RAYMOND JAMES PRESENTS

WORTHWHILE

Summer 2021

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

THE Health Wealth CONNECTION

p16

RAYMOND JAMES

As summer rounds the corner, along with it comes the newest edition of Raymond James' award-winning WorthWhile magazine. With our compliments, of course.

We particularly enjoyed "Pretty in Pink" – which reveals a palette-pleasing, memory-making way to travel. The Cover article, of course, is where it really gets good. This issue looks at the interplay between health and wealth and offers ideas on how to improve both. Tucked inside, you'll also find a fascinating "tail" of lobsters' rise from prison food to posh dining. We hope you find something that piques your interest or perhaps something to share with a friend.

We love sharing this beautifully designed publication with those who will appreciate the balance of lifestyle and financial content relevant to your life. We look forward to hearing your thoughts on this new issue 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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They oughta know

Many of us would much rather not talk about money, much less what we plan to do with ours once we pass away. Telling our heirs what we plan to leave them (or not) and why can sometimes be a contentious conversation, but studies show doing so over time can lead to greater understanding and even happiness. p12

Cover

An ounce of prevention

Ralph Waldo Emerson once said, "Health is the first wealth." But the connection between the two lasts a lifetime, as each influences the other. Turns out an ounce of prevention is worth more than a pound of cure, and it can affect your ability to build and preserve wealth. p16

Investing

Keep calm and march on

Unprecedented. Difficult. Weird. Uncertain. Challenging. We've heard these words ad nauseam to describe the ups and downs of the past year – in our personal and professional lives as well as the markets. What lessons can we learn as investors? p26

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Letter from the editor

Your physical – and fiscal – well-being

It's no surprise that health and wealth are intertwined. But the conversation becomes more interesting when you factor longevity into it. The Cover article takes a look at the interplay of your physical and financial well-being, as well as things you can do to potentially tilt the odds in your favor on both fronts.

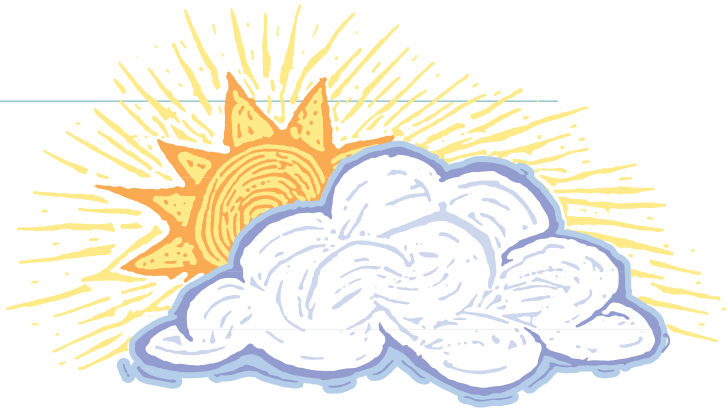
Income offers even more practical steps, giving you a decade-by-decade playbook to build your retirement savings over time. While the Family article offers a guide of a different sort – how to talk to your heirs about their inheritance. Between the covers you'll also find takeaways from our love of takeout; easy ways to become more "green"; and a look at lobsters' rags-to-riches story. We hope you'll find something to pique your interest and perhaps share with a friend or two.

Each quarter, readers like you engage us with open dialogue and suggestions for future articles. The spring issue was no different. Ron S. told us about his family's desire to help their grandchildren financially prepare for their futures. This issue's Good Life on the last page offers a few suggestions. We hope you find them helpful. Ralph D. also had thoughts about using wealth to fulfill a greater purpose, and shared with us that financial planning coupled with risk management in the form of insurance (as suggested in the spring Cover article) give him and his wife a sense of comfort as they pursue a life of greater meaning. The couple are committed to taking their family on mission trips to Mexico and Kenya, where they've formed indelible bonds over the years – with one another as well as the people within the communities where they serve. "I think [many of us seek] opportunities to take action to lead [our]selves and [our] families into not just more success, but more significance," he wrote, encouraging us to share more about the intersection of wealth and purpose.

Readers Percy and Arline told us that WorthWhile has earned a place on their living room tables within easy reach for reference. We're pleased to be so welcomed into your reading routine. As always, we thank you for sharing your thoughts with us. We hope you and yours have a wonderful summer!

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.



Are brighter days ahead?

The post-pandemic economy may have some parallels to the Roaring '20s

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

Following the 1918 Spanish flu, Americans were eager to get out and have some fun. Or so the story goes. The economy roared back to life. Some see the next several years playing out in a similar fashion, but there are important differences.

The response to the 1918 pandemic varied by city, but most restricted activity to some extent. Hence, there would be some zeal once those restrictions were lifted. The end of World War I also contributed to a sense of optimism. New technologies, including electrification, the radio and mass production, were changing the U.S. economy. It wasn't so great for the farmers, but it was a transformative time.

We can expect spending on consumer services to bounce back sharply over the next year or two. People are excited about heading out on vacation, attending sporting events, going to the movies, seeing concerts or simply eating at a restaurant with friends and family. So the initial kick is coming.

The pandemic will have some longer-lasting effects on the economy. Working from home went surprisingly well overall. That wasn't obvious at the start of the pandemic. And if you can work from home, you can work anywhere. Hence, we should see continued strong demand for housing. That is likely to come at the expense of larger cities. Who wants a lengthy commute? Less office space will be needed. We'll still buy stuff online, but some retail sectors, such as clothing, may be better served by brick-and-mortar stores.

Labor outlook

Matching unemployed workers to available jobs is likely to prove challenging as the economy recovers. However, for work-from-home white-collar jobs, employers can cast a wider net in attracting talent. Blue-collar employment will remain localized, and there may be difficulties in finding enough workers in some places or enough jobs in others.

In gauging the strength of the labor market, we tend to focus on the net employment change over time, such as the monthly change in nonfarm payrolls. However, there is a lot of flux under the surface. Millions of jobs are created and millions are lost each quarter, many of these seasonal in nature, driven by the school year, the holiday shopping season, the summer travel period, and so on. However, much of job creation and destruction reflects the evolution of the U.S. economy.

The second half of the 1990s was a transformative time, driven by new technologies, such as cell phones, networking equipment and the internet. Job destruction was unusually high during that period, but job creation was even higher. Underemployed workers moved up to better jobs, leaving more opportunities for new entrants in the workforce. Labor turnover slowed over the last couple of decades, partly reflecting the aging of the workforce (less job hopping), but we are likely poised for a more dynamic job market as economic growth picks up.

History rhymes sometimes

We shouldn't expect an exact repeat of the 1920s economy. Credit is readily available, much as it was a century ago, but we're unlikely to see that continue to a similar degree. Technology changes, such as robotics and artificial intelligence, will matter over the next decade or two, but the decade ahead is likely to be most transformative through the labor market.

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

Approved by Alice

Wonderland mushroom? Dumbbell for giants? Whatever you imagine, it comes to mind comfortably and ergonomically on designer Don Chadwick's innovative Ballo Ball. With a compact central column, lightweight air-filled domes and a range of colors, this conversation starter makes productivity playful and active sitting a breeze. Ballo's counterweighted base helps it remain upright for stable movement and convenient storage. Will collaboration spaces, reception areas or home offices ever be the same? Meet this 13.5-pound wonder at humanscale.com.

Eternally sly and stunning

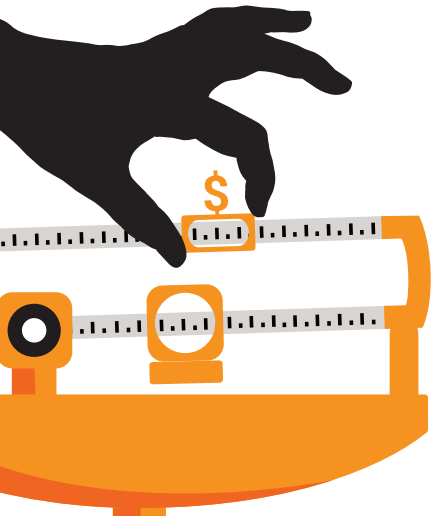
For his lifetime of trickery, Sisyphus was forever condemned to push a boulder up a steep hill – only to have it roll down every time he neared the top. Little did the gods know Sisyphus had fooled them once again, inspiring this kinetic sand art table permanently on display in museums across the world. Created by artist Bruce Shapiro, the Sisyphus table brings meditative beauty, cutting-edge technology and functional design to your home. Become mesmerized at sisyphus-industries.com.

Zen for all

Created in the spirit of Buddhist and Hindu mandalas, these spinning masterpieces radiate in captivating displays of color and motion. The metal pieces pop out in layers, revealing a vibrant three-dimensional design. And considering their calming presence, maybe they'll dazzle everyday backyard creatures, like birds and squirrels, as well. Enlighten your outdoor space at uncommongoods.com.

The universe in your backpack

What's your astronomical pleasure? The moon, Andromeda Galaxy or Hercules Cluster? Something farther away? Meet Vespera, a combination telescope and camera engineered to share your space explorations in real time at magnification equivalent to 33x. With one of the most accurate and powerful optical designs on the market, Vespera illuminates the previously invisible with mind-blowing pictures. Simply choose the celestial object you want to observe and Vespera will automatically point and track it, compensating for Earth's rotation. Reconnect with the stars at vaonis.com/vespera.



Overpay or owe?

There's a better option. Breaking even.

When it comes to taxes, owing doesn't exactly feel good, but it turns out a refund isn't necessarily a good thing either. Option C? Breaking even. Here's what we mean.

It's common to think of your spring refund as free money, a windfall to boost your coffers. Of course, it's not. It's actually been your money all along, locked away in some zero-interest savings account (many consider themselves better investors than that). You want a bigger paycheck, not refund, right? That's clue No. 1 to consider changing your tax withholding status. Most of us set it and forget it, but it's a number that matters and it can and should change as your life does.

