyone anything from anywhere in a matter of days, or even treat your loved one to a meal from their favorite local spot delivered to their doorstep. Even gourmet ice cream for a long-distance sundae social from sites like goldbelly.com or postmates.com is surprisingly doable.

The medium doesn't have to be the message

Whether its food, frolic or fun, the possibilities to reach out and touch someone are endless. The key is to use the opportunities to create a mutual "tech support" team. The lesson we're all learning is that video chat really is an incredible achievement, and we can appreciate that without allowing it to drain all the color and variety from our relationships. Knowing a tool for what it is – and what it isn't – is the mark of a skilled crafter, and taking that approach can help us get through times when our loved ones are far. With a little imagination and a little patience, love will find its way. But that has always been true.

Sources: ipsos.com; The New York Times; Inspired Classroom; CNBC.com; The Economist; BBC.com; chipcreative.co.uk

Your financial house, in order

Five tips to make organizing your financial life feel like a big win – for yourself and your family

Whether your home office is so tidy it would make a personal organizer swoon or so messy it resembles an archaeological dig, keeping it in order should be a regular practice. After all, the stakes are high. Here's what we mean.

Pop quiz: In an emergency, could your loves ones find your advanced care directive or power of attorney? Are those papers in a safe deposit box at a bank branch that's closed due to the pandemic? What about your most current will? If you had to evacuate your home, could you quickly get your hands on your passport, deeds and keepsakes? Are these in a watertight, fireproof safe, or scattered around unprotected?

As you can see, it's not enough to have the right documents – it's also crucial to have them updated, neatly stored and accessible. We've researched the most up-to-date best practices for keeping files safe and handy using physical and digital storage. Read on for five tips that can help you take control of your financial life.

EQUIP YOURSELF FOR DIGITAL SUCCESS

If you'd like to have a secure and organized system for paper, a scanner and a shredder are a must. These tools make taking action on paperwork easy (aka preventing paper piles of doom). Think you might need that document, but you can't fit another thing in your file cabinet? Scan and toss, or shred if it contains sensitive data like a Social Security number.

Digital storage has many upsides. You don't have to pay much attention to space restrictions as you would with physical files. Also, it's easier to securely share and keep items, and you can search for files by dates or keywords – a true game changer.

Some fancy scanners such as the ScanSnap automatically sort documents based on file type (photo versus receipt) and name files based on scanned content. If you don't have the budget or room for another machine, a smartphone app is a handy alternative.

One last essential tool: a service for storing and syncing your digital data in the cloud, so you don't lose everything if your computer is stolen or damaged. Which one you choose will depend on what features are most important to you, but popular services include Dropbox, Google Drive and iCloud. It's also smart to take advantage of any proprietary storage features your advisor may offer, which allow you to securely store and share financial data with each other, as well as trusted family members, and helps them coordinate with other professionals (such as your accountant at tax time).

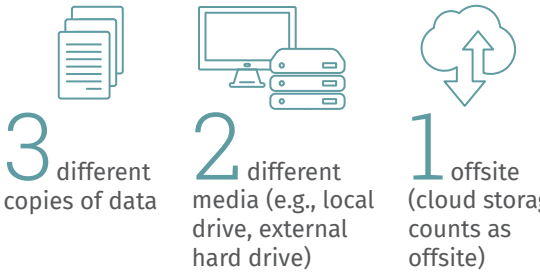
THINK LIKE AN EXECUTOR

The most crucial papers to organize are the ones those closest to you will need when you're no longer around. This includes your will, bank statements, insurance policies and birth certificate, for starters. So put yourself in your executor's shoes when storing estate paperwork – this kind of planning is about helping others. "It's going to be a lifetime gift that you're giving now to your parents or your partner or your children," Nolo's Betsy Simmons Hannibal told NPR's Life Kit. "It really is for the people you love."

Online services that organize and store all your vital details in a single convenient place are the latest innovation on this front. Some, such as Everplans, will even walk you through making a plan for everything from funeral details to healthcare wishes, sort of like TurboTax for end-of-life planning. You could also use an off-the-shelf workbook such as "The LastingMatters Organizer" to document your wishes.

As for notarized physical documents, storing them at home in a fireproof safe makes sense for most. This option is convenient and doesn't cost much. If you want to update your will or your family needs to access it, it's easy to find, just make sure they actually know where the safe itself is, how to get into it and, this is key, what they can expect to find inside. You can also keep an extra copy in a safe deposit box or with your estate attorney, though if the law firm merges or shuts, you'll be glad to have your own copy.

The data backup rule



KNOW WHAT TO KEEP

Even if your motto is "keep no paper," there are certain official records that deserve physical safekeeping: passports, Social Security cards, birth certificates and adoption decrees, property and vehicle deeds, marriage certificates, divorce decrees, signed and notarized powers of attorney, a will and medical directive paperwork. Yes, you can pay to get another copy of many of these, but it's better to have them and not need them than the opposite.

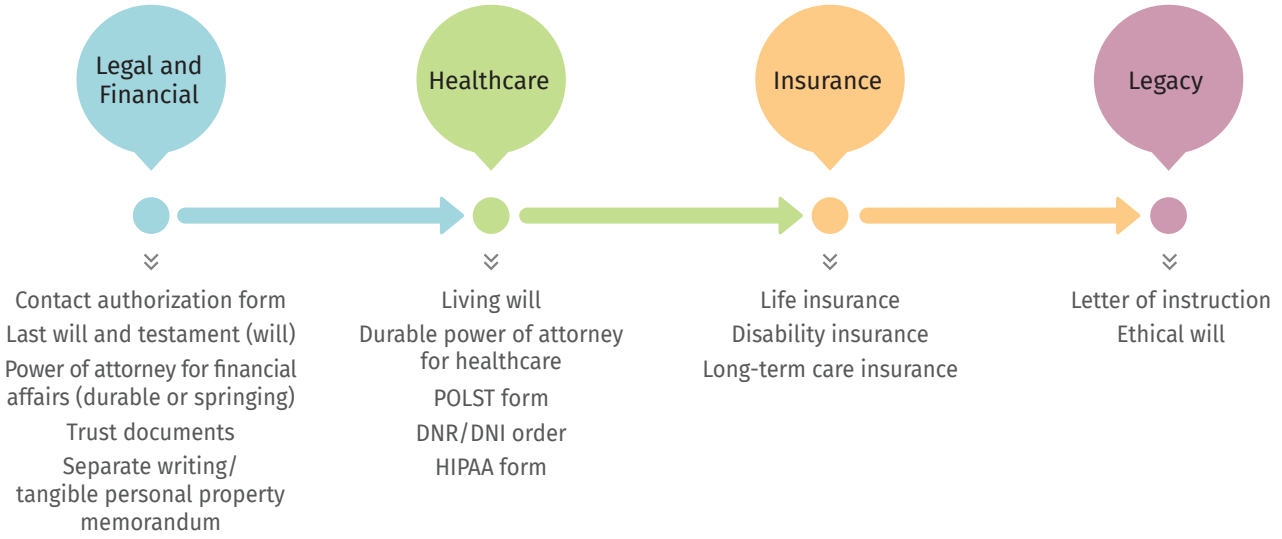
Maybe you're not a digital person. You love your filing cabinet, and you don't intend to switch to online recordkeeping anytime soon, thank you very much. What this means is that you're going to have to be much more knowledgeable about what to hang on to and more hands-on in your organizing. We've created a handy guide for just this situation (see next page for details).

