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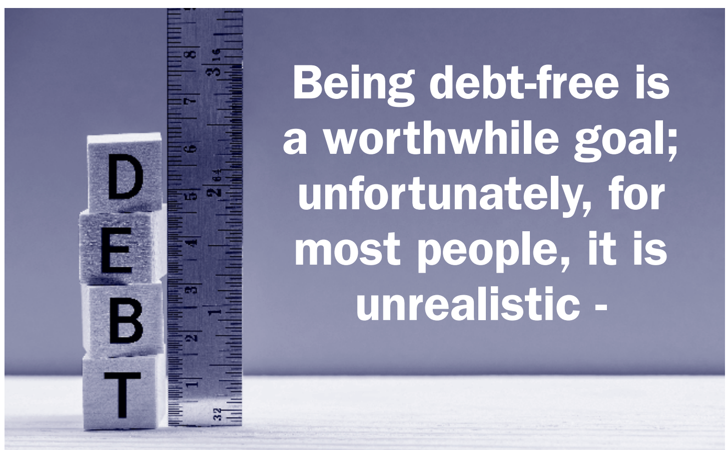
Got Debt? How To Improve Your Financial Situation

Being debt-free is a worthwhile goal; unfortunately, for most people, it is unrealistic - especially for those of pre-retirement age with children, a car payment or two, and a mortgage. As such, most people need to focus on managing their debt first since it's likely to be there for much of their adult life. With inflation on the rise (and subsequent interest rate hikes), your credit card debt could be even more difficult to pay off.



Eliminating debt is especially crucial for anyone approaching retirement age. However, the good news is that when debt is handled wisely, you won't need to shell out every cent of your hard-earned money to your lender because of exorbitant interest rates or feel like you're always on the verge of bankruptcy.

Here's how you can pay off debt the smart way while at the same time-saving money to pay it off even faster:

REVIEW EACH DEBT. First, assess how much and what type of debt you have by writing it down using pencil and paper or entering the data into a spreadsheet like Microsoft Excel. You can also use a bookkeeping program such as Quicken or a debt management app such as Debt Manager, Debt Payoff Planner, or ChangEd if you are only concerned about student loan debt. When compiling or entering your list, be sure to include every instance you can think of where a company has given you something in advance of payment, such as your mortgage, car payment(s), credit cards (all of them), tax liens, student loans, Paypal Credit, and store payments or cards used on electronics or other household items such as Home Depot or Best Buy.

Record the day the debt began and when it will end (check your credit card statements), the interest rate you're paying, and your typical payments. Next, as painful as that might be, add it all up - try not to be discouraged. Remember, the goal is to break this down into manageable chunks while finding extra money to help pay it down.

Make sure that the debt creditors claim you owe is actually what you owe and that the amount is correct. If you dispute a debt, first contact the creditor directly to resolve your questions. If you still have questions about the debt, contact your state or local consumer protection office or, in cases of serious creditor abuse, your state Attorney General.

If you have trouble making your payments, contact each creditor and let them know you are having difficulty making your payments. Tell them why you are having trouble - you recently lost your job, for example, or have unexpected medical bills. Try to work out an acceptable payment schedule with your creditors. Most are willing to work with you and will appreciate your honesty and forthrightness.

IDENTIFY HIGH-COST DEBT. Even if you haven't lost your job or experienced sickness related to COVID-19, it never hurts to identify which debt is more expensive than others

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From the Financial Hotline

Call, fax or e-mail for answers to all your financial questions.

Q: What is the maximum Social Security Benefit in 2022?

The maximum benefit depends on the age you retire. For example, if you retire at full retirement age in 2022, your maximum benefit would be $3,345. However, if you retire at age 62 in 2022, your maximum benefit would be $2,364. If you retire at age 70 in 2022, your maximum benefit would be $4,194. However, the average Social Security check in 2022 is $1657.

Q: What are affordable options for retirement that still offer a pleasant place to live?

Affordability pushes South Dakota to first place. It has low taxes and lower healthcare and housing costs. Florida is popular for its sunshine, abundance of senior focused communities and favorable tax rates. Georgia is a good choice for weather that's not too hot and not too cold, affordable housing and low healthcare expenses. Tennessee is a favorite for the budget conscious with affordable housing in every major metro area and below average living costs. Green Valley, Arizona boasts a median home price 24 percent below the national average at $189,000 and lower than average cost of living. Alabama offers golf and beaches along with 13% below average cost of living. South Carolina give you southern charm with a 7% below average cost of living. Property and income taxes are favorable to seniors too. If you are looking for a middle ground, Ohio is centrally located and has 12% below average living costs.

Q: Is it difficult or expensive to retire abroad?

That depends on where you want to live. For example, the average income needed per month for a retired couple in the United States in 2022 is $3800 per month. In comparison, the average income needed for a retired couple in a major city in Portugal is $2000 per month. If your budget isn't US friendly, there are many affordable countries that offer a safe and exciting haven for American retirees with little difficulty acclimating. Go to Travel.State.Gov for more information on how to make the move!

Q: Can you recommend any help for saving on gasoline?