Conduct a paycheck checkup

Basically, you use your W-4 to tell your employer how much to set aside for Uncle Sam from each of your paychecks. The latest iteration of the W-4, revised in 2019, takes into account your expected filing status, number of jobs and your spouse's employment, as well as the number of dependents you have. If you have additional income (e.g., retirement or interest) or think you'll exceed the standard deduction, you may want to withhold a little more through an adjustment on this form. Do a checkup once a year or so to make sure your employer isn't withholding too little or too much. You can do this as often as you need to! The IRS withholding calculator (irs.gov/individuals/irs-withholding-calculator) can help.

The opposite challenge: owing taxes

Of course, for many people, the pendulum swings the other way. You're not getting a refund; you owe Uncle Sam instead. Well, there are other ways to address that situation as well.

Prune that portfolio

Nobody likes taking losses in the market, but there is a silver lining of sorts. Tax-loss harvesting. Since short-term gains (investments held for one year or less) are taxed at a higher marginal rate, you should aim first at reducing those through tax-loss harvesting. Selling stocks, bonds, mutual funds and other investments that have declined since you purchased them becomes increasingly important the higher your tax bracket to help offset gains. Your advisor can walk you through it.

Know your threshold

If you are nearing a higher tax bracket, you should pay close attention to anything that might bump up your income, like capital gains without corresponding capital losses. Make plans to minimize gains before New Year's Eve or delay selling appreciated assets until the new calendar year. You can also reduce taxable income by maxing out contributions to certain retirement and health savings accounts.

Make plans to minimize gains before New Year's Eve or delay selling appreciated assets until the new calendar year

Feel-good giving

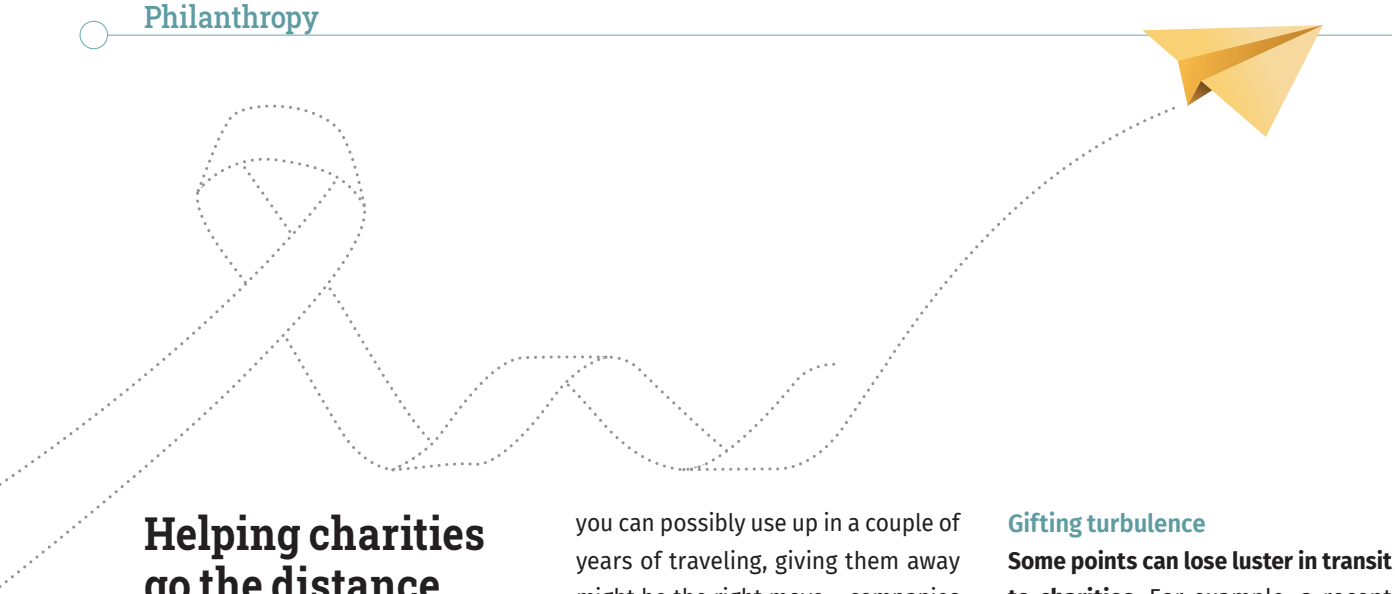
Want to reduce that taxable income and do a little more good in the world? A charitable donation to a donor-advised fund or directly to a charity may be the answer. Retirees can even direct up to $100,000 of their required minimum distributions toward a qualified charitable distribution, reducing their adjusted gross income. Then there's something called a charitable remainder trust. Not only does it allow you to support your favorite causes and reduce your taxes, it can provide steady income as well.

Your advisor is here to help

Your advisor has the knowledge, tools and software to help you with all these great tax tips, and can work closely with your tax and legal professionals – all to help keep your taxes in tip-top shape.

Sources: CNBC; Raymond James Tax Planning Considerations: Charitable Giving and Estate Planning; daveramsey.com; irs.gov

Raymond James does not provide tax services. Please discuss these matters with the appropriate professional.



Helping charities go the distance

Sitting on piles of miles about to expire? Read on for tips on how to put rewards to work for charities.

Helping military families get hotel rooms. Turning miles into meals. Flying refugees to safety.

These are just a few examples of the tangible good you can create in the world by using travel rewards points. And chances are you may have more than usual, given your proximity to home over the past year or so. We're talking about that "funny money" you've accumulated through booking flights, hotel rooms and plain old credit card spending. It has real value – and that means it can help make a real difference for those in need. But it's different from donating cash, especially when it comes to tax treatment. We've gathered details from the fine print to help guide your giving decision.

Streamlined generosity

Donations can keep points from expiring. The majority of hotel and airline companies put an expiration date on rewards, but there's a loophole. The "activity" of donating points can extend the amount of time you have to use them. Also, if you have more than you can possibly use up in a couple of years of traveling, giving them away might be the right move – companies can lower the point value at any time, and some did during the pandemic. Devaluations are "inevitable" now that travel is opening back up, according to thepointsguy.com.

Matching programs can multiply your gift. Keep an eye out for special donation-matching offers, especially around Giving Tuesday (set for Nov. 30 this year). Last year, United Airlines matched all miles donated at a 1:1 ratio, and American Express offered to match reward points gifts to Feeding America at a 10:1 ratio. The La Quinta hotel chain has also been known to match rewards given to the Fisher House Hotels for Heroes program, which provides a place to stay for the families of hospitalized veterans.

Specialized charities can help stretch a mile. Nonprofits such as Miles4Migrants, which uses donated airline miles to help people impacted by war or disaster, have honed the art of getting fair value out of gifted rewards. "We have a team of expert award bookers search for flights and give that information to the donor, who books the flight directly for the person in need," its marketing manager Cat Cooke told NerdWallet.

Gifting turbulence

Some points can lose luster in transit to charities. For example, a recent MarketWatch analysis shows that Hilton Honors points donated through its site lose more than a third of their value. That's why some choose to use their travel rewards and make an equivalent cash donation to a charity.

You can't expect a tax write-off. In the eyes of the IRS, your donated miles and travel points are a gift from the corporation to the recipient – not from you. That means this type of donation is not considered tax-deductible.

Mind the minimum. The rewards programs usually require you to donate in set increments, which can be a pain if you're below the threshold.

○ ○ ○

Despite some minor drawbacks, donating your travel points can be rewarding. If you have some collecting dust, consider dispatching them out into the world to help someone else along their journey.

$100 billion

Estimated value of unclaimed loyalty points, according to a 2017 analysis by Bond Brand Loyalty

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Sources: NerdWallet; MarketWatch; thepointsguy.com; CNBC; Ad Age

The green life

How to navigate the world of sustainability – and have some fun along the way

Green life, green home, sustainable funds, buying local, the "buy nothing" movement, plastic-free living, eco-fashion, electric vehicles. We've all seen the headlines, but it can be a bit overwhelming. What exactly does "green" mean? And how do we incorporate it in our daily lives? Hint: Small steps add up, for those who are interested.

The Environmental Protection Agency defines sustainability as "creating and maintaining the conditions under which humans and nature can exist in productive harmony to support present and future generations." Looking at going green this way certainly casts a broad net. But the overarching idea is to find ways to eat, work and play that have a gentler effect on the Earth. Fortunately, there are a lot of easy-to-implement, and even fun, ways to do just that.

To begin, buy nothing

Divert landfill waste, get really amazing things and even maybe make some new friends in your neighborhood. All by … buying nothing. The Buy Nothing Project began in 2013 with two friends, but now it's a worldwide movement of people who post items they want to give away, and items they are looking for, online in social media groups and in the soon-to-be-rolled-out app. You may not be able to score everything you're looking for, but it's an easy place to start. Bonus? The movement has brought together people from all walks of life, positively impacting members' social well-being in addition to the environment.

Eat wild

While you don't have to go foraging on your own, you can find places hyper-locally that do. From pasture-raised meats to seasonal fruits, veggies and flowers, author Jo Robinson's eatwild.com offers a directory of local farms throughout North America that espouse sustainable farming practices, including grass-fed and pasture-raised animals. The site includes downloadable shopping lists, recommended fruits and veggies for your backyard food garden, and informational videos.

Shades of green

Here are a few quick and easy ways to ease into a more sustainable lifestyle, if you're interested.

Turn off the tap
Turning off the water while brushing your teeth can save up to 1,000 gallons of water a year.

Leave your shoes at the door
Studies show that pesticides – and bacteria – can last on your shoes for up to a week, so ditch the shoes inside.

