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BML

WEALTH
MANAGEMENT

THE RETIREMENT FINGERPRINT®

NEWS YOU CAN USE

How Inflation Affects Social Security Benefits

In 2022, Social Security retirement benefits will increase by 5.9% after higher inflation last year. This increase is the largest cost-of-living-adjustment (COLA) to benefits in four decades and reiterates the value of inflation-adjusted income during retirement.

However, it's important for retirees to remember that even though Social Security benefits are designed to keep pace with inflation, many retirement expenses increase at a higher rate than general inflation. For example, Medicare premiums — which are deducted from Social Security benefits before payout — tend to increase at a higher rate than COLA. Also note that Social Security benefits are taxed on incomes above \$25,000 for singles and \$32,000 for joint filers. And, since these income thresholds are not adjusted for inflation,

COLA increases put more retirees at risk for higher taxes. Bear in mind that retirees must pay taxes on up to 85% of income above those limits.

In other words, while cost of living increases are always welcome, the net percentage of income may be effectively less than expected due to increases in Medicare premiums and taxes.

Alicia H. Munnell and Patrick Hubbard. Center for Retirement Research at Boston College. Aug. 2021. "The Impact of Inflation on Social Security Benefits." https://crr.bc.edu/wp-content/uploads/2021/08/IB_21-14.pdf. Accessed Oct. 10, 2021.

**CREATING A
RETIREMENT
PLAN AS UNIQUE
AS YOU™**





THAT TIME OF YEAR

Winter Fashion Trends

The 2022 New Year promises less social distancing and more evenings out of the house. This winter, catch up with the latest styles and trends as designers get back to the runways with new designs for every fashion taste.

Cozy up with trending styles of oversized down puffer jackets and faux-fur teddy bear coats that engulf you in soft warmth. Another preference for winter wear leans toward military fashion, such as aviator jackets, trench coats and ranger boots in various shades of khaki and army green.

You also might see fashionistas indulging a whim for space-age clothing that includes metallic materials, silver fabrics, sparkles and spacesuits. Even without a space theme, you'll see a variety of shimmery silver and gold outfits, sequins and accessories, and modern-day glamour characterized by feathers, tassels and argyle prints.

However, fashion offers something for everyone. If militant or opulence isn't your style, there is also a trend toward bohemian craftiness. Look for clothes featuring patchwork patterns and colors. All-black silhouettes will continue to be popular, but

don't be surprised to see lots of patterned, intermittent and angular cutouts with peek-a-boo see-through fabrics.¹

In women's shoes, look for knee-high boots, embossed textures, geometric-shaped heels and updated styles in loafers, clogs and slides, while thick platform shoes continue to be popular.²

¹ Marouchka Franjulien. *Elle*. Aug. 17, 2021. "Your Fashion Trend Report for Fall/Winter 2021-2022." <https://www.ellecanada.com/fashion/trends/your-fashion-trend-report-for-fall-winter-2021-2022>. Accessed Oct. 11, 2021.

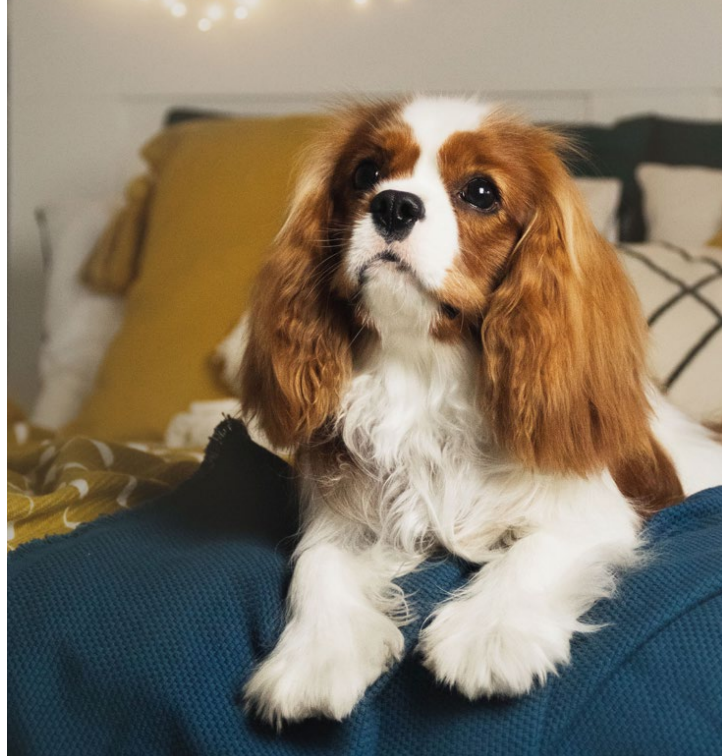
² Danielle Flum. *Cosmopolitan*. Aug. 6, 2021. "5 Winter Shoe Trends for 2021 You'll Want to Start Wearing N-O-W." <https://www.cosmopolitan.com/style-beauty/fashion/g37223919/winter-shoe-trends-2021-2022/>. Accessed Oct. 11, 2021.