There are different apps you can download for free on your phone that will help you save money at the pump.

- GasBuddy, Waze and GasGuru show you nearby stations in your area to help you locate the best price.
- Get Upside promises to save you up to 25 cents per gallon but it isn't automatic. You can check in at a participating station or upload a photo of your receipt.
- Check with local stations such as BP, Shell, or Wawa. Many offer reward cards that give you a discount at the pump just for signing up.
- Consider using a bank or credit card that offers rewards for gas purchases.
- Check prices at your local warehouse club. Sam's, Costco and BJ's are just a few that offer as much as 45 cents less per gallon.

Q: Are expenses for my service animal tax deductible?

Service animals qualify as approved medical expenses and can be included in your itemized deductions on Schedule A on form 1040. As you gather up all the receipts for animal-related expenses, make sure to locate any documentation qualifying the pet as a service animal. Your pet or emotional support animal expenses are not deductible.

Got Debt? • *continued from page 1*

and pay it off first. Don't borrow from a retirement account or other high earning (and high tax consequence) accounts to pay off debt. But using cash on hand or withdrawing savings from low-interest bearing accounts to settle high-rate loans or credit card debt usually makes sense.

In addition, there are several ways to pay off high-interest loans, such as credit cards, by getting a refinancing or consolidation loan, such as a second mortgage. However, keep in mind that second mortgages greatly increase the risk that you may lose your home.

Unless you're getting payday loans (which you shouldn't be!), the worst offender is consumer debt such as personal loans, auto loans, and credit cards with high-interest rates. Credit cards are the easiest to tackle, so start with them first. Here's how to deal with them:

DON'T USE THEM. You don't have to cut them up, but take them out of your wallet, put them in a drawer, and only access the one with the lowest interest rate in an emergency.

Identify the card with the highest interest, pay off as much as you can every month, and pay the minimum amount due on other cards. When that one is paid off, work on the card with the next highest rate.

Check your credit cards for balance transfer rates and transfer balances from higher interest accounts to lower interest ones. When you pay less interest, you can pay down your debt faster. The catch is that at the end of the balance transfer period (typically six months to 12 months), the low or, if you're lucky, zero interest rate reverts to a higher credit card interest rate.

Don't close existing cards or open new ones. It won't help your credit rating and may hurt it. Pay on time, absolutely every time. Late payments - even one - can lower your FICO score. Go over your credit card statements in detail and look for monthly charges for things you no longer use or don't need anymore.

Call your credit card companies and ask them nicely if they would lower your interest rates - sometimes it works! Be wary of any loan consolidations or other refinancing that actually increase interest owed, or require payments of points or large fees.

LIVE BELOW YOUR MEANS AND SAVE, SAVE, SAVE! Do whatever you can to retire debt - even if it means reevaluating your priorities and changing your lifestyle. Consider taking a second job and using that income only for higher payments on your financial obligations. Substitute free family activities for high-cost ones. Sell high-value items that you can live without.

According to the IRS, the average tax refund this year is $3,536. If you are expecting a large (or even small) tax refund this year, consider using it to pay down any debt you owe. If you feel like you have a handle on debt, use your windfall to increase your emergency savings or contribute to a retirement account.

Create a spending plan that allows you to reduce your debts. Itemize your necessary expenses such as housing and healthcare and optional expenses such as entertainment and vacation travel. Stick to the plan. Leave your credit cards at home. Make it a habit to pay for everything you purchase with cash or a debit/credit card. If you don't have the cash (or the money in your bank account) for it, you probably don't need it. You'll feel better about what you have if you know it's owned free and clear.

Credit card companies can quickly raise interest rates because of one late payment, and a completely missed one is even more serious.

Cut out any unnecessary spending such as eating out and purchasing expensive entertainment. Think twice before purchasing the latest high-tech gadgets. Do you really need the latest iPhone? You'll be surprised at what you don't miss. Consider buying a used car, forgoing that expensive gym membership you don't have time to use anymore, visiting the public library to check out DVDs, or subscribing to a video streaming company instead of going to the movies - at least until your debt is under control.

NEVER, EVER MISS A PAYMENT. Not only are you retiring debt, but you're also building a stellar credit rating. If you ever get another job, buy a house, rent an apartment or buy another car, you'll want to have the best credit rating possible. A blemish-free payment record will help with that. Besides, credit card companies can quickly raise interest rates because of one late payment, and a completely missed one is even more serious.

College Student Aid NEWS

Completing the Free Application for Federal Student Aid (FAFSA®) form allows you to be considered for federal student aid. In addition, states and colleges use FAFSA information to award their own grants, scholarships, and loans. Log in at fafsa.gov to apply online or download the **myStudentAid** mobile app out the form in the myStudentAid mobile app, available on the App Store or Google Play. If you prefer to mail you can also print and a PDF. Since aid is limited, be sure to apply before the deadlines!

FAFSA Federal Deadline for 2021-22 Academic Year: The FAFSA form must be submitted by 11:59 p.m. Central time (CT) on **June 30, 2022**. Any corrections or updates must be submitted by 11:59 p.m. CT on Sept. 10, 2022.