DESIGN A BREADCRUMB TRAIL

This tip is especially relevant for documents prepared for the worst-case scenario – if no one knows it exists, your medical directive is of little use, for example. That's why experts recommend keeping a copy in your car's glove box, as well as giving copies to your doctor and your preferred healthcare proxy. You can then list these as "in case of emergency" or ICE contacts on a card in your wallet and in your smartphone's emergency call screen (for iPhone users, add this data in Apple Health; Android users can go to Settings > About phone > Emergency information).

Don't forget about digital access that your loved ones will one day need, which means everything from email and bank accounts to photo and music sites. Few of us think to create a paper trail to help locate these accounts and login IDs because it might invite unauthorized access. However, there is a secure way to guide your heirs. The first step is to make an inventory. Next, document the details in a safe place. You can use a secure spreadsheet template to get started at yourdigitalafterlife.com or you can use a service like LastPass, which has an emergency access feature that allows you to hand down passwords to heirs who can then securely maintain or close your accounts based on your wishes. If it's your main household responsibility to pay the bills and keep tabs on financial accounts, we're talking to you. You want to leave a legacy – not a logistical headache.

Essential document checklist



Prevent paper piles of doom

Here are guidelines on how long to hang on to your records. Want to go digital? Smartphone apps (e.g., Expensify, CamScanner) make it a snap.

1 year

Pay stubs
Bank records
Credit card bills
Current year tax records
Investment statements

3-6 years

Paperwork for home furnishings
Loan documents
Savings bonds
Vehicle records
Investment confirmations
Receipts for home and rental property improvements (*keep cost basis documents for three years after the property is sold*)

7 years

Personal, federal and state tax returns, as well as supporting documents (*if your tax situation is uncomplicated and you don't itemize, you may be able to toss them after three years, IRS rules state*)

10 years

Records related to foreign taxes paid

For life

Estate planning documents
Life insurance policies
Inventory of any safe deposit box
Defined benefit plan documents

CREATE A COMMAND STATION

Whether you call it the inbox, the Sunday basket or the command station, productivity and organizing pros say every home office needs a central collection spot for notes, bills, reminders, paperwork and actionable items. To make this a working system, you need to have a regular recurring appointment to plow through it all, whether that's daily or weekly. The beauty of this is that it frees your mind to focus on the given task at hand, knowing your household has a system for tackling all the incoming paper and you can find what you need quickly. Pro tip: Snail mail is trending these days, so have stamps, thank you cards and snazzy stationery at the ready near your command station for easy note writing (and paying the odd bill that can't be automated). One in 6 people have sent more mail to family and friends over the past year, according to a U.S. Postal Service survey.

Progress, not perfection

If your home office is a wreck right now, give yourself some grace. Instead of wasting energy on wishing the mess away, pick one of the tips above that speaks to your specific situation and take action.

If you're still feeling overwhelmed, you can seek out a professional organizer or turn to your advisor. They know your financial situation and can help you focus on the record-keeping tasks that are important for your life.

Finally, don't underestimate the value of completing even a single one of these organizing tasks. What feels like a small win today could make a major, lasting difference for your loved ones. Imagine them inheriting a legacy preserved, with priceless memories protected and instructions clear.

Don't forget about digital access that your loved ones will one day need, which means everything from email and bank accounts to photo and music sites.

While we are familiar with the tax provisions of the issues presented herein, as financial advisors, we are not qualified to render advice on tax or legal matters. You should discuss tax or legal matters with the appropriate professional.

Sources: Real Simple; pcmag.com; "Getting Things Done: The Art of Stress-Free Productivity;" LastPass; yourdigitalafterlife.com; Everplans; NPR's Life Kit; keepitsafe.com

Pandemic pet boom

As the dog days of the pandemic began to stretch on, Americans stress-bought all the pets. Roughly 20% of those surveyed by Nielsen in July said they had adopted one or more dogs or cats in 2020, up from less than 5% the same time last year. Want more proof of a pet boom? Consider the spike in vet visits, skyrocketing pet toy sales and even a rash of bogus breeder scams. It's clear we've gone head over heels for tails, scales and whiskers.

VERY IMPORTANT POOCH

10.5 million

Number of Instagram users who follow Jiff Pom, a Pomeranian and the top "pet influencer" (others include Dunder Kitten, Juniper the fox and Jack the cockatiel)

LAP OF LUXURY

$99 billion

What Americans spent on pets in 2020, up 3% from $95.7 billion in 2019. (Research shows we spend more on pets on a per-person basis than any other country.)

ARE YOU NOT ENTERTAINED?

18%

An 18% spike in U.S. pet toy sales was recorded for the 24-week period ending Aug. 15

FULL HOUSE

2 out of 3

Number of U.S. households that have a pet

CALL ME

Covi

Pet names like Covi (up 1,159%), Rona (up 69%) and Fauci (new in 2020) show the cultural impact of COVID-19

FAITHFUL FRIEND

86%

Percentage of owners surveyed who said their animal's companionship helped them weather the ups and downs of 2020

GIMME SHELTER

70%

Jump in the number of adoptions reported by the ASPCA in April 2020 over the same period last year, with some shelters emptied for the first time

Sources: Statista; American Pet Products Association's 2019-2020 National Pet Owners Survey; Pets in a Pandemic report from Mars Petcare's Better Cities For Pets 2020; The Economist; USA Today; Mashable; rover.com; aspca.org

A FIGHTING CHANCE

Insurance may be a secret weapon in your battle against unknown perils

When you think about wealth and your health, what comes to mind? What are your goals? Hopes? Concerns? Fears? Do you see yourself as invincible or vulnerable? Perhaps both in different areas. And that's understandable. It turns out the answers to these questions will help you recognize where you perceive risks in your life.

From there you can take one of three paths to shield yourself and your family as best you can:

Assume the risk. Getting on a plane. Driving on a crowded highway. Sitting in a chair with spindly legs. For whatever reason, you recognize the risk and are willing to take the chance anyway.

Manage the risk. Diversifying your investments, titling your property in accordance with your wishes, washing your hands before you eat. You're putting protections in place to actively manage your risk with the tools you have at your disposal.

Shift the risk. The peril is too great for you to handle, so you pay the premiums and deductibles for health, life, automobile and/or long-term care insurance. The goal is to shift the burden to an insurance or annuity company and away from you and your family.

It's human nature to avoid answering these uncomfortable questions – but with your head in the sand, you leave quite a bit exposed, and that's an unnecessary risk to take. The thing is, we'll never be able to get enough insurance or bubble wrap to enshrine everything we care about, but we can make better, smarter choices to give ourselves a fighting chance. It starts with breaking through our misconceptions to face reality and arm ourselves appropriately. It's time to learn just how much insurance can really do to protect your blind side.

BUT I'M PERFECTLY HEALTHY

If you've ever uttered those words to justify paying the bare minimum for healthcare coverage, we certainly understand. When you're in the glow of good health, it's hard to see how your health can drive you into the red, financially speaking. One major medical event can lead to bankruptcy (1 in 5 with medical bills, both uninsured and underinsured, had to file bankruptcy, according to a 2016 Kaiser Family Foundation/The New York Times survey), so it's a good idea to be covered by comprehensive medical insurance. Everyone who isn't under a spouse's or parent's plan, or Medicare, needs their own coverage.

Truly? We're going with a resounding yes. Admittedly, even though there are several ways to get coverage, even the smartest among us get stumped by the myriad benefits and fees associated with health insurance. It's hard to predict what benefits you might use now and in the future; to calculate the potential coinsurance, premiums, deductibles and fees; and pick a plan that makes the most sense. And with millions losing job-sponsored benefits, the choices in the marketplace may seem even more bewildering.