Go meatless on Mondays
Going without beef on Mondays over the course of a year saves the equivalent emissions to driving 348 miles in a car.

Grow your own

Speaking of, you can't get much more local than your own yard for food. Many counties offer composting (a more natural fertilizer option that reduces food waste) and gardening guides to help get started. The few steps it takes to go out and pick some fresh basil have zero emissions and the result packs way more flavor than store-bought alternatives. The Million Gardens Movement has attracted celebrity followers like Harrison Ford and features lots of grow-your-own garden tips, as well as a way to give a garden to someone in need. You may also want to check out Food Not Lawns, which offers courses in front-yard permaculture, or Food is Free, which has an entire page of resources and a downloadable guide to start your own garden movement in your neighborhood.

Keep it cool

You can remove a million cars' worth of emissions from the roads by doing your laundry in cool water, not warm. And did you know washing your clothes in cold water makes them last longer, too? Not to mention saving $150 a year in energy costs. It's a triple win.

Step out smartly

When it comes to eco-friendly fashion, there are a wide variety of shoe companies that now embrace green values. Cariuma, a Brazilian sneaker company, claims to make the lowest carbon footprint sneaker ever and donates some of its profits to reforestation. With kicky and fun styles for both men and women, it joins the ranks of brands like Allbirds, which makes men's and women's runners and slip-ons from renewable wool, and Rothy's, which makes its fun multicolored women's flats out of repurposed water bottles.

Invest with impact

You may not necessarily think of your portfolio as part of your sustainability plan, but it can and should be, even if you're just thinking of a sustainable retirement income withdrawal plan.

Sustainable investing is quickly becoming mainstream, ranging from screens for social and environmental risks to opportunities for positive impact through new business ideas and corporate engagement. As of 2020, $16.6 trillion of professionally managed assets (equity and debt combined) in the U.S. are covered by one or more ESG criteria, up 56% from 2018. Remarkably, this represents fully one-third of all managed assets. Talk with your advisor about how you can align your investments with your prioritized causes, values and risk profile.

Looking to take a more active role? Visit the nonprofit corporate responsibility watchdog asyousow.org to learn more about shareholder voting and advocacy, or check out sister site fossilfreefunds.org to see how your portfolio of mutual funds ranks on a wide range of sustainability issues.

Dig in

If you really want to dig into sustainable and eco-friendly living, here are five blogs to kick-start your adventure:

The Zero Waste Chef: Delightful, doable recipes for the kitchen (zerowastechef.com)

My Plastic Free Life: 100 steps to get started (myplasticfreelife.com/plasticfreeguide)

Green Means Go: Fun, inspiring articles about a green lifestyle and travel (greenmeansgotravel.com)

Moral Fibres: British sustainable lifestyle mag that calls itself "hip not hippie" (moralfibres.co.uk)

Melanin and Sustainable Style: Chic lifestyle blog focused on sustainability and communities of color

Raymond James is not affiliated with the above-mentioned organizations.

Investing involves risk and you may incur a profit or loss regardless of the strategy selected. Sustainable/socially responsible investing (SRI) considers qualitative environmental, social and corporate governance, also known as ESG criteria, which may be subjective in nature. There are additional risks associated with SRI, including limited diversification and the potential for increased volatility. There is no guarantee that SRI products or strategies will produce returns similar to traditional investments. Because SRI criteria exclude certain securities/products for non-financial reasons, investors may forego some market opportunities available to those who do not use these criteria. Investors should consult their investment professional prior to making an investment decision.

Sources: epa.gov; energy.gov; cbsnews.com; foodnotlawns.com; treehugger.com; foodisfreeproject.org; milliongardensmovement.org; energystar.gov; eia.gov; forbes.com; investopedia.com; zerowastechef.com; myplasticfreelife.com; greenmeansgotravel.com; moralfibres.co.uk; Melanin & Sustainable Style; cariuma.com; allbirds.com; rothys.com; sandiegouniontribune.com; mondaycampaigns.org; buynothingproject.org; cnn.com; aarp.org; eatwild.com; plansponsor.com; asyousow.org

You've achieved a certain level of success, and you understand that the privileges of significant wealth come with challenges in equal measure. Among those challenges is successfully passing your wealth and values on to the next generation – to help them grow and preserve that wealth in order to thrive. It's not a challenge you'll face alone; $30 trillion to $41 trillion is expected to be passed from one generation to the next by 2048. The problem? Without careful planning, almost 70% of heirs' money, assets and family harmony disappear after an estate transition.

You have the opportunity – while you're living – to set your loved ones up for success, so to speak. A chance for open, honest communication, and for nurturing future-focused conversations about values, charitable giving and diligent stewardship. Estate planning is more than transferring money. It's about what that money can do for future generations, as well as making room for your family to grow closer, stronger – to prosper. The conversations may be sensitive, but they'll likely be worthwhile. According to a UBS report, families are happier and more satisfied when parents include their heirs in inheritance planning. "Estate planning and document creation prepare the money for the family. But that's half the job," says Shawn T. Barberis, J.D., president of More Than Money 360, a proponent of family meetings to prepare heirs to successfully carry on their family's legacy, values, unity and philanthropic mission. "A family meeting process prepares the rising generation for the money."

If you're not sure how to start the conversation on your own, choose a topic below and let the dialogue flow naturally from there.

Define your family's mission statement and your intentions for your wealth and legacy. Take into account non-financial topics such as your values, expectations, the roles your family members will play and more.

If something happened to you tomorrow, is your family comfortable enough with your financial details to assemble a snapshot of your assets? Is your family prepared to competently manage their inheritance?

Let your family know where you've stored necessary documents and how to access them.

You may raise more questions than answers. That's OK. You can always revisit a conversation, with the help of an experienced advisor if need be, to get to a place of comfort and understanding.

Don't let your heir down

Money alone is a shallow legacy compared to a more meaningful one that also touches on who you are and how to make a difference. In short, a family legacy that will last for generations to come.

The greatest gifts you have to bestow may well be your values, spiritual beliefs, wisdom, hopes for your descendants and the love you feel for your family and friends – important intangibles worth sharing with those you care about deeply. Many parents worry about the damage a large inheritance may do to their heirs' work ethic or sense of gratitude. Along with establishing your estate plan, trusts and legal will, consider taking some time to create a family love letter, also referred to as an ethical will, for your spouse, children and grandchildren. Your family love letter should come from the heart, serving as guidance for your loved ones in your absence. Your letter can serve a variety of purposes, but most pass on facts, feelings, memories and wishes, important events and family stories – all the elements that make up who you are.

Open arms and open minds

Unfortunately, the majority of family wealth disappears when it's distributed across multiple generations. Research and data clearly demonstrate that lack of transparency or a shared family vision can adversely impact the rising generation. To stack the odds in your favor, you'll need to create a framework to help your heirs flourish, strengthening family unity. Family meetings can help solidify decision-making and wealth governance – providing a structure that supports and sparks meaningful, multigenerational dialogue, Barberis says.

Considering the complexities affluence brings, certain financial vehicles and strategies might prove useful as you plan to relinquish control to the next generation. For instance, if you're concerned a family member isn't capable of handling significant wealth, an incentive trust can provide comfort, controlled by a strong trustee who'll manage the funds according to the terms you lay out in the trust documents – and, in the interest of family harmony, that may not necessarily be a family member. If your priority is instead on minimizing estate or federal gift tax, an irrevocable life insurance trust or qualified personal residence trust can assist, depending on your needs.

Something to think about

Specialized strategies can help you strengthen your estate plan, creating a more equitable distribution among siblings, for example, as well as potentially minimizing taxes (subject to the most current legislation, of course). Not all strategies will work for every family, so it's important to think through an estate planning vehicle's benefits, as well as any potential

drawbacks, with your advisor and accountant before making it a part of your estate. Ask about:

- Retirement plan beneficiary designations
- Irrevocable life insurance trusts (ILITs)
- Qualified personal residence trusts (QPRTs)
- Incentive trusts
- Charitable remainder or lead trusts
- Donor advised funds
- Private foundations
- Life insurance

And if one family member will inherit more than another, it may be important to share the reasoning behind your decisions sooner rather than later to stave off discord. Perhaps one doesn't need as much financial support or one received more early on. Or perhaps one heir is simply not ready to take on the responsibility, so it's all the more important to prepare them now. Spend the time to teach your children how to manage money and cash flow, or in the case of a business, mentor them until they can take the helm. Your advisor can offer support no matter how old your kids are.

Create a road map

Support whatever conversations you do have with documentation, storing legal paperwork, passwords, insurance policies, titles and deeds with a trusted attorney, advisor or in a secure online portal, like Vault, which allows you to assign various levels of access to particular people. Don't forget to include the contact information of your estate planning team, in case your heirs need it down the line.

You may want to include a philanthropic mission statement among these items, reinforcing the importance of sharing wealth to make the world a better place in some way. Doing so may just make them happier, and you'll be able to see their good deeds in action. Philanthropic giving has been known to boost health outcomes as well (e.g., increased dopamine and lower stress levels). Focused giving may also help your children develop an attitude of gratitude – not one of entitlement.

Each generation will have different ideas about how to use money to benefit their lives and those around them. While you may not always agree with your kids, give them a say in how the family wealth should be used. That can help connect generations and shape your family's future, while promoting openness and family harmony. If nothing else, family discussions will lend incredible insight into each other's values and temperaments and will give you an opening to understand them better.

Understand that wealth's privileges and complexities deserve, even demand, thoughtful preparation and honest, ongoing conversations. Circumstances can and will change, as should your estate plan. So work with your advisor along with your other planning professionals to find fair answers to important questions, establish trust and open dialogue, and provide the gift of opportunity to those who matter most.

Clear the air with your heirs

Here are three compelling reasons to help your heirs better understand your intentions and how to be good stewards of their inherited wealth.