Federal Deadline for 2022-23 Academic year. Submit your FAFSA form by 11:59 p.m. Central time (CT) on **June 30, 2023**. Any corrections or updates must be submitted by 11:59 p.m. CT on Sept. 10, 2023.

Each college may have its own deadline. Check with the college(s) you're interested in attending. You may also want to ask your college about its definition of an application deadline. Is it the date your FAFSA form is processed or the date the college receives your processed FAFSA data?

COVID-19 STUDENT LOAN AID EXTENDED.

Q: Is it too late to take advantage of Student Loan relief?

A: If you have an eligible loan, you may still have time to negotiate. Don't get discouraged if you're in default on your federal student loans. Contact your loan servicer TODAY so you'll be ready when loan payments restart. As part of the COVID-19 emergency relief, eligible defaulted loans should have received these relief measures:

- Tax refunds (and child tax credits) will not be withheld.
- Wages will not be garnished.
- Social Security payments (including disability benefits) will not be withheld.
- Collection calls and billing statements will not be sent out.
- Interest will not accrue (add up).

The following types of defaulted loans are eligible for COVID-19 emergency relief:

- Direct Loans
- Federal Family Education Loan (FFEL) Program loans
- Federal Perkins Loans held by ED
- HEAL loans

During the 0% interest period, the full amount of your payments will be applied to your principal balance once you've paid all the interest that accrued before March 13, 2020, and any fees. The relief should have been automatic but if you're a borrower in default, and you didn't get this relief - you can get a refund for any funds collected since March 13, 2020. You can also request refunds for voluntary payments you made since March 13, 2020. Your loan should be assigned to ED and returned to good standing; and your guaranty agency will request credit bureaus remove your record of default.

Are you already in a rehabilitation agreement? If so, your paused payments will count toward the nine payments required for rehabilitation. But keep in mind, your balance will not be reduced.

If you haven't started to rehabilitate your loan yet, you should consider doing so during the payment pause. You can get credit toward rehabilitating your loans (for each month after you start your rehabilitation agreement through Aug. 31, 2022) even without making a payment.

PREPARE FOR PAYMENTS TO RESUME AUGUST 31, 2022.

Here are four steps to make sure you're prepared for student loan payments to resume:

1. Update your contact information in your profile on your loan servicer's website and in your StudentAid.gov profile.
2. Review your auto-debit enrollment or sign up for the first time. To do so, log in to your loan servicer's website or contact your loan servicer directly.
3. Check out **Loan Simulator** at StudentAid.gov to find a repayment plan that meets your needs and goals or to decide whether to consolidate.
4. Consider applying for an income-driven repayment (IDR) plan. An IDR plan can make your payments more affordable, depending on your income and family size.

1-800-4-FED-AID (1-800-433-3243) for loan servicer info.

Retirement Plan BASICS Q&A

It's never too early or too late to start planning for retirement. If you have a retirement plan, it's time for a review to insure it is on target with your current goals. Here are some basic topics to help you get started or stay on track:

I want to set up a retirement plan, but my employer doesn't offer anything. What are my options?

You can set up a traditional IRA. This is a tax-advantaged personal savings plan where contributions may be tax deductible to you depending on your income.

You can also choose to open a Roth IRA which is a tax-advantaged personal savings plan. The contributions you make today are not deductible, but your money does grow tax free and distributions you take in retirement are tax free. If you have self-employment income, you may also consider a SEP IRA or a Solo 401k.

What does it mean when my employer matches my retirement plan contribution?

FREE MONEY. The specific terms and amounts on employer matched plans vary widely but the general idea is every time you contribute to your plan, your employer will make either a certain percentage or a dollar-for-dollar matching contribution. Basically, they are paying you to invest in yourself, so it makes sense to maximize this benefit.

I have been offered starting positions by three major employers. Can you give me a basic overview of different retirement benefit plans?

There are many types of plans that an employer may use. The Employee Retirement Income Security Act (ERISA) covers two types of plans:

A defined benefit plan promises a specified monthly benefit at retirement. The plan may state this promised benefit as an exact dollar amount, such as $500 per month at retirement. Or it may calculate a benefit through a plan formula that considers such factors as salary and service. The benefits in most traditional defined benefit plans are protected through the Pension Benefit Guaranty Corporation (PBGC).

A defined contribution plan, on the other hand, does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contribute to the employee's individual account under the plan, sometimes at a set rate, such as 5 percent of earnings annually. These contributions generally are invested on the employee's behalf. The employee will ultimately receive the balance in their account, which is based on contributions plus or minus investment gains or losses. Examples of defined contribution plans include 401(k) plans, 403(b) plans, employee stock ownership plans, and profit-sharing plans.

Employers have many options to choose from and may also use a combination of plans. Some common options include:

Simplified Employee Pension Plan (SEP). A SEP allows employees to make contributions on a tax-favored basis to individual retirement accounts (IRAs) owned by the employees. Under a SEP, an employee must set up an IRA to accept the employer's contributions. After 1997, employers may no longer set up Salary Reduction SEPs. However, employers are permitted to establish SIMPLE IRA plans with salary reduction contributions. If an employer had a salary reduction SEP prior to 1997, they may continue to allow salary reduction contributions to the plan.