Here are a few questions to ask to narrow the field.

1. **Does the plan cover your preferred doctors and hospitals?** Check the insurance provider's website to find out.
2. **Relatively young and healthy?** You *may* be able to get away with less coverage and take on a little more financial risk. Consider a high-deductible plan paired with a health savings account. Be sure to talk to your advisor to determine how much you're truly comfortable paying out of pocket and set that amount aside. If you value more predictable expenses, this may not be a good choice for you.
3. **Need more care?** Look for a plan with lower deductibles and copays.

DISABILITY IS A DISTANT THOUGHT

In reality, more than 25% of 20-year-old workers will become disabled before reaching retirement age, the Social Security Administration estimates. And while it seems like a small risk, it only takes one sports injury. Let's take, for example, a young dad playing tennis with his preteen. A Grand Slam-worthy, exuberant serve and his rotator cuff tears. Surgery is scheduled a few weeks later, followed by months of rehab. If you're out of work for an extended period, the lost income can easily reach tens of thousands or more. Even if your profession isn't strenuous and you're not adventurous, you may not be in the clear – cancer is the second-leading cause of claims, according to insurer Sun Life Financial.

Of mice and men and life insurance

In the 1950s, a successful animator borrowed against the cash value of his insurance policy to fulfill his dream of building a family-oriented amusement park. He called it Disneyland.

What about that government safety net, you say? Workers who pay into the system are eligible to apply for Social Security disability insurance, but the average benefit in 2020 was about $1,259 per month.

Considering all of this, it's best to get a professional opinion about whether you can afford the consequences of going without this type of coverage. Do you need disability insurance? According to the Centers for Disease Control and Prevention, nearly 1 in 4 Americans have a disability that affects their life, which makes this relatively affordable insurance sensible for anyone – even the young and single – who earns income.

Disability insurance provides a financial safety net if you're not able to work due to a permanent, temporary, partial or total disability. But note that it does not cover medical care or long-term care services.

MY PARENTS WERE FINE ON THEIR OWN

If longevity is in your genes, as well as good health, what a blessing. You may never need long-term care insurance, and you may consider it a waste of money. If you're quite comfortable financially, you may think to self-fund any potential long-term care (LTC) need that might crop up. The question is, why would you want to? Why would you want to take the chance? Which account would you draw down first if needed?

The reality is that most of us will need help with the tasks of daily living; 7 out of 10 people turning 65 in this day and age can expect to use some form of LTC, according to the U.S. Department of Health and Human Services, though only 1 out of 10 has planned ahead to pay for it. And the cost of a home health aide can be upward of $4,000 a month. A private room at an assisted care facility can top $8,000 a month. Those numbers are only going to rise. What would it look like for you to transfer some of that risk to an insurance company? Why not at least consider it? Managing that risk with an LTC policy could give you the freedom to enjoy your wealth and make progress toward other financial goals. And today's policies offer flexibility to account for the likelihood that you'll never need it for LTC expenses.

Securing this type of policy allows you control over the situation, making sure your future needs will be met without creating an undue burden for your loved ones. There are many new features available with modern LTC policies, so it's worth your time to reach out to your financial planner for assistance finding a plan that best suits your and your family's needs.

Common misconception

Most Americans emphatically attest they want to live at home for as long as possible. And they're under the impression that Medicare will cover LTC needs in their homes. That's a big no. Medicare doesn't cover LTC. And even one major health event could put financial, physical and emotional strain on the people you love. Purchasing an LTC policy gives you and your family the ability to make choices ahead of time and, potentially, the flexibility to remain well cared for in your comfort zone.

ONLY BREADWINNERS NEED LIFE INSURANCE

We wouldn't blame you if that thought has ever entered your mind. After all, if you have a spouse, child(ren) or dependent of any sort, chances are high that you'll want some life insurance to help bridge the gap should something happen to you before they can fend for themselves. But too often breadwinners neglect the role of the stay-at-home or lesser-earning spouse when it comes to coverage. You'll want to cover that person's true financial contribution to the family, and that means everything they do.

In 2019, Haven Life, a term life sales arm of Massachusetts Mutual Life Insurance Company, discovered that men typically have more life insurance than women – a lot more. While both men and women believed their passing would have a substantial impact on the family's quality of life, women were less likely to have life insurance (67% compared to 79% for men). And even when they had coverage, it was only about half as much as their male counterpart.

Specifically, male participants had an average annual income of $72,482 and an average of $423,102 in life insurance compared to female participants with an annual average income of $52,484 and $231,342 in life insurance. While men typically have a higher salary, they also insure it to a greater degree. Maybe you're not surprised, given the well-documented income gender gap. After all, the formula for how much life insurance to buy has traditionally been based on income, usually five to 10 times your salary. Women still earn less than men on average, and they

are more likely to be caregivers for children or elderly parents. So based on income alone, women would need less coverage than men.

Except it's not all about income. Consider a couple where one parent stays home with the kids. That parent may not receive a paycheck, but his or her role has considerable value. In fact, salary.com estimated a stay-at-home parent provides $178,201 worth of work a year. If that parent passed away suddenly, who would drive the kids to school? Clean the house? Cook the meals? Mow the lawn? Those are big shoes to fill. It's important not to undervalue a stay-at-home parent's contribution to the family – even if that person isn't a W-2 breadwinner – and insure accordingly.

MY DEPENDENTS ARE GROWN

If your children have up and flown the nest, you may consider life insurance to be passé. However, there's so much more to this planning tool than the death benefit we're already familiar with. Life insurance can provide myriad benefits beyond tax-free survivor benefits, including liquidity to pay estate taxes or keep the family business running. That's why people who view life insurance as a way to protect their future come out ahead. With that in mind, here are a few more things life insurance can do for you:

Pay off debt and save money. Life insurance proceeds can be used to pay off existing debt (e.g., mortgages and business loans) as well as future obligations, like college education, which could be a lot for a surviving spouse to handle alone. Or, beyond providing survivor benefits, permanent life insurance can help you save, too. This can be particularly useful for anyone who has maxed out their contribution limits on tax-deferred savings vehicles such as 401(k)s, IRAs or 529 plans. These policies have an investment aspect, something called cash value. Cash value growth is free from income taxation and acts like a savings or investment account that is backed by the insurance company.

That cash value can also supplement retirement income if needed. Some policies even allow a long-term care rider to use the death benefit to pay for LTC expenses.

Pass on your business. If you own a business and want to leave it to your child or someone else who's been working alongside you, a one-way buy-sell agreement makes that possible. The agreement is financed using a life insurance policy that person purchases on you. When you pass away, he or she collects the proceeds on the policy and uses the money to purchase the business from your surviving spouse or estate.

Maximize your IRA inheritance. When an heir, other than a spouse, inherits the funds in your traditional IRA, that money will become taxable income, which means it could bump your heir into a higher tax bracket. Think about using your IRA's required minimum distributions to help pay for a life insurance policy equal to the income tax that will be due. The tax-free life insurance death benefit can be used to pay the income tax, preserving the full value of your IRA for your heir.