THE GOOD LIFE

Pleasant Pets

Pets make great companions, but they also can create certain burdens that we'd just as soon avoid, such as excessive barking and shedding. While all dogs bark, there are some breeds with a tendency to bark less and make for a quieter household companion. Among small dogs, these breeds include the bulldog, Japanese Chin, Pug, Boston Terrier and the adorable Cavalier King Charles Spaniel. There are even some low barkers among large-breed dogs, such as the Irish Setter, Akita, Newfoundland and even the gentle but cumbersome Saint Bernard.¹

Cat people, on the other hand, may have allergies that prohibit enjoying the company of an indoor feline. The good news is that there are shedless cat breeds for those who either require a hypoallergenic pet or would simply prefer one that doesn't leave a trail of hair around the house. The Sphynx usually comes to mind — the strikingly terrifying, furless cat covered in wrinkly skin. Perhaps less jarring are cats with sparse fur coats, such as the Lykoi and Burnish Rex. But there are also very attractive fully furred cats who simply shed less than others, including the Blue Russian, Siamese, Burmese and even the exotic shorthair.²



¹ Michelle Nati. *Always Pets*. Aug. 23, 2021. "It's Oh, So Quiet: 25 Dog Breeds That Rarely Make Noise." <https://www.alwayspets.com/s/quiet-dog-breeds-73de872912c74346>. Accessed Oct. 10, 2021.

² Ashley Davidson. *BeChewy*. Aug. 18, 2021. "These Low-Shedding Cat Breeds Will Save Your Couch (and Possibly Your Sinuses)." <https://be.chewy.com/behavior-breeds-cat-breeds-that-dont-shed/>. Accessed Oct. 10, 2021.



HOW TO ...

How To Improve Your IQ and EQ

A person's intelligence quotient (IQ) quantifies skill, logic, reasoning and memory. The emotional quotient (EQ) is a measure of the ability to perceive, understand and regulate emotions. The following are tips to help improve both.

IQ:

- Study a foreign language.
- Get plenty of sleep; losing as little two hours a night can reduce your IQ by two points.
- Use a map instead of GPS to exercise your problem-solving, spatial, logical and cognitive muscles.

EQ:

- Practice meditation, journaling and/or self-reflection to help identify your feelings.
- Encourage feedback from family, friends and co-workers regarding your ability to regulate emotions.
- When you feel highly charged emotions, take a deep breath to help slow your reaction and remain calm.

Raymond James. Feb. 10, 2021. "EQ vs. IQ: The Great Brain Debate." <https://www.raymondjames.com/commentary-and-insights/lifestyle-technology/2021/02/10/eq-vs-iq-the-great-brain-debate>. Accessed Oct. 10, 2021.



DOLLARS & SENSE

Buying Bonds

Bonds work differently than stocks, and therefore offer a different set of risks and rewards. Instead of buying into ownership of a company by purchasing shares of stock, a bond is basically a way of loaning money to the issuer.