Another option is a Profit Sharing Plan or Stock Bonus Plan. This is a defined contribution plan under which the plan may provide, or the employer may determine, annually, how much will be contributed to the plan (out of profits or otherwise). The plan contains a formula for allocating to each participant a portion of each annual contribution. A profit sharing plan or stock bonus plan may include a 401(k) plan.

A 401(k) Plan is a defined contribution plan that is a cash or deferred arrangement. Employees can elect to defer receiving a portion of their salary which is instead contributed on their behalf, before taxes, to the 401(k) plan. Sometimes the employer may match these contributions. An employer must advise employees of any limits that may apply. Employees who participate in 401(k) plans assume responsibility for their retirement income by contributing part of their salary and, in many instances, by directing their own investments.

An Employee Stock Ownership Plan (ESOP) is a form of defined contribution plan in which the investments are primarily in employer stock.

A Cash Balance Plan is a defined benefit plan that defines the benefit in terms that are more characteristic of a defined contribution plan. In other words, a cash balance plan defines the promised benefit in terms of a stated account balance. In a typical cash balance plan, a participant's account is credited each year with a "pay credit" (such as 5 percent of compensation from his or her employer) and an "interest credit" (either a fixed rate or a variable rate that is linked to an index such as the one-year treasury bill rate). Increases and decreases in the value of the plan's investments do not directly affect the benefit amounts promised to participants. Thus, the investment risks and rewards on plan assets are borne solely by the employer. When the participant retires, they receive benefits based on their account balance. The benefits in most cash balance plans through the PBGC

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Cash Management Tips
for Your Small Business

Cash flow is the lifeblood of every small business but many business owners underestimate just how vital managing cash flow is to their business's success. In fact, a healthy cash flow is more important than your business's ability to deliver its goods and services. While that might seem counterintuitive, consider this:

if you fail to satisfy a customer and lose that customer's business, you can always work harder to please the next customer. If you fail to have enough cash to pay your suppliers, creditors, or employees, you are out of business.

What is Cash Flow? Cash flow, simply defined, is the movement of money in and out of your business; these movements are called inflow and outflow. Inflows for your business primarily come from the sale of goods or services to your customers but keep in mind that inflow only occurs when you make a cash sale or collect on receivables. It is the cash that counts! Other examples of cash inflows are borrowed funds, income derived from sales of assets, and investment income from interest.

Outflows for your business are generally the result of paying expenses. Examples of cash outflows include paying employee wages, purchasing inventory or raw materials, purchasing fixed assets, operating costs, paying back loans, and paying taxes.

A tax and accounting professional is the best person to help you learn how your cash flow statement works. He or she can prepare your cash flow statement and explain where the numbers come from.

Cash Flow versus Profit. While they might seem similar, profit and cash flow are two entirely different concepts, each with entirely different results. The concept of profit is somewhat broad and only looks at income and expenses over a certain period, say a fiscal quarter. Profit is a useful figure for calculating your taxes and reporting to the IRS.

Cash flow, on the other hand, is a more dynamic tool focusing on the day-to-day operations of a business owner. It is concerned with the movement of money in and out of a business. But more important, it is concerned with the times at which the movement of the money takes place.

In theory, even profitable companies can go bankrupt. It would take a lot of negligence and total disregard for cash flow, but it is possible. Consider how the difference between profit and cash flow relate to your business.

If your retail business bought a $1,000 item and turned around to sell it for $2,000, then you have made a $1,000 profit. But what if the buyer of the item is slow to pay his or her bill, and six months pass before you collect on the account? Your retail business may still show a profit, but what about the bills it has to pay during that six-month period? You may not have the cash to pay the bills despite the profits you earned on the sale. Furthermore, this cash flow gap may cause you to miss other profit opportunities, damage your credit rating, and force you to take out loans and create debt. If this mistake is repeated enough times, you may go bankrupt.

Analyzing Your Cash Flow. The sooner you learn how to manage your cash flow, the better your chances of survival. Furthermore, you will be able to protect your company's short-term reputation as well as position it for long-term success.

The first step toward taking control of your company's cash flow is to analyze the components that affect the timing of your cash inflows and outflows. A thorough analysis of these components will reveal problem areas that lead to cash flow gaps in your business. Narrowing, or even closing, these gaps is the key to cash flow management. Some of the most important components to examine are:

ACCOUNTS RECEIVABLE. Accounts receivable represent sales that have not yet been collected in the form of cash. An accounts receivable balance sheet is created when you sell something to a customer in return for his or her promise to pay at a later date. The longer it takes for your customers to pay on their accounts, the more negative the effect on your cash flow.

CREDIT TERMS. Credit terms are the time limits you set for your customers' promise to pay for their purchases. Credit terms affect the timing of your cash inflows. A simple way to improve cash flow is to get customers to pay their bills more quickly.

Credit policy. A credit policy is the blueprint you use when deciding to extend credit to a customer. The correct credit policy - neither too strict nor too generous - is crucial for a healthy cash flow.