Bolster your legacy. Say your only daughter loves the family home. Your son, not so much. To keep things equitable, you can leave the home to her, and make your son the beneficiary on a life insurance policy of equal value. Or consider this: Say you're 60 and in relatively good health. Your average life expectancy is 87. You may think, "I don't need life insurance." Your kids are grown and on their own, but you'd like to leave them $1 million as inheritance. You may be surprised to know that some policies, in effect, can help you provide that largesse. For example, a 45-year-old dad could obtain a $1 million policy that pays out at 100. Depending on the nuances of the contract or the carrier, his annual premium would be between $8,113 and $10,715, and that policy could provide the comfort of knowing his progeny will inherit $1 million tax-free.

WHAT CAN ANNUITIES DO FOR ME?

Many of us hear the word annuities and imagine a stodgy insurance company offering a stream of income that abruptly disappears if you die too young. And, you may think, they cost quite a pretty penny. However, the industry has put the "new" back into annuities, evolving to offer cost-efficient, customizable solutions that certainly aren't the one-size-fits-all options from your grandparents' days.

Once thought of as out of reach financially or somewhat questionable, today's annuities are more like a multipurpose Swiss Army knife that can be wielded for tax-free long-term care insurance or as an estate planning tool, should life insurance not be an option

for some reason. Employer-sponsored pension plans, those once-ubiquitous retirement options, have gone the way of the dodo, but guaranteed income can still be secured through an annuity that allows you to maintain control and leave the remaining account value to a chosen heir – even if you pass away prematurely (knock on wood).

That control could also allow you to offset inflation risk, as the account value adjusts the steady flow of income upward over time. The point is, today's annuities offer flexibility and transparency. We've come a long way.

Since annuities can serve as both a risk management tool and an investment to fund upside potential within your portfolio, it does pay to have a trusted advisor in your corner helping parse the details based on your appetite for risk. Yes, risk. As with any investment tied to the markets, some annuities may also lose value. On the other side of the spectrum, there are annuities that provide full principal protection with attractive yields, while others may provide a combination of market growth along with some downside protection. Again, your advisor can point you in the right direction.

Now that we're in a low-interest-rate environment for at least the next few years, according to the policymakers at the Federal Reserve, lower yields on Treasuries and other fixed vehicles might make building a robust retirement income portfolio a little harder than before. Annuities might be worth a second look; they're designed to make your income last as long as you do and also help you avoid having to cut back on spending if market downturns threaten your retirement income sources. Annuities can be viable alternatives to bonds or other fixed income investments under certain circumstances, including low-interest-rate environments like we're in now. They come with their own caveats, of course, including credit risks and defined contract terms, so be sure to do your due diligence. In addition, because annuities can be used for many different solutions, knowing how they are taxed is also very important to your retirement plan.

WE'VE COME A LONG WAY, BABY

Let's face it: Life involves risk. That's why risk management and protection are crucial in a long-term financial plan. When it comes to investments, we're talking diversification and asset allocation. When it comes to your family, health, property and income, we're talking insurance.

Insurance has evolved, gotten evermore sophisticated in line with our lives. Long gone are the days of a salesman offering one-size-fits-most policies; instead, we've found ourselves with options that can be tailored to our needs and lifestyles, as well as the needs of those we love. The point is to have the conversation at the very least, to ensure what you care about most has a backup plan you can all live with.

One of the easiest ways to get started is to invite your wealth management team to analyze where you might be vulnerable to loss of some kind. With you, your financial advisor, accountant, attorney, trustee and family in the room, stuff gets done. Their collective expertise will help uncover weaknesses and formulate a holistic approach to protect your blind side. Getting started will most certainly seem overwhelming at first, but as your plan comes together, you'll likely find that the stress will transform into a sense of relief.

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There is no assurance that any investment strategy will be successful. Investing involves risk and you may incur a profit or a loss. Asset allocation and diversification do not ensure a profit or protect against a loss.

These policies have exclusions and/or limitations. The cost and availability of life insurance and long-term care insurance depend on factors such as age, health and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Guarantees are based on the claims paying ability of the insurance company.

Sources: havenlife.com; thinkadvisor.com; forbes.com; prnewswire.com; fa-mag.com; thefreelibrary.com; John Hancock; intuit.com; marketwatch.com; The New York Times; agordon.com

Do's and don'ts when rates dip

Don't let low rates drive your investment plan off track

A little more than a year after the pandemic first started, investors may cautiously be looking toward the economic road ahead, one where the Federal Reserve has committed to monetary policy focused on reasonable inflation and sustained low short-term interest rates. We've been here before. It was well within our lifetimes when we last saw years and years of rates at or near zero, followed by gradual improvement as the economy started to stabilize after the Great Recession. Now, as then, there's hope on the horizon. Rates, the markets and the economy will rise again – eventually, but maybe not as high as one might think. For now, it's a game of patience, prudence and practicality.

And since many portfolios rely on a strategic mix of stocks, bonds and other investments to generate cash, you may wonder what lower-for-longer rates mean for your financial plan. Let's take a holistic look at some practical do's and don'ts in a low-interest-rate environment. Remember, diversification in uncorrelated spaces helps balance your portfolio when any part of the investment landscape zigs or zags. And since no one can tell us exactly when the market is going to move in one direction or the other, it makes sense to hedge our bets. Here's what we mean.