A bond purchase is a promise from a company or government agency that the full amount of your loan will be returned after a fixed period of time. In the interim, the entity will pay you regular interest payouts, which is basically the return on your money. The higher the rate of interest the entity pays out on the loan, which is referred to as the yield, the higher the return on your bond purchase.

One of the advantages of a bond instead of a stock is that your interest payouts are guaranteed by the company or government agency that issued the bond. No matter what happens in the economy or the stock market, the investor will continue to receive a steady flow of predictable income. The risk the investor bears is that the entity will default on the loan. That is why bond issuers are rated by independent ratings

companies. The higher the rating, the less likely the issuer will default on bond interest payouts.

Then there are what's known as "junk bonds," which have the lowest ratings because they are at higher risk of default. Companies that issue junk bonds tend to offer much higher yields to attract investors, so these particular bonds are similar to investing in higher-risk stocks.¹

Bond buying has been less attractive in recent years because interest rates have remained historically low. With rising inflation and an uncertain labor market, the Federal Reserve is expected to maintain lower rates until late-2022 or 2023, which means the yield on higher-rated bonds will likely remain low. Despite the occasional bumps in the road, the U.S. stock market has performed relatively well throughout the past few years. Because of this, investors may be more interested in achieving stock gains rather than investing in bonds. In fact, some investors may be more inclined to hold cash rather than commit to purchasing bonds for a fixed

period of time with low payouts.²

Yet, it is important to recognize that bond investments are a good way to diversify your portfolio and offset the risks of a higher stock allocation. Perhaps a simpler way to diversify with fixed-income securities is to invest in a government or corporate bond mutual fund or exchange-traded fund (ETF). This offers the flexibility to transition out of the investment before the end of a bond's fixed payout period. Consult with an experienced financial professional to determine if buying bonds is a good fit for your circumstances, as well as the best way to integrate them into your portfolio.

¹ NPR. Aug. 18, 2021. "Planet Money Summer School 4: Bonds and Becky with the Good Yield." <https://www.npr.org/transcripts/1027086991>. Accessed Oct. 12, 2021.

² Patrick Villanova. Yahoo Finance. Oct. 12, 2021. "How Much Money Do You Lose by Going With Cash Instead of Bonds?" <https://finance.yahoo.com/news/much-money-lose-going-cash-102757498.html>. Accessed Oct. 12, 2021.

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High Deductibles Contribute to Medical Debt

Both households that buy health plans on the government exchanges and those with employer-sponsored insurance plans are paying out more and more in high deductibles each year.

In fact, one out of three insured Americans report that they struggle with paying out-of-pocket expenses toward their health plan's high deductible. Research from the first half of 2020 revealed that medical bills accounted for more than half of all U.S. consumer debt in collections, and that's not even including the bulk of financial damage caused by COVID-19. In 2020, the total tab held by collection agencies was \$140 billion in unpaid medical bills. The data also found a higher correlation of consumer medical debt in states that had not expanded Medicaid funding via a provision in the 2010 Patient Protection and Affordable Care Act.

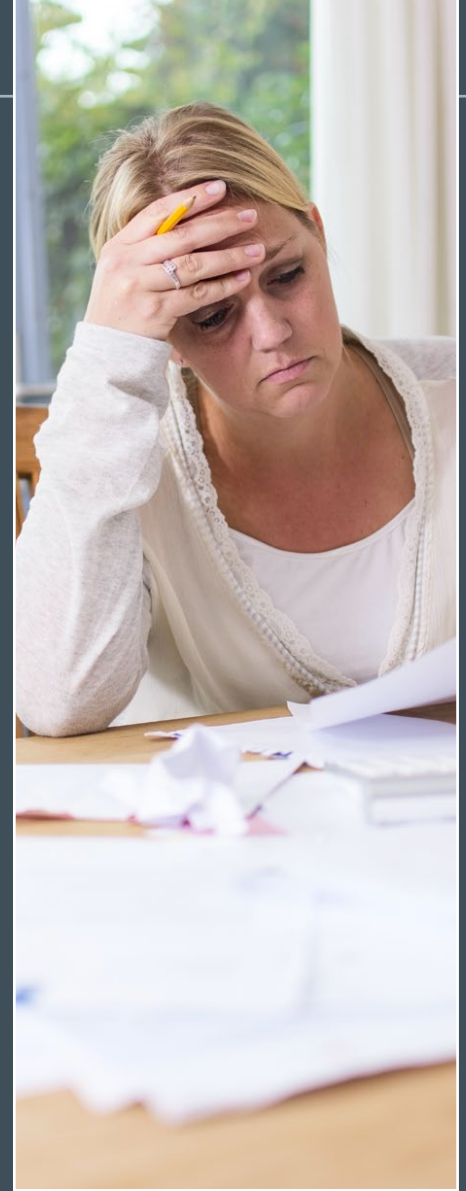
Among plans for smaller employers, deductibles generally exceed \$3,000