INVENTORY. Inventory describes the extra merchandise or supplies your business keeps on hand to meet the demands of customers. An excessive amount of inventory hurts your cash flow by using up money that could be used for other cash outflows. Too many business owners buy inventory based on hopes and dreams instead of what they can realistically sell. Keep your inventory as low as possible.

ACCOUNTS PAYABLE AND CASH FLOW. Accounts payable are amounts you owe to your suppliers that are payable at some point in the near future - "near" meaning 30 to 90 days. Without payables and trade credit, you'd have to pay for all goods and services at the time you purchase them. For optimum cash flow management, examine your payables schedule.

Some cash flow gaps are created intentionally. For example, a business may purchase extra inventory to take advantage of quantity discounts, accelerate cash outflows to take advantage of significant trade discounts or spend extra cash to expand its line of business.

For other businesses, cash flow gaps are unavoidable. Take, for example, a company that experiences seasonal fluctuations in its line of business. This business may normally have cash flow gaps during its slow season and then later fill the gaps with cash surpluses from the peak part of its season. Cash flow gaps are often filled by external financing sources. Revolving lines of credit, bank loans, and trade credit are just a few of the external financing options available that you may want to discuss with us.

Monitoring and managing your cash flow is important for the vitality of your business. The first signs of financial woe appear in your cash flow statement, giving you time to recognize a forthcoming problem and plan a strategy to deal with it. Furthermore, with periodic cash flow analysis, you can head off those unpleasant financial glitches by recognizing which aspects of your business have the potential to cause cash flow gaps.

Retirement Plan Basics • *continued from page 7*

Your employer may also choose to use a plan that combines both defined contributions and defined benefits.

How important are my asset allocations?

Your asset allocations play a major role in how fast your account will grow. Basically, you're trying to pick a mix of assets that has the highest probability of meeting your goal at a level of risk you can live with. A rule of thumb is that you should hold the percentage of stocks in your portfolio that is equal to 110 minus your age. So, if you are 30, then you would have 80 percent invested in stocks and 30 percent in bonds. However, since not everyone's retirement date and circumstances are equal, it's always best to do a personalized review.

Another thing to consider is your time horizon. This is the expected number of months, years, or decades you will be investing to achieve a particular financial goal. An investor with a longer time horizon may feel more comfortable taking on a riskier, or more volatile, investment while an investor saving up for a teenager's college education would likely take on less risk because they would be needing to cash out faster.

What is a diversified portfolio?

Diversifying your portfolio is the equivalent of 'not putting all your eggs in one basket.'

Stocks, bonds, and cash are the most common asset categories. But other asset categories - including real estate, precious metals and other commodities, and private equity - also exist, and some investors may include these asset categories within a portfolio.

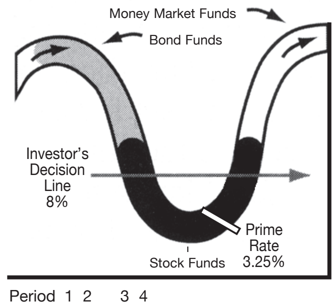
Stocks are considered the "heavy hitter" since they have historically had the greatest risk and highest returns among the three major asset categories. But they still strike out occasionally. The volatility of stocks can make them a risky investment in the short term.

Bonds are generally less volatile than stocks but offer more modest returns. As a result, an investor approaching a financial goal might increase his or her bond holdings relative to his or her stock holdings because the reduced risk of holding more bonds would be attractive to the investor despite their lower potential for growth. You should keep in mind that certain categories of bonds offer high returns similar to stocks. But these bonds, known as high-yield or junk bonds, also carry higher risk.

Cash and cash equivalents - such as savings deposits, certificates of deposit, treasury bills, money market deposit accounts, and money market funds - are the safest investments, but offer the lowest return of the three major asset categories. equivalents do occur, but infrequently.

The Money Movement Strategy

Prime Rate Chart for Money Movement Strategy



Long-Term Direction: Level
Monthly Change: 0.00%

How It Works

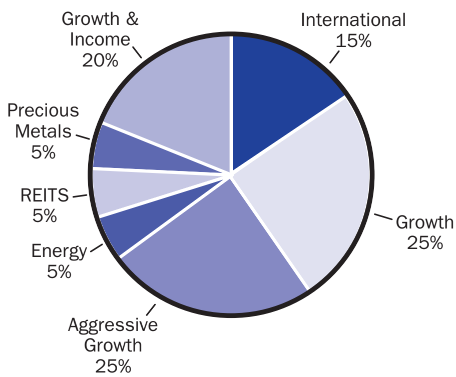
Long-term increases or decreases in the value of stocks, bonds and money market instruments are caused by changes in interest rates, primarily the Prime Rate. Of the three categories of mutual funds — stock, bond, or money market, there is only one type of investment that will give you above-average returns at any given time.

The Money Movement chart represents typical changes of interest rates smoothed out over time. The Investor's Decision Line (IDL) indicates the point at which you should move your money from one type of fund to another. At this time, the IDL indicates stock funds.