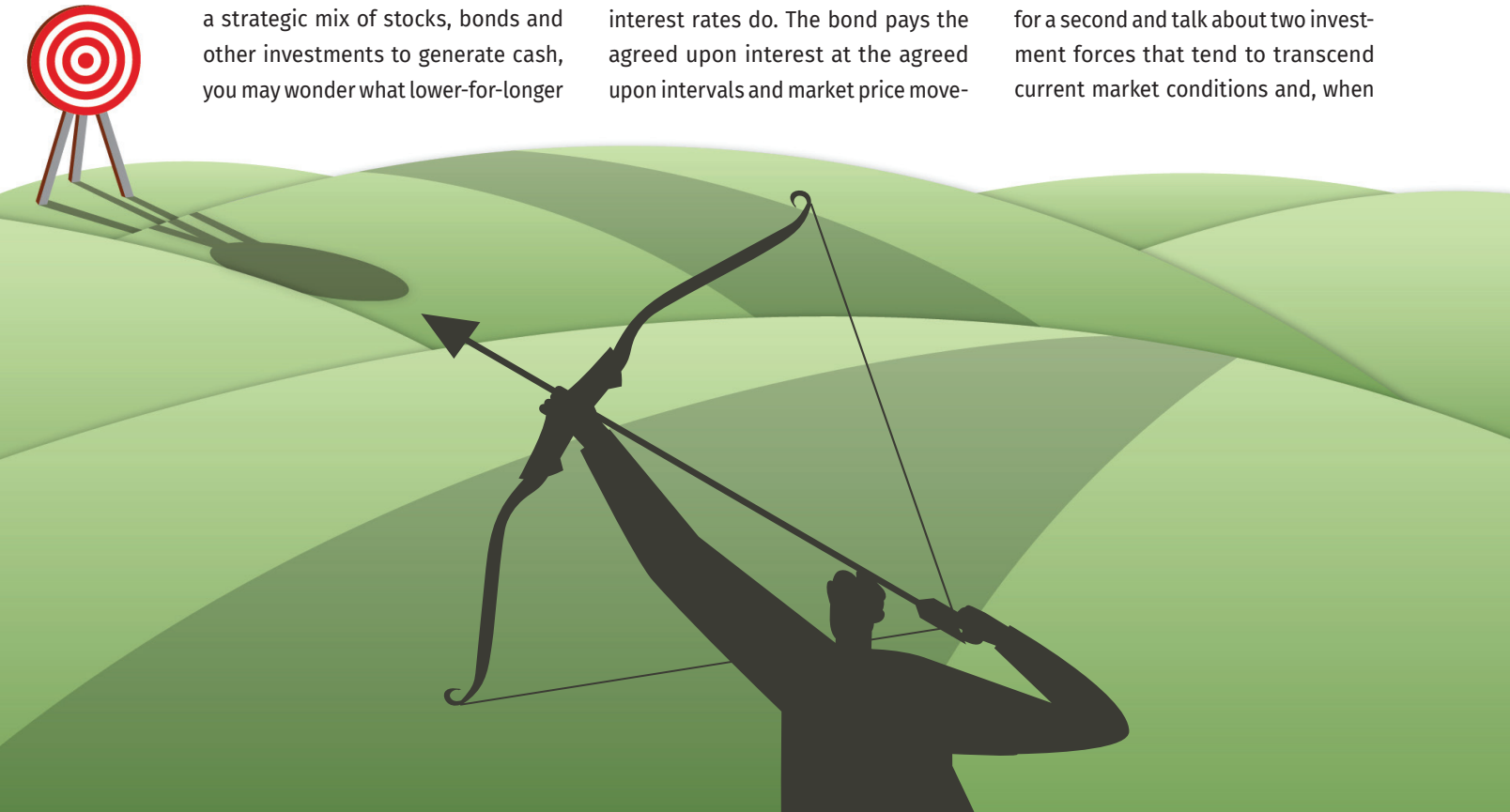
Don't abandon bonds

Bonds, specifically high-quality bonds such as investment-grade bonds, provide investors with exactly what you'd expect: a stated amount of income at constant intervals for a defined period of time. Whether interest rates go up, down or sideways, an individual bond will behave exactly as intended until maturity, subject to the creditworthiness of the issuer, of course. In other words, if you plan to hold your bonds to maturity, it shouldn't matter what interest rates do. The bond pays the agreed upon interest at the agreed upon intervals and market price movements. Bonds that have shorter-term maturities tend to be less sensitive to interest-rate hikes.

Many fixed income investors may be waiting for interest rates to rise, an understandable position to take at a time when yields are well below what they have been. However, waiting on the sidelines may not be the comfort zone you'd expect. Yes, it's true that bond prices generally decline as rates rise. But that truism negates the value of holding bonds to term and the role they play in helping to counter volatility in the equity markets. Volatility showed its face often over the past year or so, and bonds – an uncorrelated asset to equities – hopefully provided some ballast in the storm.

Do appreciate dividends

With interest rates scraping along at historic lows, generating a healthy income stream for your later years may seem a little more difficult. So let's take a step or two back to basics for a second and talk about two investment forces that tend to transcend current market conditions and, when



working in tandem, may provide reliable retirement income in the future. The first is dividend growth; the second is compounding.

If income growth is your immediate and primary need, dividend-oriented stocks can potentially boost your total return. Bonds serve a different purpose: to preserve wealth. So if your bonds aren't producing the yield you need, dividend-oriented stocks, not just high-yielding ones either, may provide longer term income growth.

For example, a company whose stock carries an initial yield of 3.3% but whose dividend increases every year by 5% will produce a 5.4% yield at the end of 10 years. Because the amount of the initial investment stays the same while the amount of its payout rises due to the dividend increases, the yield at the end of 10 years is significantly higher. This is income that doesn't rely on interest rates, but on the company's history and the power of reinvesting those dividends to take advantage of long-term compounding. Bear in mind that this is only a hypothetical example. Companies can – and have – reduced or even eliminated their dividends, especially in times of uncertainty. Be mindful that you'd also be taking on more equity risk compared to fixed income. Remember, too, that income-oriented strategies could lag behind general equity markets on the rise.

Don't swing for the fences

These may seem like trying times for investors who need income, as most retirees do. To help stimulate the economy, the Federal Reserve has fixed short-term interest rates at very low levels and indicated that they may remain low through 2023. As a consequence, savings accounts, CDs and money market accounts – investment vehicles that retirees traditionally have relied on for safe, reliable income – currently are providing very low returns. Even worse, those returns are generally not sufficient to keep up with inflation.

In the past, income investors might have reacted to these conditions by placing a greater emphasis on capital appreciation potential, perhaps by investing in growth-oriented equities. We know it's tempting, in a situation like this, to respond by "chasing yield" – funneling money into investments that promise higher income. But there's no need to suddenly veer off from your carefully calculated risk-reward profile. Of course, there certainly are investments that offer income exceeding what's available from CDs and money markets, but there's also no such thing as a free lunch in the investment world. So while you may choose to allocate some funds to higher-yielding investments, it's wise to do so only within the framework of an overall strategy that recognizes the paired and omnipresent elements of risk and return. If you pursue higher income, you will be taking on additional risk – there's no way around that. You may choose to do so, but that decision should be made only with a clear understanding of what you're getting into, not just because yields are low at the moment.

If you ultimately decide to take on more risk in the quest for additional income, be sure that you understand the specific characteristics of any investment you consider. Talk things over with your advisor before making any moves. Lastly, know that low rates simply won't last forever, and prudence and patience may be better guides for this leg of the journey.

Do look ahead

As we just stated, rates should rise eventually so it may behoove you to keep an eye on certain sectors and companies that could benefit (e.g., financial institutions and certain consumer-oriented names). Remember, a rise in rates means the central bankers think the economy is looking up. Just as bonds have a role in a low-interest-

The eighth wonder

Legend has it that the Native American inhabitants of what became Manhattan sold the land in 1626 to Dutch settlers for goods and supplies worth about $24. As Peter Lynch and John Rothchild point out in their book "One Up on Wall Street," had the sellers been able to invest that $24 and achieve an 8% compound rate of return, their original proceeds would have grown to some $30 trillion by 1989, when the book was written. The authors also noted that according to 1989 tax data, the total value of real estate in Manhattan that year was just $28.1 billion.

Of course, this is a far-fetched illustration of the power of compounding, sometimes referred to as the eighth wonder of the world, since the New York Stock Exchange wouldn't come along for another 190 years – far too late for the tribe to take advantage. But the point remains valid: money plus enough time multiplies exponentially. A lesson even those uninterested in history may wish to heed.

rate environment, so do equities in a rising-rate one.

Look ahead, as well, to how you'll transfer wealth to heirs. You may not think that interest rates should affect your estate plan, but they can and in an advantageous way.

You already know that low interest rates mean lower costs to borrow, which you can use to transfer money to your heirs with little or no gift tax. You'll need a knowledgeable professional by your side, but it can be done. Here are a few options.

A family loan to a beloved beneficiary – properly documented, of course – can allow your future heir to pay interest-only payments for a set period followed by a balloon payment at the end of the loan. You'll pay taxes on those payments, but the borrower may be able to deduct those costs. The idea here is to offer low-cost leverage in the hopes that your heir will make something of it, say by starting a business or boosting their investment portfolio, so that he or she benefits from the appreciation in excess of the interest rate.

Another option is the oddly named intentionally defective grantor trust or IDGT. In this case, the borrower would be a grantor trust to avoid the tax implications above. The lender is the donor of the trust – most likely you. The trust is funded with non-cash assets that are likely to appreciate over the current rate of interest and thus accrue within the trust, rather than your estate. The strategy is a bit complex, but it may be worth talking through with a trust attorney and your advisor for the tax mitigation benefits. There also are other options like grantor retained or charitable lead annuity trusts, so ask your advisor to run through the benefits and considerations with you before making a decision.

