



BRUCE T. BROWN



**BROWN & ASSOCIATES
INVESTMENT SERVICES, INC.**



1005 Hay Street • Suite 100
Fayetteville • North Carolina 28305
(910) 485-2672 • www.browncandassociatesis.com

"Partners in Your Financial Future"

*Securities offered through Securities America, Inc. (SAI) Member FINRA/
SIPC, advisory services offered through Securities America Advisors, Inc.
Brown & Associates Investment Services, Inc. & Securities America are
separate entities.*



KAREN BROWN TISDALE

Financial News

3RD QUARTER 2022

Keeping Your Eyes on the Goal

As the struggle to control COVID-19 drags on, many of us experience periodic fatigue from distancing, negative headlines and future uncertainties. Staying disciplined when weary is difficult but crucial to short-term financial wellness and long-term financial success. So, follow these guidelines to maintain your focus:

Don't fixate on market swings. If you have a solid strategy that addresses market volatility, do the right things regardless of how the market acts. That's not to say you shouldn't regularly reevaluate your risk levels or consider rebalancing your portfolio, but don't make decisions based on emotion. And don't try to time the market; few who do succeed.

Invest prudently. The natural human tendency is to buy lots of stock when prices are rising and to stop buying altogether when prices are on the down swing. But some stock prices may provide a good value if the market drops, and you'll be able to buy more for the same amount of money. Just remember, it's generally best not to purchase equities unless you can keep them a minimum of five years.

Thinking about purchasing a different home in a year or two? This may be a good time for some improvement projects on your current home. Most realtors agree you'll likely recoup these investments: a new garage or front door, a minor kitchen remodel, finishing a basement or updating a bathroom.

Increase your savings. When we're stressed, it's natural to buy something fun. But try to keep splurges small and make the most of unique opportunities to save in the current situation. If you're working from home, you're likely spending less on gas and clothes. In your free time, you're probably spending less on dining out, movies, concerts and travel. Try to see how much more you can put in savings because of reduced spending.

Use your time wisely. Improve your culinary skills and reap rewards for years to come as you save on prepared food costs, eat healthier and entertain economically. Earn a professional certification or take a class to improve your desirability as an employee. Or, develop skills and a network to start a business or side gig.

Even difficult times can present real opportunities. If you're looking for or considering ways to thrive in the midst of the pandemic's economic fallout, give our office a call.

Breaking Down The Great Resignation

Lately, the "Great Resignation" has led many Americans to leave their jobs for other opportunities, while others have chosen a different path: early retirement. We can all understand looking for a more suitable place of work, but some might ask, "Why now?"

The Great Retirement Boom

In 2008, the oldest baby boomers reached age 62. This coincided with the "Great Recession," which contributed to a slowed economy. Jump to 2021 when the economy had distanced itself from those events and just over half of adults aged 55 or older had exited the workforce and retired. For adult Americans aged 65 to 74, the percentage who had left the workforce was 66.9 percent. In short, many people decided to hold off on retiring and wait a few years, meaning it's not an early retirement so much as a delayed one.²

Covid Catchup

Another reason is that the pandemic created a period of flux in which people decided it was natural to work less, transition to new things, or retire altogether. The pandemic has undoubtedly gone on much longer than any could have imagined. It's understandable that someone reaching the end of a long and rewarding career may choose to exit their job during COVID-19 and parachute into a less stressful, more enjoyable career.

Looking Ahead

Let's chat if you're thinking about making a change to your time horizon or retirement goals. We'd love to discuss where you stand and the drawbacks and advantages of retiring in the current environment.

MOTIVATION CORNER

"In order to seek truth, it is necessary once in the course of our life, to doubt, as far as possible, of all things."

—
René Descartes

Source: Principles of Philosophy (1644)

3 Shrewd Maneuvers in a Down Market

It's natural to think "defense" during a bearish market season. But why not mix in some "offense" with your defense? Here are three moves we can discuss together that may be helpful during the current market downturn.