Models For Portfolio Management

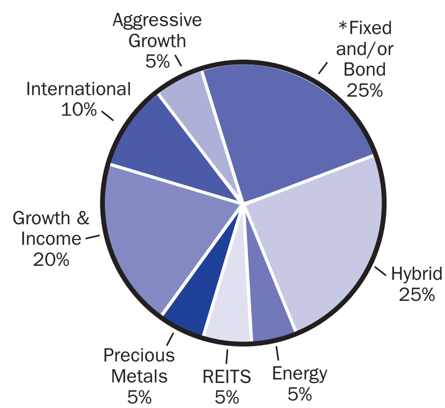
Aggressive

Keep all mutual funds and retirement money in stock funds.



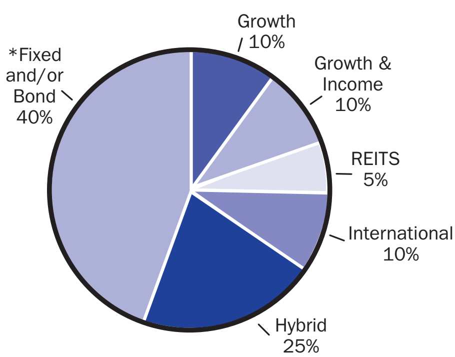
Moderate

Keep most mutual funds and retirement money in stock funds.



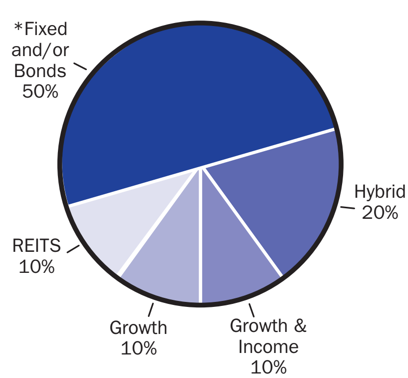
Conservative

Keep most mutual funds and retirement money in stock funds.



Retirees

Note: This portfolio does not follow the Money Movement Strategy! Create the proper mix of Stock, Bond, and money market funds.



*Fixed Market-Linked CDs

No-Load Mutual Funds*

Fund Name/Type	Stock Symbol	Buy, Sell or Hold	3 Month % Change	Average Annual Returns as of to 03/31/22 1 Year % Change	5 Year % Change	10 Year/ % Change	Expense Ratio
Aggressive Growth							
BNY Mellon Small Cap Index	DISSX	Buy	-5.75	0.73	10.39	12.07	0.50
Kinetics Paradigm No Load	WWNPX	Buy	2.81	-8.01	18.02	14.43	1.64
Needham Growth	NEEGX	Buy	-14.04	2.29	16.14	12.44	1.85
Schwab Health Care	SWHFX	Buy	-3.86	16.43	12.72	14.27	0.80
Value Line Small Cap Opp	VLEOX	Buy	-11.38	-3.34	11.78	12.47	1.18
Growth							
American Century Mid Cap	ACMVX	Buy	2.39	12.48	9.18	11.98	0.98
BNY Mellon MidCap Index	PESPX	Buy	-4.99	4.10	10.57	11.68	0.50
Harbor Disruptive Innovation Inv	HIMGX	Buy	-16.37	-18.55	16.44	13.23	0.94
Janus MidCap Value T	JMCVX	Buy	-0.36	8.41	7.69	9.00	0.77
Neuberger Berman Partners Inv	NPRTX	Buy	4.78	13.34	16.06	14.01	0.79
Selected American Shares	SLASX	Buy	-6.38	-3.72	10.15	10.88	0.98
American Century Small Cap Value	ASVIX	Hold	-4.88	4.45	10.84	12.12	1.19
Growth & Income							
American Century Equity	TWEIX	Buy	0.54	11.74	8.96	10.48	0.92
American Century Large Value	ALVIX	Buy	1.83	11.82	9.14	10.73	0.83
Fairholme	FAIRX	Hold	12.37	24.57	12.47	9.84	1.00
Parnassus Equity Income Inv	PRBLX	Buy	-5.74	12.23	16.25	14.88	0.84
Janus Contrarian T	JSVAX	Buy	-2.38	10.90	16.22	13.54	1.01
T. Rowe Price Equity Income	PRFDX	Buy	2.58	13.70	11.02	11.05	0.65
Hybrid							
American Century Balanced	TWBIX	Buy	-6.59	4.30	8.93	8.26	0.90
James Balanced Golden Rainbow	GLRBX	Buy	-5.16	3.66	2.67	4.12	1.18
Oakmark Equity & Income	OAKBX	Buy	-3.73	6.13	8.86	0.51	0.84
Pax Sustainable Individual Inv	PAXWX	Buy	-6.25	4.12	9.75	8.31	0.87
Permanent Portfolio	PRPFX	Buy	0.80	7.27	9.29	5.09	0.83
Value Line Asset Allocation Inv	VLAAX	Buy	-7.52	5.70	10.84	9.68	1.03
International							
American Century Intl Growth	TWIEX	Buy	-13.27	-6.59	9.17	7.17	1.18
Artisan International Inv	ARTIX	Buy	-12.86	-5.27	7.18	6.07	1.19
Matthews China Investor	MCHFX	Hold	-20.26	-31.78	7.80	5.56	1.09
William Blair Intl. Growth	WBIGX	Buy	-15.76	-7.20	9.21	7.18	1.45
T. Rowe Price Emerging	PRMSX	Buy	-11.11	-21.51	4.76	3.76	1.21
Sector Funds							
American Century Real Estate Inv	REACX	Buy	5.10	24.55	9.86	9.32	1.14
Cohen & Steers Realy Shares	CSRSX	Buy	-5.97	23.51	11.84	10.73	0.88
T. Rowe Price Health Sciences	PRHSX	Buy	-8.59	3.84	15.16	17.69	0.76
USAA Precious Metals/Minerals	USAGX	Sell	15.26	15.88	10.15	-2.50	1.12
US Global Investors Global Res	PSPFX	Hold	13.05	19.81	10.35	-0.13	2.11
Bond Funds							
American Century Infl-Adj Bond	ACITX	Buy	-2.64	4.89	4.09	2.27	0.47
Fidelity Capital & Income	FAGIX	Buy	-4.56	2.51	7.14	7.33	0.68
Janus Flexible Bond	JAFIX	Buy	-6.28	-3.93	2.66	2.70	0.68
Loomis Sayles Bond Retail	LSBRX	Buy	-5.21	-1.09	2.16	3.25	0.92
Pax High Yield Bond Indv Inv	PAXHX	Buy	-4.98	-2.11	3.79	4.22	0.96
American Century Sh-Dur Bd fund	APOIX	Buy	0.00	4.92	3.18	1.68	0.57
Western Asset Core Bond	WATFX	Buy	-7.78	-5.75	2.38	2.92	0.46