1

It could reduce conflict. It may be awkward, but chances are they'll want to understand where you're coming from and your intentions. They'll have time to process what you tell them as opposed to trying to understand it all after they've lost someone they love.

2

You may get a chance to reconsider. You may learn something new or debate a better idea as part of the conversation, allowing you time to refine your approach, which could lead to a better result or at least better understanding.

3

You'll get to set expectations. Help them better understand their role in preserving family wealth, as well as how much help you're willing to give. Avoid the common misstep of using future inheritance as a means to control their behavior and decision-making while you're alive.

Raymond James does not provide tax or legal services. Please discuss these matters with the appropriate professional.

Sources: accenture; cegworldwide.com; marketwatch.com; nextavenue.org; theglobeandmail.com; Raymond James research; themckenziefirm.com; yourestatematters.com; thebluntbeancounter.com; cushingdolan.com; Journal of Financial Planning; bravotv.com; mybanktracker.com; kiplinger.com; forbes.com; legacyfamilyoffice.com; shwj.com; stokerostler.com

Lobster: A rags-to-riches story

Last year, the global lobster market reached a value of $5.66 billion. The top exporters and importers span the globe – from Canada and the United States to Spain and Japan. It's a lobster love affair no matter how you crack it! But that wasn't always the case. Previously served to prisoners and used as fertilizer, this now-delicacy has gained appreciation across the world.

[Nova Scotia, Canada]

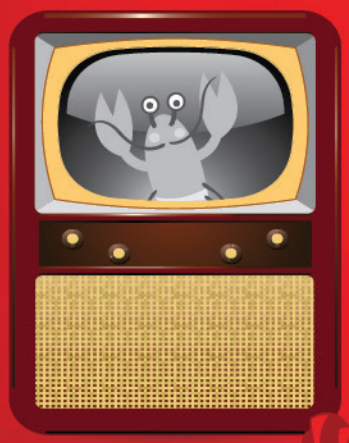
The bigger, the better?

The typical lobster weighs less than 4 pounds. But the heaviest catch topped the scales at 44 pounds, 6 ounces, wrangled off the coast of Nova Scotia in 1977. You'd need about seven cups of butter to accompany a catch that big.

[Kennebunk, Maine]

Chow down!

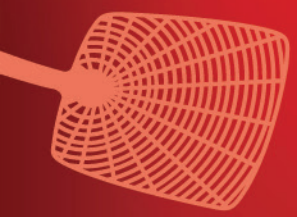
The world lobster-eating record goes to a professional eater with 20 other championships. She downed 44 Maine lobsters – 11.3 pounds of lobster meat – in 12 minutes during the 2005 World Lobster Eating Contest.



[United Kingdom]

Live from the U.K., it's lobster!

"Cookery," the first-ever cooking show, showed 1946 viewers how to prepare lobster in puff pastry. The black-and-white BBC feature sometimes required its chef to use his own post-war rations for the show.



[Sydney, Australia]

"Posh Pie"

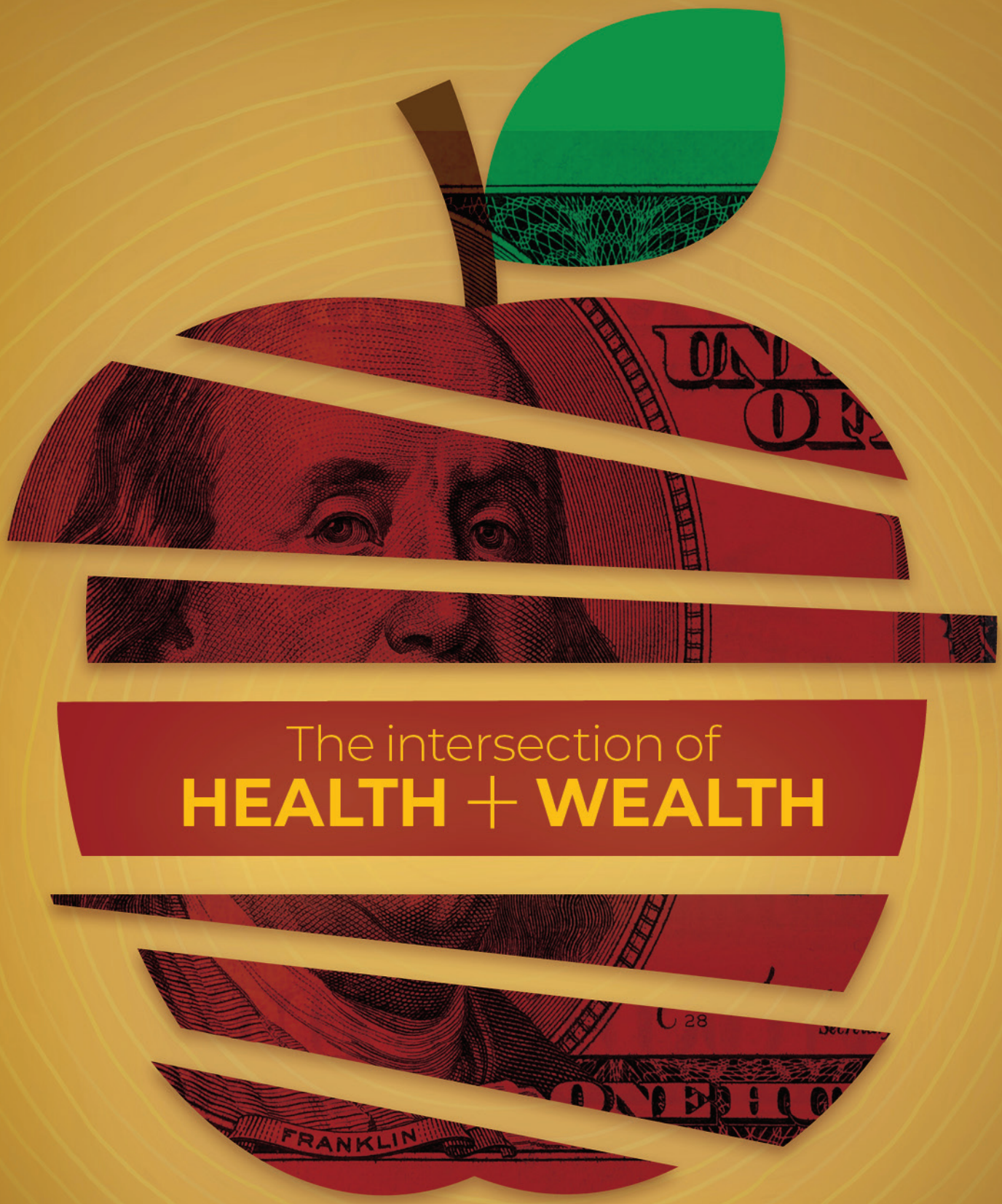
One Australian chef turned surf and turf into a pricey pie, featuring Western Australian rock lobster, premium beef cuts and rare black truffles, coated in 23-carat gold leaf and Penfolds Grange Reserve. The final bill? Just under $10,000.

[Massachusetts Bay Colony, Massachusetts]

Lobsters on lobsters

Once dubbed the "cockroaches of the sea," the plentiful crustacean used to wash ashore in piles up to 2 feet high along Massachusetts Bay Colony. Live lobsters now average $8 on the wholesale market.

Sources: majorleagueeating.com; oldest.org; lobsteranywhere.com; foxnews.com; guinnessworldrecords.com; vocal.media; nationalfisherman.com



The intersection of HEALTH + WEALTH

Bill Gates has a lot on his mind.

That may be an understatement, given the latest news. Despite being worth upward of $100 billion and co-running one of the world's largest charities, the 65-year-old prioritizes exercise, reading the news, playing bridge, and time with his children. His kids tease *him* about being behind the times (he prefers email to Instagram, for instance). He also worries about his mental health. His dad, whom he is named after, suffered from Alzheimer's along with more than 5 million Americans. And Bill worries he may get it too. He stepped down from the board of Microsoft to focus on philanthropic work that includes spending $100 million of his own money to advance new, unconventional treatments for Alzheimer's, a chronic neurodegenerative disease that hinders memory, thinking and reasoning.

Connecting the dots

There's a clear link between health and wealth, between incomes and outcomes. Turns out, they're two sides of the same coin. One is incomplete without the other. Health and enough wealth (what's enough differs for everyone) are vital for a life of contentment. Money alone doesn't cut it, as Bill knows. Studies indicate that people are happier when they are healthy, productive, in a committed relationship and financially secure. Research on Blue Zones – areas with a disproportionate population of centenarians – bears this out too. Surrounding yourself with loved ones; living a life with purpose; light exercise; stress management; and healthful eating seem to be the ticket to a long, healthy, happy life.

In 2020, caring for those with Alzheimer's and other dementias will total an estimated $305 billion, with the cost expected to increase to more than $1 trillion as the population ages.

Kicking a $5/day smoking habit saves $1,825 a year. Invested at 6% over 25 years, you're pretty close to a six-figure nest egg.

People invest in good mental and physical health as a form of human capital – a major factor in accumulating household wealth. It's like the old saying: An ounce of prevention is worth a pound of cure. So it makes sense to prioritize health and well-being, since poor health has financial repercussions too. Medical issues are a major source of bankruptcy in this country, often compounded by the inability to earn as well as the exorbitant costs of care. Conversely, longer lifespans mean you'll need to prepare a larger nest egg to sustain your lifestyle in retirement, even though you may enjoy the ability to work longer if you desire. Although good health is likely to improve your overall quality of life and reduce the need for major medical intervention, healthy individuals are responsible for paying ordinary health costs such as insurance for potentially longer than they planned.