No one can predict the future

Of course, no economist, market prognosticator or Federal Reserve central banker has been able to predict the future with any degree of accuracy. The key is staying in touch with your advisor to make smart choices about your portfolio given the information at hand.

While we are familiar with the tax provisions of the issues presented herein, as financial advisors, we are not qualified to render advice on tax or legal matters. You should discuss tax or legal matters with the appropriate professional.

Sources: Federal Reserve; The Wall Street Journal; Nationwide; discover.com; mentalfloss.com; jpmorgan.com

Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. Holding bonds to term allows redemption at par value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall, and when interest rates fall, bond prices generally rise.

Investing involves risk and you may incur a profit or loss regardless of strategy selected. Dividends are not guaranteed and must be authorized by the company's board of directors.

What the Fed says

You may not know the names of the central bankers at the Federal Reserve, but you should know that their decision on the federal funds rate affects how you borrow and save. The central bankers implement monetary policy to help maximize employment and stabilize inflation, which also influences what commercial banks charge one another for overnight loans.

As a borrower

Lower rates decrease cost of borrowing and higher rates increase them (e.g., mortgages, credit cards, new loans, lines of credit)

In a low-rate environment: Consider whether a line of credit opens opportunities for you or your business, or if consolidating debt with one loan to pay off others (e.g., student, home and/or car loans) or refinancing make sense for you.

As a saver

Rising rates incentivize saving with higher yielding instruments (e.g., CDs, money markets, checking accounts, college funds)

In a rising rate environment and/or a lower inflationary one: You have the potential to earn more on savings, but if banks cling to cash, you could also benefit from stronger buying power (lower inflation), so you can put more money toward saving or paying down debt.

What the Fed does

- Supervises and regulates banks and other important financial institutions
- Provides financial services to U.S. and foreign private and public financial institutions
- Influences money and credit conditions
- Contains risk and panic throughout the financial markets

THE GIFT ECONOMY

The world has certainly changed, along with our habits as consumers who crave community and connectivity – perhaps permanently, according to Tiffani Bova, a global customer growth and innovation evangelist at Salesforce. We cooked at home, streamed new blockbusters and made friends in virtual gym classes. And we're still turning to tech to help get what we need and want from one another instead of stores.

Like in days of old, a sort of sharing-trade system has cropped up. People sharing things they don't need and finding things they do. The gift economy is all about generosity AND sustainability. Case in point, the Buy Nothing Project is the largest community of hyperlocal, volunteer-run groups on Facebook where neighbors offer and share free items and services. It has grown to more than 25,000 members in 30 countries. The Freecycle Network is a nonprofit movement of more than nine million members around the world who are giving and getting things for free in their own towns and neighborhoods. Timebanking.org offers a plethora of similar opportunities and has more than 37,000 members.

Buy nothing

When two friends on Bainbridge Island in the state of Washington had an idea in 2013 for sharing things, little did they know that their Buy Nothing Project would turn into a worldwide social movement. Their book, "The Buy Nothing, Get Everything Plan," offers a blueprint for every person to build their own gift economy mindset (buynothingproject.org).

Growth steps

The gift economy is ideal for families with children who quickly outgrow their shoes, toys and clothing. It's a way to connect with other growing families down the street or around the block – and is a neighborly affirmation of the "it takes a village" concept.

Give of yourself

Gifts of self, including talent and time, are also encouraged. For example, you could spend time with an elderly neighbor or help someone with their taxes. There are all sorts of legal services that people offer and request from one another. Bonus, they also build relationships.

Save the planet

The United States is home to only 4% of the world population but is responsible for 30% of the planet's total waste, according to a Columbia University study. Today, recycling efforts in the United States divert 32% of waste away from landfills. That prevents more than 60 million tons from ending up in landfills every year. Participating in the gift economy can help repurpose items instead of disposing of them. It's a good feeling knowing you're doing some good.

A new mindset

In a commodity economy, status is accorded to those who have the most. However, in a gift economy, status is accorded to those who give the most. Currency is social rather than financial, enabling a deeper relationship between people.

Sources: EPA; "The Gift: Imagination and the Erotic Life of Property;" intelligenthq.com

What smart people know about Social Security

Seven crafty strategies that the super savvy employ and you can, too

In any financially independent retirement, Social Security is bound to be a dominant factor. Not many reliable sources of retirement income bring as much to the table in terms of cash flow and cost-of-living increases just about every year. A source of income that will hold relatively steady in just about any market environment? Yes, please. Its resilience is just one of many reasons you'll want to be as clever as possible about your Social Security benefits strategy. Smart money knows that your best bet is to start by talking – to your spouse, your family and, perhaps equally important, your financial advisor. They're not taking major advice from friends and family who may not know the many ins and outs of the system or understand the long-term effects of a misstep when factoring in this important source of income. Here are a few ways those in the know help maximize their benefits, and you can too.

THEY'RE CO-DEPENDENT

No, we're not talking about gluing yourself to your spouse's side every minute of every day. Instead, we're suggesting that your Social Security decisions be made in tandem with your significant other, not as two independent decisions. Strategizing with each other and your advisor is the key to maximizing your overall household benefits. Remember that Social Security offers spousal and survivor benefits as well as cost-of-living increases, so making the most of this important pillar of retirement income may serve you both well in the long run.

THEY UNDERSTAND THE EX FACTOR

Many divorced people erroneously think that filing on their ex's record somehow takes benefits away from their former spouse or even alerts them to the claim. That's just not the case. If you were married for at least 10 years and haven't remarried, Social Security allows you to claim spousal benefits for yourself, and your ex would be none the wiser. For example, women who stayed out of the workforce to serve as family caregivers may find that their spousal benefits would actually be larger than claiming on their own record. Basically, they could be entitled to an increased benefit without detracting in any way from their ex-husband's benefits – certainly something to consider. Why leave money on the table? Your advisor can model the possible benefit scenarios to see which claiming strategies help you come out further ahead. There are even some scenarios where you can collect on your ex's record first, while deferring your own.

THEY WAIT TO WALK DOWN THE AISLE AGAIN

Remember the rules above? Getting remarried will cut off those spousal benefits from your ex's record. Getting remarried means you lose this right, which is fine if your new spouse made a higher lifetime income. Not so much if they didn't.

THEY ARRIVE FASHIONABLY LATE

The smart money is on claiming benefits later rather than sooner. Too many think they're leaving money on the table that way, but for many of us, waiting until full retirement age can significantly increase lifetime benefits. People who claim at age 70 vs. age 62 receive 76% more in benefits! That's quite a pay raise as a tradeoff for a little patience. In other words, claiming as soon as possible leads to a double digit reduction in benefits. Of course, if you have a family history of illness, shortened life expectancy or an immediate need for extra cash flow, this may not make the most sense for you. But if you

PRO TIP

It usually makes sense to wait as long as possible for the higher earning spouse to file for benefits.

have a solid nest egg, it could pay to delay. Consider too that permanently reduced benefits not only affect your finances over what could be a 30-year retirement, but your spouse's, too.

THEY TAKE A BIRD'S EYE VIEW

Smart investors, in general, look at their financial plan holistically, not in isolation or compartments. That goes for any decisions around Social Security. Benefits are best viewed in light of the role they'll play within your overall portfolio, in conjunction with other retirement income and in order to make progress toward your short-, mid- and long-term goals. Lots of factors to factor in, in other words.