* Some funds may be closed to New investors due to demand.

The performance data quoted represents past performance and the principal value and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns shown, unless otherwise indicated, are total returns, with dividends and income reinvested. Past performance is no guarantee of future results.

Since it purchases equity securities, including common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund may buy and sell securities frequently as part of its investment strategy. This may result in higher transaction costs and additional tax liabilities.

Mutual funds are sold by prospectus. An investor should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before you invest or send money.

Statistics and information provided by Morningstar.

** IAS Owners and employees may hold a position in any of the listed funds.

T. Rowe Price Institutional Floating Rate Fund - F Classd (PFFRX)

Our approach to portfolio construction is focused on building a diversified group of holdings with best efforts aimed at striking the appropriate balance between risk and reward given an investor's personal financial situation. Although there may be other investments deemed to be viable additions along the way, the process in its base form includes deciding what percentage of a portfolio should be in Stocks, Bonds and Cash/Money Market. The primary objective of the Stock portion of the portfolio is to provide long-term capital appreciation, whereas the Bond and Cash allocations provide stability during volatile periods in the market and also provide regular dividends that can be reinvested or taken in cash.

This article briefly outlines the challenges a rising interest environment poses to the Bond portion of a portfolio. Within the massive bond market, particular attention is paid to the yield on the 10-year U. S. Treasury Note. Its current yield is seen as a benchmark from which many consumer and commercial loan rates are based. As of this writing, the current yield on the 10-year U.S. Treasury is right about 2.84%, up from 1.30% when I first profiled this fund last June.

As we all know by now, inflation here in the U.S. is as high as it's been in decades and the Federal Reserve Board (the Fed) has vowed to do what it takes to bring it under control. The Fed's primary tool to tame inflation is to raise interest rates, which it has begun doing and forecasts it will keep doing until they feel they have the situation in hand. Makes sense, but a rising interest rate environment produces headwinds for Bonds. To help illustrate the challenges even the highest quality investment grade Bonds face, the Bloomberg U.S. Aggregate bond index, which is the generally accepted as the proxy for U.S. investment grade bonds, is down 5.93% year-to-date as of this writing.

In an effort to maintain an exposure to Bonds, yet minimize the associated interest rate risk, I think it's worth considering the T. Rowe Price Institutional Floating Rate Fund – F Class (PFFRX). Floating Rate funds, also called Bank Loan funds, are mutual funds that buy loans made by banks or other financial institutions to companies that pay interest based on a floating, or variable rate. As its name implies, a floating rate is not fixed, but rather a rate that adjusts periodically based on a publicly available, short-term referenced interest rate such as the U.S. Prime Rate. This being the case, rising interest rates can potentially be beneficial to both the current yield and underlying share price of these funds.

Bank loans are usually senior secured debt and are mostly rated below investment grade because the borrower's ability to repay may be viewed as speculative. Such loans are used for general corporate purposes as well as to refinance debt and fund acquisitions, leveraged buyouts or recapitalizations. In an effort to manage risk, the fund is broadly diversified across 125-150 different issuers, with strict exposure limits.

This fund pays dividends on a monthly basis, and currently has an annualized yield of 3.87%. The lead manager of the fund is Paul Massaro, who has been with T. Rowe Price since 2003 and at the helm of this fund since 2009. With all share classes combined, the fund has in excess of $7.1 billion under management.