Money alone may not be enough to foster long-term total mind, body and portfolio well-being, but it is an important aspect. Wealth is about what it can do for you and your loved ones. Financial security enables you to better enjoy life, according to Nancy Molitor, clinical assistant professor of psychiatry and behavioral sciences at Northwestern University's Feinberg School of Medicine. "When people are in that state, they are more able to live in the moment and enjoy the little everyday pleasures of life: seeing your kids do well and be happy, having friendships, good relationships, being able to go out, travel, whatever."

The federal Consumer Financial Protection Bureau (CFPB) defines financial well-being in more practical terms: having control over day-to-day finances, being able to absorb a financial shock, being on track toward financial goals. All the things your advisor recommends, naturally. The point to both definitions? Wealth grants you freedom to make choices that help you live the life you envision for yourself and feel good while doing so.

And health can be dependent on money, which gives you better access to insurance, quality of care and, more important, quality of life, particularly as you age. So how can you take care of your true well-being? There are lessons to be learned and steps to take to enrich your life on all fronts. Here's what we mean.

Sweat the small stuff

Yes, we know the famous book tells you otherwise, but when you ignore some of the small things, they tend to add up. Think how easy it is to gain a few pounds here and there, especially over the last year, which saw many of us more sedentary than ever before. Health problems, even minor ones, can overshadow other aspects of your life, making daily living more challenging, creating financial stress and taking a toll on your happiness. The same is true for finances. A quick latte here and there adds up. As do those impulse purchases on your credit card, but of course that comes with higher interest rates as your balance climbs. Debt, like weight, can be sneaky, so pay attention without obsessing.

Learning better

In health as in investing, certain habits lay the groundwork for a stronger future. Here are a few keystone habits and skills to cultivate because they make it easier to build other healthy habits.

1. Exercise. It boosts energy, mood and brain function.
2. Read. Gaining knowledge could inspire you to further develop skills and strengths.
3. Take (intelligent) risks. Cultivate the ability to act in the face of fear or failure. You'll learn from your mistakes, and smart risks also mean you may gain when the only thing in your way is your own insecurity.

Issues with money prevent about 32% of Americans from living a healthy lifestyle, according to the American Psychological Association's Stress in America survey

Numbers to know

We keep a treasure trove of meaningful data in our heads: our height, age, computer passwords, debit card PIN, salary. But there are some numbers we don't often think about. How well do you know these essential numbers that help gauge your fiscal and physical fitness?

FINANCIAL

37%
Tax rate
The top federal income tax rate in 2021. Knowing your rate informs your tax-planning strategies.

25%
Savings
Everyone's savings rate is different, but higher-percentage savers (15% toward retirement and 10% for other goals) save on borrowing costs and may be able to achieve goals more easily.

36%
Debt-to-income ratio
Ideally, it should be lower than 36% for favorable lending rates.

Assets - liabilities = net worth
Total net worth
An annual net worth statement can help track changes.

720-850
Credit score
The range of "excellent" FICO credit scores, which lenders use to check your creditworthiness and offer comparable rates on loans. Check yours annually, particularly for signs of fraud. Only about 1.2% of Americans have a perfect 850 credit score, according to Experian.

HEALTH

60 to 100
Heartbeats
The normal range of heartbeats per minute. Rates consistently above or below may warrant medical attention.

<200 mg/dL
Cholesterol
High cholesterol is generally considered a serious risk factor for heart disease, according to the American Heart Association. In most cases, there aren't symptoms, so it's important to get periodic blood tests and an annual physical. Genetics play a large role as well.

<100 mg/dL
Triglycerides
Triglycerides measure fat found in blood and are an indicator of heart health. Less than 100 mg/dL is ideal; 200 or above is cause for concern.

120/80
Blood pressure
Regular blood pressure indicates good heart health. Significantly higher or lower numbers could indicate medical problems.

≤100 mg/dL
Blood sugar
Fasting blood glucose should be ≤100 mg/dL; higher numbers indicate a risk of diabetes.

77.8 years
Life expectancy
Average life expectancy for Americans, though it depends on a lot of factors. Life expectancy impacts decisions for annuities, long-term care insurance and other investments.

Sources: webMD.com; heart.org; mayoclinic.org; yahoofinance.com; washingtonpost.com; cdc.gov

Get a coach

Both health and finances come with their own language – acronyms and abbreviations abound. APR. Lb. REIT. BPS. mg/dL. You'll see gains on both fronts if you partner with a savvy professional who'll help you set realistic, attainable goals and keep you on track as you make incremental progress toward them. Your coach should offer support and guidance based on where you are and where you want to go. That holds true whether you're talking about physical, mental or financial strength.

Avoid the bench

Change makes many uncomfortable. Making major lifestyle changes or breaking habits seems unnerving. But doing nothing shouldn't be the answer. Sitting on the sidelines only hinders forward momentum. According to the U.S. Department of Health and Human Services, "America needs to get healthier one small step at a time. Each small step does make a difference, whether it's taking the stairs instead of an elevator, or snacking on fruits and vegetables instead of greasy chips or sugary foods. The more steps we can take, the further down the road we will be toward better health for ourselves and our families."

Same with saving and investing (see pg. 26 for more). You risk not having a fully funded, secure retirement if you allow volatility or headline news to sway you from your vetted financial plan. Like an apple a day, saving a "dollar a day" in the form of 1% of your salary (bumping that up each year) can help you steadily get closer to your short- and long-term goals.

Knowing you need to lose 50 pounds is daunting, and may even seem unrealistic, but setting a 10-pound goal five times might just get you where you want to be. Similarly, saving 10% of your income each year may seem intimidating at first, but it is far better to save a smaller amount (3% to 5% with gradual increases as pay rises, for example) than to save nothing. Making small positive steps is perfectly acceptable and attainable. Do what you can with what you have.

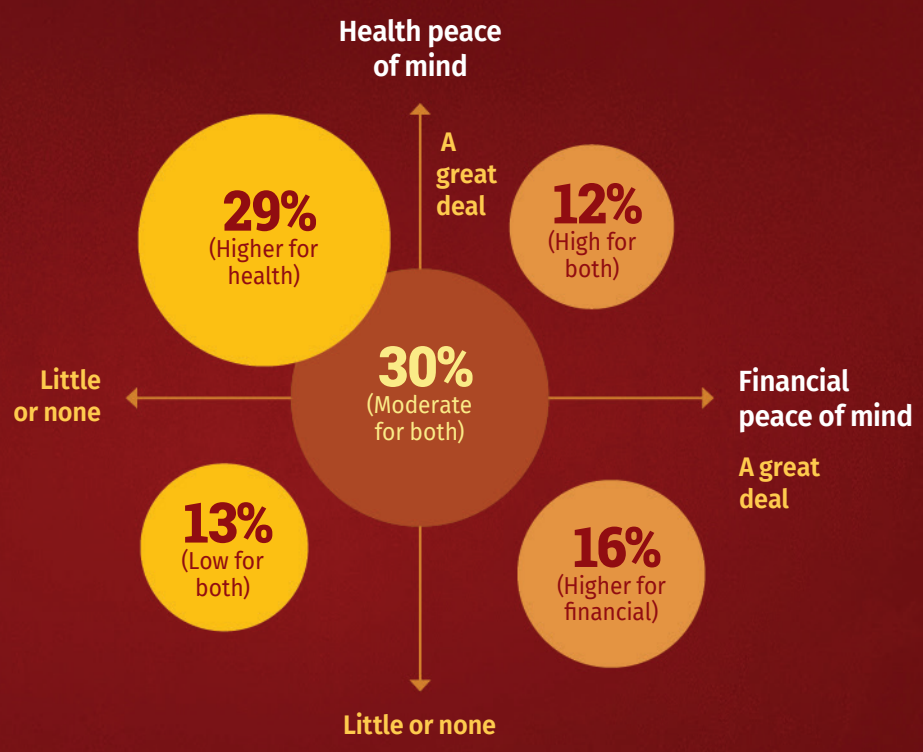
Get and stay on track

None of this happens overnight. You, along with your "coach," put in the work, with discipline and perseverance over time. Miracle cures or get-rich-quick schemes rarely work. Sure, they may seem attractive at first (instant gratification usually does), but more often they're based on scams, and they generally come with risks that outweigh any potential reward.

So what we're really talking about here is self-control, discipline, the ability to maintain your course of action – developing good habits health- and

Peace of mind

One study conducted by The Urban Institute found that only about 12% of Americans feel a sense of peace about both their physical and financial well-being. They report feeling more relaxed, confident and in control of both their health and wealth. On the other end of the spectrum, those who report low comfort with both feel high levels of anxiety.



Treat yo' self

As Donna and Tom from Pawnee might encourage you: treat yourself. The "Parks and Recreation" characters believe in self-care in the form of indulgence. Of course, moderation is needed here. Treating yourself – well – doesn't mean breaking the bank or neglecting things that are also important. Some ideas:

- Tame the savage beast with your favorite music.
- Then dance. Literally, shake it off, Swift-style.
- Be social. Connect with friends and family daily.
- Get out. As in outside. Spending time outdoors soothes the mind and boosts self-esteem.
- Be nice. Doing for others benefits you too.

wealth-wise. We all know that healthy habits include getting enough sleep, managing stress, exercising and eating nourishing food. Easier said than done without some form of discipline. We're not saying live like a monk, just that focus makes progress all the easier.

We're also not saying it's "either/or" or "now vs. later." You do yourself a disservice if you work yourself to the bone for 30 years to accumulate wealth if harmful stress is a tradeoff. You can see how that level of intensity might leave little room for nutrition, exercise and sleep. You might get by, but at what cost? Perhaps it's smarter to pursue wealth in conjunction with health.