THEY WORK IF THEY WANT TO

And they understand that working while withdrawing before full retirement age comes with some funky math. The Social Security Administration (SSA) temporarily withholds $1 in benefits for every $2 you earn above the current $18,960 limit. In the year you reach full retirement age, SSA will deduct $1 from your benefits for every $3 you earn above an established threshold, currently $50,520 for 2021. Once you reach full retirement age, your earnings no longer reduce your benefits, no matter how much you make, and the agency recalculates your benefits to give you credit for the months it withheld payment due to those excess earnings.

THEY KEEP TABS

Even if you're decades away from retirement, create a secure login to access your personal Social Security account at ssa.gov. Doing so can help stave off identity theft and catch any mistakes in your earnings history. An ounce of prevention, so to speak.

Not many reliable sources of retirement income bring as much to the table in terms of cash flow and cost-of-living increases

The more you know

With millions relying on Social Security more than even they may realize, it pays to understand it better.

~65 million

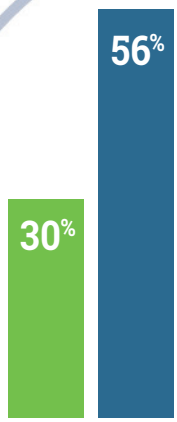
people received benefits from SSA programs in December 2020

$1,500 vs. $1,860

The average monthly payment at full retirement age vs. waiting till 70

48%

of U.S. adults aged 55+ have no retirement savings



30% vs. 56%

Over the past 20 years, non-retirees routinely underestimated how big a role Social Security will play. On average, only about 30% of pre-retirees thought it would serve as a major source of income, compared to 56% of retirees.

Sources: ThinkAdvisor; Raymond James research; Financial Planning Association; ssa.gov; usnews.com; Gallup data; U.S. Government Accountability Office; fool.com

MEET

GREAT BASIN

Discover a great national park hidden in the shadows of its neighbors along the Grand Circle

Demarcated by sites millions of years in the making, the Grand Circle is a nearly 2,000-mile road trip passing through 10 iconic American national parks. With enough canyons, arches, boulders and bridges to last a lifetime, it's nothing short of an adrenalized, awe-inspired adventure.

The trip encompasses the Four Corners region of the United States, covering most of Colorado, Utah, New Mexico, Arizona and a small part of Nevada. It features highly lauded parks, such as the Grand Canyon, Arches and Zion. But along the way, you're bound to find a few hidden treasures – perhaps none as unforgettable as Great Basin National Park.

Stepping into obscure splendor

While the most popular U.S. parks boast millions of visitors each year, Great Basin – one of Nevada's four national parks since 1986 – typically hosts about 90,000. Tucked away on the Utah-Nevada border, its entry point is the tiny town of Baker, Nevada – population 58, as of the last census. The sprawling, 77,000-acre park has no entrance fee. No welcome gate. No traffic backup. But its unassuming presentation conceals a world of wonder, starting with Lehman Caves.

Underground wonderland

Declared a national monument in 1922 by then-President Warren G. Harding, the Lehman Caves site – actually a single cavern – burrows a quarter-mile into the limestone and marble at the base of Snake Range. Visitors are greeted by a spectacular display of limestone, stalactites and stalagmites among honeycombed tunnels and galleries. The natural Gothic palace also houses more cave shields than any other cavern – over 500 of them. And although these shields remain shrouded in mystery (it's hypothesized they form as extensions of joints or cracks within caves), one thing is certain: They're a dazzling sight.

Word to the wise: Before embarking on this submerged adventure, make sure to schedule a guided tour, since visitors cannot enter without one.

A vision à la Van Gogh

Great Basin's allure doesn't just lie underground. It's overhead, too. An International Dark Sky Park since 2016, Great Basin is among 130 global sites – including 27 in the U.S. – recognized for their pristine nighttime environments and exceptionally starry nights. With its low humidity, minimal light pollution and high elevation, the park offers a window into the universe – one rarely seen with the naked eye. To make the most of this phenomenal view, don't forget to equip your RV with a trusty telescope and several sets of binoculars.

Hiking to your heart's content

No trip to a national park would be complete without a scenic hike. To that end, Great Basin offers an array of options, including the Alpine Lakes Loop Trail. A relatively easy 2.7 miles, the trek allows visitors to climb the northern slopes of Wheeler Peak, traversing a mix of meadows and light woodland to reach two small lakes located at the foot of steep hillsides and boasting emerald-blue hues through the summer. Adventurers can extend the hike by up to 6.7 miles roundtrip through the Bristlecone and Glacier Trail, continuing beyond the bristlecone pine grove and into the only glacier in Nevada, nestled beneath Wheeler Peak.

Advanced hikers can find the challenge they seek with a variety of other trails, including the 12-mile Baker Lake Trail, which passes through an alpine lake enveloped by breathtaking cliffs, and the 8.6-mile Wheeler Peak Trail, which culminates at a stunning summit.

Home to Earth's oldest inhabitants

Here's a bucket list item you may not have considered until now: seeing some of the oldest living organisms on Earth. The national park is home to three groves of bristlecone pines, trees estimated to be thousands of years old and found only in five other states.

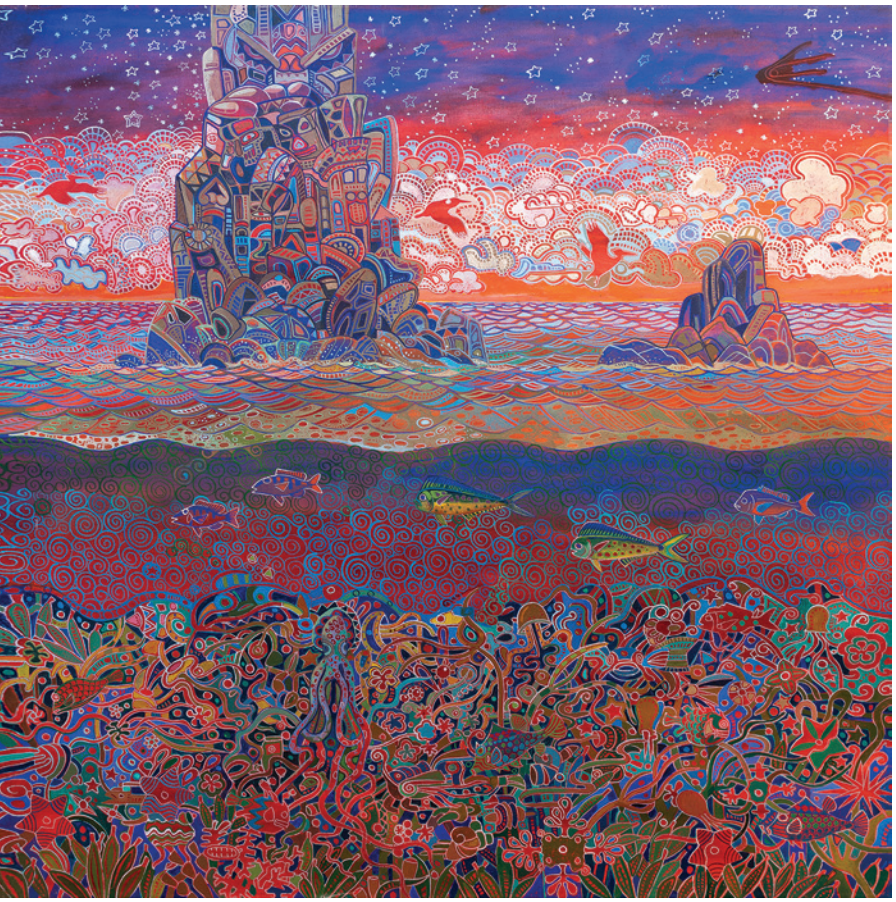
A visual manifestation of their unconquerable will to live, the gnarled bristlecones are surrounded by thick, twisted branches. They often grow slowly in isolated groves just below the tree line and are wrung into shape by high-altitude winds. You can spot them along the park's nearly 3-mile Bristlecone Trail, which includes interpretive signs explaining the lives and significance of these timeworn marvels.