1. Invest Your Excess Cash: If you have excess cash earmarked for a long-term goal (retirement or college, for example), a downturn may present an opportunity. Over the last three years, the Standard & Poor's 500 compounded annual growth rate was 9%. Even with all the pandemic-related volatility, that's still shy of its historical average.¹

2. Consider Series I Savings Bonds: With inflation at 40-year highs, you might consider some fresh ideas for investing. I Bonds pay a rate of return plus inflation protection and are backed by the U.S. government. You can visit [TreasuryDirect.gov](https://www.treasurydirect.gov) to open a free account (as always, reach out if you have any questions).

3. Take a Look at Taxes: Each year, taxpayers can deduct up to \$3,000 in realized losses. If your losses exceed \$3,000, you may be able to carry them forward into future years. Make sure to speak with your tax professional before making any decisions.

We're confident we'll see a brighter economic picture before too long. In the meantime, it's a shrewd move to find ways to better your position, and we're always available to help you think it through.

Long-term Care Could Save Your Nest Egg

During our working years, many of us have access to an employer-sponsored health insurance plan either through our own job or our spouse's job. But when it comes to retirement, we typically rely on Medicare and Medicare supplemental coverage to afford the ever-increasing cost of healthcare. Unfortunately, though, Medicare doesn't cover one of the most significant categories of healthcare costs as we age: long-term care.

Long-term care is coverage you need while you're recovering from injury or illness. As we age, we rarely go from acutely sick to perfectly well in a day or two. While Medicare will cover the acutely sick part, it could take weeks or months to get back to a level of wellness in which self-care is possible. The out-of-pocket cost for this type of care can range dramatically, depending on the level of care you need. That means your retirement nest egg could be gobbled up by just one health crisis requiring long term care. So what could you do to protect yourself?

Long-term care insurance is designed to cover the gap between Medicare and your retirement funds. The younger and healthier you are when you apply, the less expensive the coverage is likely to be. Some insurance companies offer hybrid long-term care/life insurance policies, or long-term care policies that can be shared by spouses. Even if you're young, healthy and independent today, it's a great idea to check out long term-care options and see if it's a value that makes good sense for you. If you need help evaluating long-term care policies that might support your financial success in retirement, let's connect.

BRUCE & KAREN'S NOTES

We hope this newsletter finds you all well. We are sending this update to provide our continued perspective on the 2022 stock market situation. Accounts across the board enjoyed a very positive July which followed good returns the last week of June. August (as of this writing on 16 August) has also seen good results. However, we are still down thus far year to date. The final determination as to whether we have already seen the market bottom of the correction or whether the markets will retest the lows remains to be seen, but that does not in any way change our long-term outlook or recommendation. On a positive note, please keep in mind that unemployment numbers have continued to remain low, real wages have improved, consumer demand has remained strong, and 2nd quarter company profit announcements have been very solid. Additionally, the current rate of inflation increase has dramatically slowed as announced on 12 August. As we stated in our last update, encountering volatility is part of being invested in the stock market, and although history does not guarantee the future, periods of peak pessimism are often the times of greatest opportunity. Making sure we adequately communicate with you and the construction of your portfolio allowing you to successfully handle that volatility is our job. Market recovery is often sudden, strong, and almost impossible to predict as happened during July. Therefore, we still believe staying the course is the most prudent course of action. Do not hesitate to call if you have questions or concerns. We appreciate you and thank you for allowing us to be a part of your life.

Bruce

Karen

Citations :

1. Yahoo Finance showed the S&P 500 at 3020.97 on June 24, 2019, and 3,911.74 on June 24, 2022. Past performance does not guarantee future results, individuals can't invest directly in an index, and the return and principal value of stock prices will fluctuate.
2. Pewresearch.org, November 4, 2021

What is important is the choices we make when we're faced with change.

-Jung Ho-seok