Denial and disconnects

Studies show that we're only human when it comes to looking at our health and wealth objectively. To us, perception is reality, but there's often a gap between the two. Take, for example, the Retirement Confidence Surveys conducted by the Employee Benefit Research Institute, which reveal only about 40% of respondents have ever tried to estimate their retirement expenses, yet almost 70% of the working respondents (age 25 or older) remain confident that they'll have enough to retire on their terms. A pulse survey issued just after the start of the pandemic showed that workers still believe they're doing a good job preparing for retirement (64% compared to 67% in the prior survey, not a statistically significant difference according to the researchers).

An Associated Press survey showed that 60% of Americans with body mass indexes (BMIs) above 25 consider themselves to be at a healthy weight. While BMI as a metric can be problematic, the point is that many Americans think they are doing better than they actually are – despite the data. Behavioral finance calls this overconfidence. It's easy to understand the psychology at play. We want to think of ourselves as successfully defying any odds, having been smarter or faster than others. We tend to tune out anything that challenges that notion. It's why people still have concentrated positions in their company stock within their 401(k)s; they believe they understand the company better than others, even after we've been told it adds to our risk of loss.

Overconfidence makes reframing any disconnect even harder. Trust your coach to hold up a mirror and help you see the situation more clearly.

Check in for checkups

You already know you need regular medical screenings and preventive tests (e.g., blood pressure, mammograms, eye exams) to maintain good health. The same holds true for the health of your portfolio. Your financial advisor has specialized software that gives you a holistic, custom picture of your overall financial health. Periodic financial checkups are just as important as routine physical exams to help "diagnose" issues (e.g., high consumer debt ratio) before they get worse and assess undue areas of risk. These check-ins also give you a good benchmark to evaluate progress and adjust your plan if needed.

These moves won't transform your life overnight. Just like with taking care of yourself, small changes can have a big impact, financially speaking. Financial well-being often means the absence of money-related stress, which, of course, strengthens your overall wellness. You won't be surprised that finances, according to Everyday Health's United States of Stress survey, are the most common source of stress among men and women. When you engage with your finances and commit to healthy changes with the help of your advisor, chances are you will start feeling better before you know it.

"The first wealth is health."
– Ralph Waldo Emerson

Sources: cnbc.com; businessinsider.com; mhanational.org; greatist.com; markmanson.net; everydayhealth.com; theonebrief.com; njaes.rutgers.edu; insurancequotes.com; ALZ.org; ajmc.com

Become a super saver

Your step-by-step retirement savings guide

Saving for a retirement that may still be decades away can seem like a lower priority compared to competing goals, but time is an incredibly valuable asset when it comes to planning for your future – especially if you can't rely on a pension as our ancestors once did. Like training for a marathon, start with small steps in your teen years (yes, that early!) and remember to stretch when you need to. You'll see what we mean. Let's go!

TEENS

GETTING OFF THE COUCH

Get started: As soon as the teens in your life start working, encourage them to spend wisely along with saving for the future and giving back. They might not care about saving for retirement instead of the latest gaming system, but they may just thank you when they see the power of compounding at work.

Stretch: Most kids will start with a simple bank account, one that barely earns interest – if at all – so consider introducing them to a Roth IRA that will allow savings to grow tax-free, potentially turning a few hundred dollars now into a retirement worth living later.

Pro tip: Cash is king, and as such it shouldn't sit idle. Saving a bit here and there in a rainy day fund builds a financial cushion that can help bridge gaps as they build their careers and futures.

TIP

Increase your savings rate by **1% a year.** You won't notice a difference, but your retirement account will.

20s

BASIC TRAINING

Get started: You may not know it yet, but your employer pays you more than your salary. Between your healthcare benefits, bonuses and profit sharing, you benefit from their investment in you. Don't forget to take all of that into account when comparing job offers.

Stretch: Take the free money! This is even easier than it sounds. You'll be introduced to some sort of retirement savings account, most likely a 401(k). Contribute as much as necessary to maximize all matching contributions offered through your company's sponsored retirement plan. If right for you, select investments that offer growth potential and diversification. Remember that compounding we talked about?

If you save $500 a month starting at age 20 and earn just 5% each year, which is below the average return of the stock market, you'll be a millionaire – with an M – by 65. Seek objective advice from your family's financial advisor if you have questions.

Pro tip: Automate your retirement contributions, then save up in an emergency fund so you don't have to raid your retirement savings should something unexpected happen.

30s
MILE MARKERS

Get started: You're ready to buy a house, get married and/or have a baby. Guess what? Those milestones require a conversation so that you and your significant other are working toward the same lifetime goals and maximizing your income and benefits to cover these important milestones.

Stretch: If you can, set a goal of saving 15% of your salaries. Increase your savings rate when you get promoted, get a tax refund or earn a bonus. Believe it or not, you're halfway to retirement.

Pro tip: Ask your financial advisor to help you define your retirement goals (e.g., lifestyle and when to retire) and create a tax-efficient investment strategy to help get you there. If you haven't already, start estate planning to ensure your wishes for your family are well-documented.

40s
PEAK PERFORMANCE

Get started: Welcome to your peak earning years! Research your position and negotiate a fair compensation package. Your Social Security benefits will be based on your best earning years.

Stretch: If you've changed jobs, consider consolidating accounts from previous employers so you can get a clearer picture of your assets and the fees you pay.

Pro tip: Sending your kid to college is a wonderful goal, but not at the expense of your retirement. Pay yourself first, then consider a tax-advantaged 529. Your advisor has specialized software that can help you prioritize competing goals.

Tip: Visit ssa.gov to view your earnings record and estimated Social Security benefits

50s
WEIGH IN

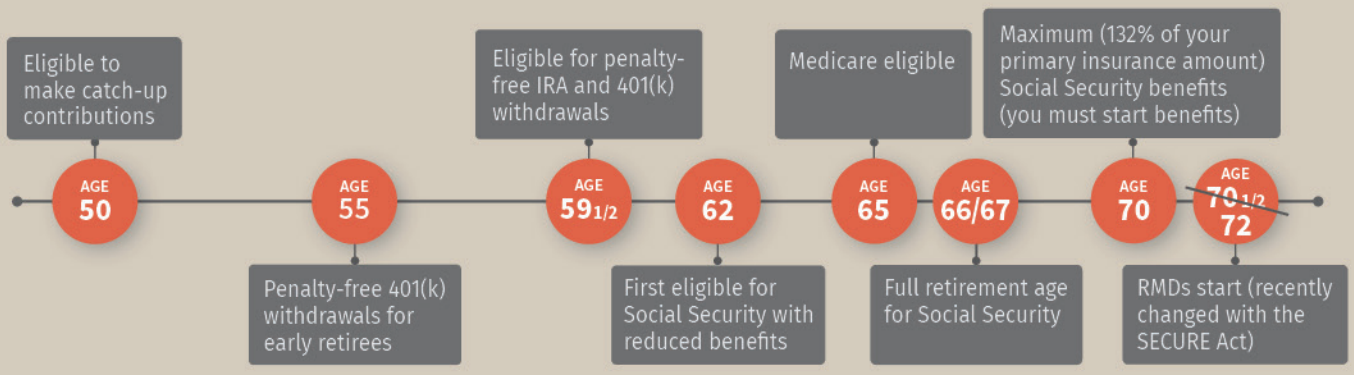
Get started: Let's look at how far you've come. Revisit your retirement goals with your advisor. It may make sense to dial back some of your investment risk, looking for a balance of short- and long-term gains.

Stretch: If you feel like you need to play catch-up, don't worry. There's always something you can do to close the distance between where you are now and a secure, comfortable retirement. One of the many benefits of age is being able to save even more after age 50. Catch-up contributions allow you to funnel up to $7,000 (as of 2021) into an IRA.

Pro tip: If you find yourself "sandwiched" between caring for children and parents, work with your advisor to figure out how much financial support you can lend, and be sure to care for yourself too.

Make a wish

Certain birthdays mean more as you prep for retirement.



60s

KEEP AT IT

Get started: Now's the time to start thinking Social Security strategy with your spouse and get a better grasp on which sources of income will make up your retirement "paycheck" to pay for your wants and needs.

Stretch: If you're in good health and have the opportunity, consider working longer in your field or perhaps a new one as a contractor. If you decide to fully retire, line up Medicare or some other health insurance to ensure you have coverage.

Pro tip: A health crisis can derail even the best-laid retirement plans. Make sure you have adequate insurance and an emergency fund. Revisit your beneficiaries and estate plan to make sure they're up to date, just in case.

Apply for Medicare three months before the month you turn 65

70s and 80s

CROSSING THE FINISH LINE

Get started: Retirement is in sight. Hold off on receiving Social Security as long as possible to maximize this important income source. Work with your advisor to incorporate that income as well as your RMDs into a sustainable spending plan (one that will outlast you and keep up with inflation) as you retire on your own well-deserved and well-defined terms.

Stretch: It's not too late to establish a proper legacy plan, including healthcare proxies and powers of attorney. After your needs and wants are met, what would you like to do with the rest of your assets? Review your plan to ensure it reflects your wishes for your family and any charities you support.

Pro tip: Many new retirees worry about spending what they've worked decades to build, forgetting that they've planned for this all along.

Procrastinators, fret not

Seven out of 10 Americans feel confident they're financially prepared for retirement, according to the EBRI 2020 Retirement Confidence Survey – but if you're not among them, it's not too late. While there's no quick answer, you can still make progress. Remember those small steps we keep talking about? Take one as soon as possible.

Hypothetically, money put away in an investment account that grows 6% annually will double in 12 years, which means that unless you're already on the cusp of retirement, there's still time to accumulate a significant sum. Bear in mind, too, that today's retirements can last a long time and your money will be withdrawn gradually. The balance has the potential to keep growing while you're retired.

Besides saving, other options include trimming expenses; eliminating high-interest debt as quickly as possible; revisiting your asset allocation without taking on undue risk; working for a few more years; or editing your retirement vision to include a simpler lifestyle.