If you'd like to see if this type of fund may be suitable for your situation, please feel free to call Ted Black, CFP® at 888-878-0001, extension 3.

Ted Black, CFP®
888-878-0001, extension 3
Advisory services offered through
Royal Palm Investment Advisors, Inc.,
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Performance annualized and updated through 03/31/2022: 1-Year: +2.72%; 3-Year: +3.74%; 5-Year: +3.59%. The gross annual expense ratio is 0.72%.

Statistics and information provided by Morningstar and T. Rowe Price. Please visit the T. Rowe Price website at www.troweprice.com for the most recent performance information. The principal value and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns shown, unless otherwise indicated, are total returns, including any capital gains or losses and all dividend and capital gains distributions. The performance data quoted represents past performance and in no way guarantees future results. Mutual funds are not FDIC insured.

Mutual funds are sold by prospectus. An investor should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please go to www.troweprice.com or contact our office at 888-878-0001 to obtain a prospectus. Please read the prospectus carefully before you invest or send money. Advisory services offered through Royal Palm Investment Advisors, Inc., a Registered Investment Advisor.

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Best time to be reached: ______________________________

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- ___ Opening a Retirement Plan for my business
- ___ College Funding for my children/family
- ___ Investing for Current Income
- ___ Review of 401(k), 403(b) or other retirement plan
- ___ Investing in Mutual Funds
- ___ Transferring or Rollover of IRA or retirement account
- ___ Review of my Investment Portfolio
- ___ Where to invest in 2022

Savings (IRA, 401(k), CDs, etc.):

- ___ 0 - $10,000
- ___ $10,001 - $50,000
- ___ $50,001 - $100,000
- ___ $100,001 - $500,000
- ___ $500,001 +

Investment Goals:

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Economic **Outlook**

–By Russ Colbert

We hear an awful lot of talk about inflation these days and who is to blame for it? It is a political hot potato. The result is a great deal of misconception. The CPI or consumer price index that measures inflation is currently up from last year by 7.9%. It could reach 9.0% over the next few months. You hear the blame game from politicians and the media outlets. They try to blame it on greedy companies, Putin, and the War, or Covid. As to Putin, the war with Ukraine has caused a temporary spike in oil prices and other commodities. We also believe that the economic environment where labor is becoming scarcer is becoming prone to higher inflation as boomers retire and we have lower fertility, and deglobalization. We believe the most obvious reason is the creation of too much money being thrown into the economy. Many economists believe the inflation increase over the past twelve months is temporary and will come down toward year end.

They also point out that core inflation seems to look tamer. Core prices exclude the food and energy sectors, which normally go up and down. They feel it has temporarily gone up with increases in the M2 money supply. We have also had price increases due to the tanker bottlenecks and supply problems we have experienced with our supply chains over the past six to nine months. As mentioned earlier many economists think these increased prices and inflation will start to come down toward the end of the year as the problems get worked out. This also includes the spike in prices over the last year of car parts, used cars and new cars. We feel we will start to see price drops as car parts and computer chips start to be shipped at the same pace as in the recent past. We will continue to monitor and evaluate all these ever-changing situations. We also believe we will see a series of rate hikes going forward by the Federal Reserve the this year to curb increase in the inflation rates that we are experiencing on our goods and services.

There are several forces to analyze and untangle to understand everything that lockdowns, government increases, and spending have done. The U.S. economy was artificially boosted by borrowing money and distributing it through loans and pandemic benefits. This helped increase retail sales by over 25% during the last twelve months, while industrial production was up just over 2%. The U.S. has 1.6 million fewer jobs than it did before the lockdown. The good news is that the spending done in response to the financial crisis and covid-19 are not all permanent increases.

The U.S. economy grew 5.5% during 2021, the fastest calendar one year growth that we have seen since the boom back during the Reagan boom in the 1980's. If you look at the past two years, the growth is only up 1.6%. That shows just how hard we were negatively affected in 2020. The government actions and shutdowns of the economic growth has been uneven. Thanks to a boom in investment during 2021, investment was up almost 6% during the past two years. The uneven rate of growth should start to balance out this year and beyond. Currently we are projecting first quarter annualized GDP to come in around 1.5% and to hopefully reach around 3% annualized rate by year end. Our forecast could change on the end of the year forecast based on reports to be released later during the second half of the year. It is a far cry from the great performance of 2021, but not a recession in sight currently.

We expect economic growth to slowly pick up during the year as we move forward. The economy is in a fight between forces boosting growth and dragging it down. We have continued re-opening from Covid-19, and we are still in the process of getting back to normal, but we are not there yet. Monetary policy is still loose. We don't feel the Fed will raise rates enough this year to stop the economic growth for the year. Tax rates are low and most likely will stay that way. It is also unlikely we will see any changes in legislation that have any major effect on the economy. The economy is facing some negatives including the Russia-Ukraine War and China lockdowns that continued to disrupt supply chains and the Biden Administration continuing to ramp up regulations, increasing business costs. When you add it all up it looks like slower growth ahead, but we should still have some growth and hopefully bypass a recession.

If you have any questions or need a portfolio review to keep you on track with your investments or retirement plan, please call me.

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