



## Out with the old! In with the new?

Jan 2023

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### Did You Know? New Year Resolutions

Why go with a common or popular New Years Resolutions when there are so many other great options to consider, such as:

- 1) Perfect your favorite celebrity impression.
- 2) Learn a card or other magic trick
- 3) Stay at an interesting Airbnb's like a treehouse, teepee, or Airstream
- 4) Find out what treasures are in your house and sell them for a charitable cause.
- 5) Order every drink on the Starbucks Menu.
- 6) Flamingo a friend's yard for a birthday or anniversary.
- 7) Perfect your charcuterie board skills.
- 8) Stop drinking your morning coffee AFTER you brush your teeth.
- 9) Celebrate Hallmark's Countdown to Christmas, in July!
- 10) Exercise...your right to Taco Tuesday!
- 11) Learn the "Thriller" dance by Halloween

Source: CountryLiving.com



From start to finish, 2022 was a disruptive, unpredictable year for investors. Sticky inflation, polarizing politics, and war in Ukraine affected the entire globe. Equity markets rapidly flipped from raging bulls to growling bears, and historically supportive bond markets responded with record losses. The S&P 500 sank 19.4%, the NASDAQ tumbled 33.1% and the broad bond market retreated 13%.

Old harbingers of downturns gone by – inverted yield curve and high inflation – have Chicken-littles crying RECESSION. But, conflicting indicators of strong jobs markets, solid balance sheets (for most businesses and individuals), and continued consumer spending highlight how unique this economic environment is.

So, what's ahead for 2023? Elevated inflation and interest rates will persist. There is no fast fix to a post-pandemic economy which was fed with decades of high growth, induced by low interest rates. Patience (a recessive American trait) is needed and will be rewarded as increased interest rates (the Federal Reserve's primary tool) begins to work. It is painful work, but spending MUST be slowed to reduce inflation. Consumers tighten their wallets at the checkout, and businesses become leaner by slowing expansions and reducing payroll. Out with the Go Grow old, and in with the Slow Grow new.

Tech firm layoffs are filling headlines, but even after these layoffs, their employee numbers are similar to pre-pandemic. It was those tech firms which lead stock markets higher (and quickly lower). We see the next few years driven by companies focused on using their strong balance sheets to deliver products/services consumers need. Conservative mid-single digit returns comprised of slow growth and long standing dividend histories will keep clients on track to outpace inflation towards their goals. Big tech will take a seat at the holiday kids table, while consumer stable companies and health care companies will continue to attract spending, and potential for share price growth.

The tables have completely turned, in the world of interest rates. Low interest rates allowed consumers to buy bigger houses and "stuff" that wasn't necessary. Along the way, conservative investors were starved for interest on their savings/CDs. Today's higher interest rates have complaints of unaffordable new cars and bigger houses, and cheers of REAL interest on bonds and savings. A complete flip. Short- to intermediate-fixed income (bonds and CDs) can lock in some decent rates to weather continued volatility, and are becoming regular parts of client portfolios. 2022 was THE worst year on record in the bond market. The best comparison for rest bond malaise, is a period not seen since the post-war rate increase of the 1950's. That period's rate increases crushed bonds for most of a decade in the '50's. But our pain seems compressed into less than 18 months, today. In other words, look for bonds to return to their rightful place as portfolio diversifiers and volatility reducers. Remember, though, bonds have NEVER outpaced inflation over the long term – and maintaining purchasing power is what most investors seek. So, stocks still have a place in portfolios.

2023 will hang onto some of the old; inflation will be sticky (but will slowly decrease), war will continue to effect the world and politics will remain painfully polarized. But 2023 will also bring new reactions to decades of unchecked growth and three years of pandemic influenced economies. Our focus, will be all eyes forward . . . learning from the old, and excitedly embracing the new.

### Trivia

- 1) In a bingo game, which number is represented by the phrase "two little ducks"?
- 2) According to Greek mythology, who was the first woman on earth?
- 3) How many of Snow White's seven dwarfs have names ending in the letter Y?

## What's your Plan for.... feeling more SECURE?

In a sign that bi-partisan governing isn't completely dead, Congress ended 2022, by passing the SECURE Act 2.0. (Setting Every Community Up for Retirement Enhancement). It did seem to have something to make everyone's retirement a little more hopeful, or a bit more enjoyable.

- Required Minimum Distribution age moves from 72 to 73, for those born between '51 and '59, and to age 75 if born post '60
- Qualified Charitable Distributions (ability for those 70 1/2 to give from their IRA directly to charity) will see max giving limit increased indexed to inflation beginning in 2024.
- Catch-up contributions to IRAs will FINALLY see increases indexed to inflation, after being stuck at \$500 since 2002.

Whether you're already retired, or giving up those weekly paychecks, soon, SECURE Act 2.0 can apply, and we're happy to react to that fine print. So, when it comes to SECURING retirement . . . What's Your Plan?



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## Finding Passion, Purpose, Success, and Significance in Retirement

Over the last several months, my partner, Bob and I have been re-emerging ourselves in the study of purpose. We felt compelled to dig back into the topic after noticing people were using terms like passion, purpose, meaning, and impact, interchangeably, as if, they all meant or referred to the same thing or carried the same weight.

We set a goal to figure out and to be able to explain the difference between passion and purpose, as well as find some practical applications to help someone add meaning and impact to their life, especially in retirement. As we began the research, we both found the task complicated by more terms that seemed to muddle the waters.

For example, what is the difference between success and significance? Does everyone need to have a vision and mission, or does purpose and passion suffice? What about virtues, values, and legacy? Which ones come first, how do they all work together, and most important of all, how do you find, get, or develop them?

After spending a few hours doing some online research, we ended up with 198-pages of material, copied and pasted from a myriad of resources from academic research to articles from so-called experts, as well as everyday people sharing their thoughts.

It was all great information, but how in the heck were we going to distill it down to a short article that people would not only want to read but would spur some action and results. As we made our way through the material Bob got the sense that just dropping in some quick hit, sound bites would be a good way for people to start thinking more deeply on the topics.

### Here are the top 10 wisdom nuggets from our research:

- 1) Passion is for you and serves as your "What"
- 2) Purpose is for others and serves as your "Why"
- 3) What got you here, won't get you there
- 4) Good intentions are not the same as being intentional
- 5) Time management isn't the issue, priority management is
- 6) It's not what you know, but what you do with what you know
- 7) Life feels meaningful when our actions add value or significance to others
- 8) Success can last a lifetime, however, significance can last several lifetimes
- 9) Legacy isn't just about what we give or leave behind, but also what we were given and are giving every day
- 10) If you want to feel happy and satisfied, do something that will move you forward

## Trivia Answers

- 1) 22
- 2) Pandora
- 3) Five: Dopey, Grumpy, Sneezy, Sleepy, Happy. *Extra Credit: name the other 2 dwarfs?*

Source: ThoughtCatalog.com

*Answer: Bashful & Doc*

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