The Grand Western Circle

Merge the majesty of the Grand Circle with the comfort of home by RV-ing through this epic road trip. Featuring eclectic landscapes, open roads and a drive along Utah's scenic Byway 12 – you'll want to reserve at least a week (ideally two) for your trek. Here are other tips to keep in mind:

- No RV? No problem. Rent one from sites like outdoorsy.com and rvshare.com. Double-check footage and appliances to ensure your rig fits your needs.
- Explore suggested routes, itineraries, campgrounds and other key information on grandcircle.org. And book campsites as soon as possible.
- Go from campy to fancy using sites like gocampingamerica.com and goodsam.com, which list everything from luxurious RV resorts to rustic retreats.
- Invest in an America the Beautiful annual national park pass for around $80. This will cover park entrance fees for up to four people, along with standard amenity and day use fees. (It doesn't cover on-site camping fees, however.)
- For $44, Passport America membership offers half-off RV campsites at almost 1,900 campgrounds nationwide.

Sources: nytimes.com; theoutbound.com; utah.com; nps.gov; britannica.com; atlasobscura.com; darksky.org; npca.org; gorving.com; roadtrippinwithbobandmark.com; roadtrippers.com; rvshare.com



"Rialto" by Alfredo Arreguín Oil on canvas – 1986, 48" x 48"

"Most artists don't want to talk about our processes because we have to lie," painter Alfredo Arreguín tells WorthWhile. "The truth is, most of us don't know where our inspiration comes from. Some say it's a force from the universe that connects with us. But if I start talking like that, people think I'm crazy."

Alfredo's work is shaped by love. Love for his mother, the muse who sparked his impetus to create Frida Kahlo portraits ("My mother was the artist. She's the one who taught me how to draw."); love for his hometown of Morelia, Mexico, whose trinket-filled markets stirred Alfredo's imagination as a young boy; even love for Rialto Beach in Washington state, the place behind his 1986 piece "Rialto."

It's Rialto Beach that also inspired his daughter's name, Lesley Rialto – a tribute to her place of conception. And when Alfredo fell on hard times in the '80s, the sale of "Rialto" and a second painting to Tom James gave him the relief he needed.

Alfredo's vibrant and intricate pattern paintings, depicting everything from Northwestern nature to Mexican mythology, are a feast for the eyes and an intellectual adventure, with his colorful motifs inviting an array of interpretations.

Alfredo begins by sketching images that seem to pour out of him. He describes it as a meditative ascent – one beyond his control. "I lost a big commission with the Moscone Center in San Francisco because I couldn't tell them what I was going to paint," he says. "That comes from inside of me; it doesn't come from my mind."

The result is what art critic Matthew Kangas summarizes as "hallucinatory states of complexity and beauty," calling Alfredo "a magic realist."

In hindsight, Alfredo's life has had its dose of magic. Raised by his grandparents until their deaths three days apart in 1948, Alfredo emigrated from Mexico to Washington in the 1950s. He later enrolled in the University of Washington, where he studied architecture before switching to painting – a move that forged his destiny. His works now decorate the walls of the world's most prestigious galleries and form part of permanent collections in two Smithsonian museums.

At 86, Alfredo still paints daily. He resides in Seattle with his wife of 46 years, Susan Lytle, whom he describes as "a wonderful artist" and his "savior." They often paint together, drawing inspiration from the surrounding nature. For more of Alfredo's art, visit alfredoarreguin.com.

The Tom and Mary James/Raymond James Financial Art Collection

One of Florida's largest private art collections, The Tom and Mary James/Raymond James Financial Art Collection is housed at the Raymond James Financial headquarters in St. Petersburg, Florida. The collection includes paintings, drawings, sculptures, graphics and mixed media. A portion of the collection resides at The James Museum of Western & Wildlife Art (visit thejamesmuseum.org). The museum represents the culmination of Tom and Mary's more than 50 years of collecting culturally significant pieces and is a gift to the community.

Yours, mine and ours

In any relationship, chances are there are a few things to figure out prior to happily ever after, including each other's financial peccadillos and idiosyncrasies. Whether it's your first walk down the aisle or you've been there before, there are financial and family matters to consider, as well as lifestyle issues. Here are a few things you may want to talk through, perhaps with the help of a neutral party like your financial advisor. After all, relationships work best when you communicate, communicate, communicate.

Inside/out

Many married couples divvy up their chores in a time-worn manner: one spouse takes care of the inside, while the other "owns" the outside work. Consider rotating chores (or weighting them in terms of preference) based on your own rules instead.

A fair fight

No marriage is without its heated discussions from time to time. But do you know how to fight fair? John Gottman of the Love Lab does. He wrote the classic bestseller "The Seven Principles for Making Marriage Work." He found that the basis for a happy marriage is a deep friendship with mutual respect and a positive attitude. It's something we can hone at any age – not just in new relationships.

Are you competible?

So you're a cat person and he's a dog person. Or you both want a dog but can't agree on a lap dog or a Labrador. Pets can easily turn into a pet peeve – and the last thing you want to do as a newly married couple is fight like cats and dogs.

Home alone

Everybody needs time to themselves. Does it bother you to have somebody near you while you're enjoying some "me" time? Giving your partner a little more space doesn't mean you have to buy a bigger house, you just have to be a bigger person.

Value values

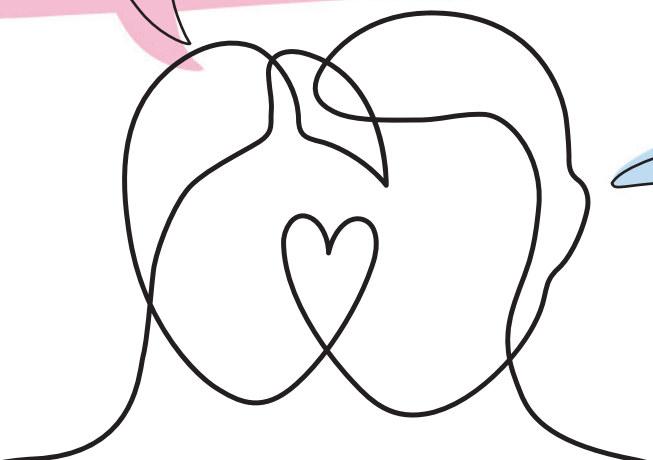
How do you view money? Talk about your values (e.g., whether you're a spender or a saver), how you use debt and the role money has played in your life. Know what you own and what you owe, and what your collective goals are. How you deal with financial stress and largesse can significantly affect your marriage, so be sure to talk about successes and concerns.

Financial infidelity

Have you had an open and honest conversation with your honey about money? It seems inconceivable, but more than 40% of couples don't know how much their partner earns. And 1 in 10 couldn't guess within a $25,000 margin of error. And more than 4 out of 10 are hiding a bank or credit card account, have secret debt or are spending more than their partner would be OK with.

Social insecurity

Marrying – or remarrying – later in life? It's never too early to consider the ramifications on your future Social Security benefits, particularly if you've been divorced or earn less than your partner. Your financial advisor can fill you in.



Sources: creditcards.com; Fidelity Investments; gottman.com