Last but certainly not least, you can lay out everything with your advisor. Determining how much you need for the retirement you envision, what you need to get there, how to invest your money, how to account for inflation, what your healthcare costs are likely to be – these are all matters your advisor understands and deals with every day. Get the numbers and ask your advisor to run the appropriate "what if" scenarios. You may find your situation is brighter than you think and that knowing your options allows any lingering concerns to fade.

Sources: fidelity.com; thewashingtonpost.com; time.com; wealthmanagement.com; oppenheimerfunds.com; metlife.com; Pershing's "The Retirement Challenge Dilemmas and Decisions Through Every Decade"; Employee Benefit Research Institute, "The 2020 Retirement Confidence Survey"; irs.gov

The hypothetical examples are included for illustrative purposes only. They are not intended to reflect the actual performance of any security, and do not include fees and charges that would reduce an investor's return. There is no assurance that any investment strategy will be successful. Investing involves risk including the possible loss of capital.

Asset allocation and diversification do not ensure a profit nor protect against a loss. Unless certain criteria are met, Roth IRA owners must be 59 1/2 or older and have held the IRA for five years before tax-free withdrawals are permitted. Withdrawals from tax-deferred accounts may be subject to income taxes, and prior to age 59 1/2 a 10% federal penalty tax may apply.

Earnings in 529 plans are not subject to federal tax and in most cases state tax, as long as you use withdrawals for eligible college expenses, such as tuition and room and board. However, if you withdraw money from a 529 plan and do not use it on an eligible college expense, you generally will be subject to income tax and an additional 10% federal tax penalty on earnings.

TAKEOUT NATION

Though the National Restaurant Association called 2020 "the most challenging year" for the industry in memory, it also sparked creative carryout ideas in chefs' kitchens across the U.S. Here's a sampling of fresh insights into how we're grabbing a bite these days.

MENU

MEATY MAINS

$486 billion was spent on takeout in the U.S. last year – a hefty 63% of restaurant spending overall.

Comforting golden goodness: The top "to-go" meal of 2020? Chicken tenders and French fries.

Tasteful adaptation: The most popular way eateries evolved for COVID-19 was adding takeout, at 67%; 27% added third-party delivery; 17% added in-house delivery; 3% added a drive-thru.

Generation GrubHub: Gen Z clicked its way to a 13% bump in takeout and delivery in 2020. Millennials (15%) and Gen Xers (17%) plan to continue grabbing food to go frequently.

SPOOKY SPECIALS

100,000 ghost kitchens, aka delivery-only restaurants, are estimated to be operating in the U.S., including Guy Fieri's Flavortown Kitchen and It's Just Wings.

CHEF'S SUGGESTIONS

International delight: Customers traveled through their taste buds in 2020, with an **807% increase in Taiwanese cuisine** to-go orders. French and Filipino food saw 501% and 313% increases, respectively.

HAPPY HOUR

53% of millennials are more likely to choose a restaurant if it offers alcohol to go.

7 in 10 full-service eateries added alcohol to go in 2020.

ADD-ONS

20% is the average cut of profit third-party delivery apps take. To help restaurants, Seattle, San Francisco and Washington, D.C., have capped these commissions at **15%**.

64% of customers prefer to order directly from a restaurant; **18%** prefer a third-party app.

SWEETS & TREATS

All-American: Apple pie was the top-ranking dessert for delivery and the fifth-most-ordered food overall. Carrot cake, cinnamon rolls and brownies were among the foods on the rise in online ordering.

THE FAN CLUB

47% of customers are supporting local restaurants by tipping more, **26%** are posting positive online reviews, **23%** are donating, **22%** are placing large orders, **20%** are promoting favorite eateries on social media and **13%** are buying gift cards.

15% is the average tip from to-go diners; many apps set 15% as a default tipping amount.

Sources: Paytronix; DoorDash State of Flavor Report; National Restaurant Association's 2021 State of the Restaurant Industry Report; National Restaurant Association surveys; Statista; Bloomberg; Restaurant Dive; The Spoon; Bid-On-Equipment; FinanceBuzz

Calm confidence

2020 was a study in the importance of staying invested

"The Cost of Bad Market Timing Decisions in 2020 Was Annihilation" reads a headline reflecting on a volatile year for investors. Bloomberg's clickbait wording aside, the author has a point.

As the saying goes, time in the market is more important than timing the market. Getting the timing right is difficult, in part, because historically the market's best days happen shortly after its worst ones. That was certainly the case last year, when there were two 9% daily gains in the S&P 500, both landing within the top 10 all-time daily returns. March 12 saw a 9% fall; the very next day, a 9% rise. Things hit bottom on March 23, and the S&P 500 closed just above 2,237; the very next day, we saw a 9% climb.

If you're reminded of a roller coaster that makes your organs float, you're not alone. Investors who panicked and sold their holdings after a bad day in March 2020 more than likely missed out on the early days of the historically swift recovery, while those well-diversified investors who sat tight with hands and feet inside the ride did not.

The impact of missing a few days of exceptional returns is significant – and it's not just a 2020 phenomenon. According to a Morningstar analysis, a hypothetical investor with $10,000 who stayed fully invested from January 2000 to the end of 2019 would have earned a 6.1% return. An investor who missed 10 of the best days ends up with less than half of that: a 2.4% return (see chart below).

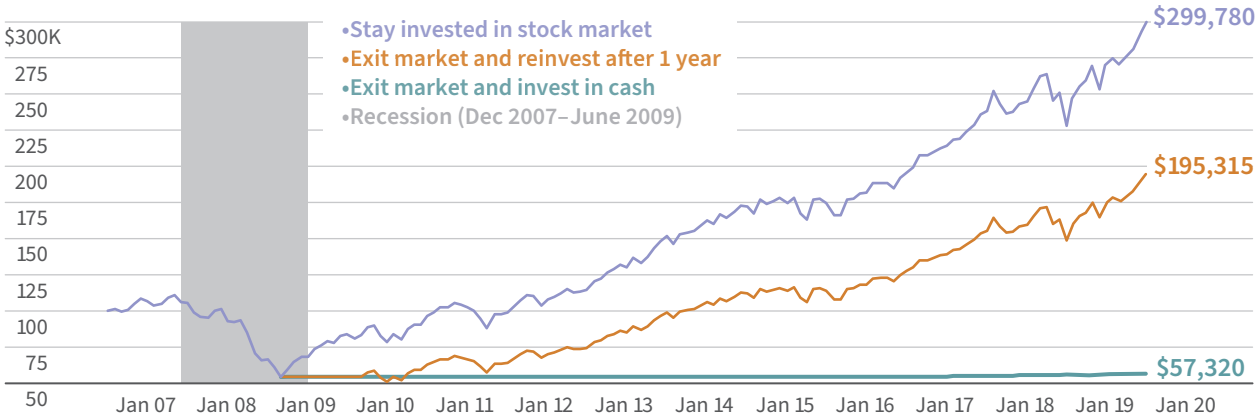
With the odds of timing the markets slim, why do people still try to do it? For the answer, we look to the field of behavioral finance, where economics, psychology and neuroscience intersect. It points to two mental shortcuts that can short-circuit our brains: loss aversion and overconfidence.

It *really* hurts to lose

No one likes to lose, much less lose money. Online investing forums are replete with thousands of laments, claiming "I don't like to lose money." There's no denying that the loss aversion bias often drives us to prioritize not losing above all else, which can lead to poor decision-making. The principle of loss aversion, first proposed by trailblazing psychologists Daniel Kahneman and Amos Tversky, states that we experience the pain of losses twice as powerfully as the benefit of equal gains.

The memory of that pain echoes. A Journal of Personal Finance study in the wake of the Great Recession showed that respondents who had experienced losses were 1.5 times

Sitting on the sidelines vs. staying invested



Source: Morningstar. Past performance is not a guarantee of future results. For illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.

more likely to sell holdings and sit on the sidelines when it was unnecessary. This inclination also shows up in other areas of our lives. For example, 1 in 10 Americans pays for a self-storage unit, accruing ongoing expenses to hold onto clothes, furniture and other items they likely no longer need.

Other examples of loss aversion wreaking havoc on your finances include holding on to investments that keep losing value because you refuse to sell below a given price, and avoiding difficult conversations related to estate planning or long-term care.

If you know you're especially susceptible to this mindset, researchers say seeking the outside perspective of a professional – in other words, your advisor – can help you overcome it. An advisor can help you pinpoint your risk tolerance and stress-test your portfolio to give you the confidence to stay the course through the market's ups and downs. It also helps to look at long-term investing data, which can empower you to look past a loss and move forward in pursuit of your goals.

Not your average investor

Have you ever overestimated how many tasks you can get done in a day or thought you could definitely get somewhere faster than the GPS said you could? That's overconfidence. If you're prone to this bias, you are much less likely to realize the role of luck or external factors in past successes, and instead think future success is a given.

Confidence can help us take measured risks and reap the reward. But overconfidence is feeling that a great outcome is certain despite any data to back that up. This can show up in your financial situation in a number of ways, including incurring high transaction costs and taxes from frequent trading, lacking diversification in your holdings because you prefer one particular stock, and refusing to listen to outside advice that suggests you make a change to your strategy.

Imagine you were a first-time investor in 2020, a year that saw the Nasdaq, Dow and S&P 500 finish up 43%, 7% and 16%, respectively. You might have a distorted perception of what to expect. With stock speculation making headlines and the ability to tolerate lockdown boredom wearing thin, the markets beckoned many newcomers. More than 10 million new brokerage accounts were opened last year, according to JMP Securities. That's a lot of people who now have 2020 as their baseline – a year when external forces and the Federal Reserve's moves to keep interest rates low had an outsized impact.

Skipping the FOMO

Being a responsible and prudent investor in a market that's been described as "foaming at the mouth" can be a challenge at times. Those millions of newly active traders are sharing their stock stories with family, friends and social media contacts, leading to the inevitable fear of missing out on trends.

FOMO is no match for wisdom, however. As legendary investor Warren Buffett wrote in a recent letter to shareholders, building wealth slowly and steadily can help investors avoid the mistakes that come with trying to time the market. "Productive assets … produce wealth – lots of it. Most owners of such properties will be rewarded. All that's required is the passage of time, an inner calm, ample diversification and a minimization of transactions and fees."

Are you a fan of roller coasters?

You may have your brain chemistry to thank for that. A 2015 study in the journal Behavioural Brain Research found that people with higher levels of dopamine are predisposed to such sensation-seeking behavior.

After a 10-year stretch in which the performance of U.S. stocks overall eclipsed international ones, it may pay to pay *some* attention to other markets. If you're interested in rightsizing your current foreign stock exposure and seeking diversification and opportunities overseas, talk to your advisor.

Sources: Bloomberg; Morningstar; Journal of Personal Finance; Self Storage Association; Business Insider; Yahoo Finance; Fortune; Behavioural Brain Research

Pretty in Pink

Traveling by palette makes for picture-perfect memories

When you think pink, natural wonders may not be the first thing to come to mind. But their unexpected nature is exactly what makes these destinations – from the palest shell-pink to the deepest magenta – so stunning. While we may not have been able to travel for leisure as much as we would've liked in the past year, let this time away from jet-setting inspire a creative way to travel – by palette. Just think about what those photos will look like framed and hanging on your living room wall. You'll be inspired to travel to only the most picturesque places. If pink's not your thing, be lured instead by the colors that soothe your soul. Think about turquoise hues of the Caribbean that relax and rejuvenate your spirit or the subtle earthy tones of the Painted Desert that leave you feeling comforted and nurtured.

Watercolor delight

Who needs white sand beaches when you can have pink? Harbour Island, Bahamas, boasts three miles of dreamy pink shoreline. Literally named Pink Sands Beach, the calming color comes from the bright pink or red shells of microscopic organisms and bits of coral that wash ashore and mix with the sand. Step foot off the beach – leaving blush footprints behind – and into a quaint seaside town. With a golf cart rental, you can shoot across the island in five minutes flat and circle it entirely in 20. Don't leave without a stop in one of the friendly local restaurants for tasty conch salad or sweet Bahamian bread – and top it off with a refreshing goombay smash as the day comes to an end.

A natural gem

If you're up for some adventure in Australia, the "cotton candy caves" are worth exploring. Located about two hours north of Sydney, this natural wonder is accessible from Moonee Beach. It will require some work and planning to get there, but these vibrant pink and purple grottos are guaranteed to amaze. There are a couple hiking routes that will lead you to the destination, the shortest being about two hours. And visitors are cautioned to traverse the rocks only during low tide, which is what exposes the brilliant fuchsia hues below.

Rose city

The most subtle blushing pink sandstone is the medium of caves, temples and tombs hand-carved some 2,000 years ago. In the high desert of Jordan, the city of Petra awes tourists and archaeologists alike. (Only half of the site has been fully explored and just five years ago satellite imagery revealed a monumental structure buried under the sand.) Only rediscovered in the 1800s, this historic wonderland is one of the most admired of the World Heritage sites. But plan on more than just a day trip to Petra if you're visiting the region. The entire city of ruins spans more than a hundred square miles, and seeing some of the highlights on foot will elevate your appreciation for this sacred space.

The red lagoon

Looking at Laguna Colorada, located in the southwest corner of Bolivia, you might just question if you're still on planet Earth. At 14,000 feet above sea level, this shallow salt lake sits in the Altiplano or "high plateau" of the Andes (this is where the Andes are widest). Sediment, red algae and microorganisms paint the water a deep pink, and huge borax deposits speckle the lake with white pools. As if it could get any rosier, there are hundreds of flamingos that flock to the lake, drawn by the abundant plankton. Three of the six species of flamingos in existence can be spotted here, including James's flamingos, which are rare and endangered. If you're lucky, you may even spot alpacas or llamas wading in the shallow water. (Just two hours away is a stunning lake of another shade – Laguna Verde – and worth an add-on to your trip.)

Sources: travelchannel.com; bahamas.com; travelandleisure.com; amusingplanet.com; intrepidtravel.com; atlasobscura.com; nationalgeographic.com

Picture perfect

Forget the Instagram filters. You can shoot stunning photos that will make your colorful destinations pop with a few tips.

Shoot during the "golden hour." Photographers call just after sunrise and just before sunset the golden hour because it provides diffused light from the sun and adds depth to your snaps.

Do your research. Some colors in nature are only visible at certain times of year or day or in specific climates. You don't want to plan a trip around capturing magnificent photos only to find your timing isn't ideal.

Use the landscape setting. If you're not keen on manually adjusting camera settings, try a preprogrammed landscape option that will automatically adjust shutter speed and aperture to make for beautiful scenery photos. (There's no landscape setting if you're using your phone to shoot, but you can hold it in landscape orientation – always – for a wider shot.)

Think about composition. There are many ways to create an attractive photo, so try changing your point of view by kneeling down or climbing on something higher for a variety of perspectives. Consider the rule of thirds, where you visualize your photo in thirds horizontally and vertically, and position subjects along the imaginary gridlines or at the intersections of them. If you're using your phone for photos, pay close attention to shadows and reflections as you change perspective. Also, most phones have grids you can turn on in your camera settings to help with composition.

Clean your lens. It may seem simple, but your phone lens gets dirty. You'll take clearer and crisper photos if you clean it with a microfiber cloth before framing your shot.

Photo: Pink Sands Beach, Harbour Island, Bahamas

"Monarchs of the North" by Martin Grelle Oil on canvas – 2002, 60" x 46"

Along with natural talent, Martin Grelle's career was set in motion by sheer serendipity. He was in high school when two professional artists and members of the prestigious Cowboy Artists of America moved to his hometown of Clifton, Texas. This not only inspired Grelle's dream to one day become part of the same organization, but also to seek a mentor in one of the artists, James Boren. Boren obliged, and Grelle had his first one-man show within a year of graduating high school.

More than 30 of Grelle's one-man exhibitions have highlighted the culture of Western life since then. He also has won countless awards of both regional and national importance. Among his most notable achievements, however, is being one of only seven artists to win the Prix de West Purchase Award twice. And, in 1995, he was invited to join the Cowboy Artists of America – a personal dream fulfilled.

In "Monarchs of the North," Grelle expresses his love for the combination of figures and landscapes. The scene takes place in Northwest Wyoming, close to the Montana border. The riders represent the Blackfoot nation, who roamed the area. "I've been told so many stories about them and their tremendous impact on the northern country." He tells WorthWhile the painting's title reflects the Blackfoot influence, and the extra horses hint at what they acquired on their travels.

Grelle wanted to capture the misty, early morning light and make the viewer feel like they are personally experiencing the moment. His approach involved pushing the landscape back, bringing figures forward and being ultra consistent with light. "Lighting is critical," he says. "I always watch for congruency in my paintings." He also describes applying the paint with the right blend of softer and harder edges. "It creates a more natural feel for the human eye, allowing you to meander through the space."

Grelle and his wife live on a ranch just outside Clifton, which is now a hotbed for artists. When not painting, he teaches workshops and gives demonstrations around the country. Following the example set by his parents, he strives daily to be the best artist, and man, he can be. To learn more, visit cowboyartistsofamerica.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.

Fund your family's future

One of the greatest joys is sharing wealth with those you love. Sure, there are savings bonds, but you may be surprised by how many other ways you can share your generosity with your children and grandchildren. These are merely suggestions, and they come with their own caveats and nuances. Talk to your advisor and tax professional about which options may help pave the way to a brighter future.

Home sweet home

The typical 20% down payment for a home might be tough for a young adult to save. To share your appreciation for home ownership, consider matching what your child has saved once they're ready to buy. With an annual gift tax exclusion of $15,000, you may have to get creative if you'd like to contribute more than that. For example, a mom can give her son and his spouse each $15,000 and dad can do the same, resulting in a $60,000 down payment.

Hear what they say

Imagine a private foundation with your heirs as board members. A donor-advised fund can function in a similar way: Your donations of cash or securities fund the account, then your gift recipients lend their advice as to which charities the invested donations should benefit. This leaves a legacy of generosity in a very real, very personal way.

Start 'em young

Tiny tots won't understand or appreciate life insurance just yet, but it's a cost-effective way to guarantee protection for their future. A whole life insurance policy's cash value can be accessed in adulthood for college expenses, a down payment on a house or starting a business, for example. How's that for a head start in life?

Buy, sell, learn

Why not bond over bonds (and stocks)? Your advisor may be able to help set up your children's first brokerage accounts with appropriate shares. Teach them what you look for in an investment and why. The accounts will automatically transfer at the legal age of majority in the relevant state (usually between 18 and 25).

Giving back – and for the future

Charitable lead trusts are the two-for-one in the giving world. The irrevocable trusts mete out money to your preferred nonprofit on a regular basis and invest the rest during your lifetime. Anything left over goes to your beloved heirs.

Book learning

Education can be a gift that pays dividends for years. Tax-advantaged 529 savings accounts are used for a beneficiary's education expenses, from kindergarten through college, including student loan repayment and more. The bonus about 529s is that contributions can be supersized; they allow you to sock away up to five years' worth of gifts ($75,000; $150,000 for those married filing jointly) at once.

Skip the middle man or woman

Generally, annual gifts are capped at $15,000 before they start to count toward your lifetime exclusion limit for federal tax purposes – with a few exceptions. Payments for legitimate tuition and medical expenses made directly to the relevant institutions are among those exceptions.

Sources: businessinsider.com; quickenloans.com; savingforcollege.com