for singles and \$6,000 for family plans.¹ For 2022, individual plans purchased on the exchanges may have a deductible as high as \$7,050 for singles; family plans max out at \$14,100.²

Perhaps just as disconcerting as medical debt, high plan deductibles also tend to discourage people from seeking care when needed. This, in turn, can lead to bigger medical bills down the road.

¹ Kim Blanton. Center for Retirement Research at Boston College. Aug. 12, 2021. "Healthcare Deductibles: the Burden Grows." <https://squaredawayblog.bc.edu/squared-away/healthcare-deductibles-the-burden-grows/>. Accessed Oct. 10, 2021.

² Stephen Miller. SHRM. May 10, 2021. "IRS Announces 2022 Limits for HSAs and High-Deductible Health Plans." <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/irs-2022-hsa-contribution-limits.aspx>. Accessed Oct. 10, 2021.



2	24	15	7	20	3	17
25						21
18						23
14			1			6
4						13
9						10
19	12	11	16	8	5	22

BRAIN GAMES

1 to 25

Game Rules

To solve 1 to 25, move the numbers from the outer ring onto the board in the directions of the chevrons. As you place them they must snake together vertically, horizontally or diagonally so they link in sequence from 1 to 25.

Winter Workouts



5 tips to stay motivated
even when it's cold outside

Feeling the urge to hibernate? Us, too. But staying active in the winter months can not only help you stay fit, it can also be a deterrent for seasonal affective disorder (SAD). And it doesn't take much: Studies show that you'll reap huge benefits with just 30 minutes of daily exercise.

Ready to get moving? Here are 6 ways to find your motivation to exercise when temperatures drop:



Sources: [mayoclinic.org](https://www.mayoclinic.org)

1. Find a partner.

Peer pressure can actually be a good thing, especially when it comes to exercise. Find an exercise buddy to help keep you accountable.

2. Workout at home.

Avoid the arctic chill by doing home workouts. Find free videos for cardio, strength, yoga and stretching on YouTube. Got a set of stairs? Challenge yourself to go up and down as many times as possible in a specific amount of time.

3. Buy some outdoor gear.

There's nothing quite like the sun to create much-needed vitamin D. The key is to bundle up appropriate for the weather, including a hat and gloves when temps get low. Wear layers that you can remove as you warm up.

4. Schedule your exercise.

If it's not on your calendar, odds are you won't get a workout in. Plan out your workouts — and then stick to the plan.

5. Don't shy away from the pool.

Nope, we're not suggesting a polar bear plunge. But indoor pools can be a great cardio option in the winter months. Plus water aerobics classes are a great opportunity to socialize while exercising.

How Many of Us Are On Track For Retirement?

The National Retirement Risk Index (NRRI) is a benchmark that measures how many American households are at risk of not being able to maintain their current lifestyle during retirement. In 2019, the index had dropped to 49% from 50% in 2016, meaning that less than half the country was at risk.

The onset of the COVID-19 pandemic drove that measure to 51% by the third quarter of 2020. While the increase seems rather modest given the pandemic’s enormous effect on the economy, researchers cite higher gains in the stock market and rising prices in the housing market as positive contributing factors. The growth of these assets is generally a good indicator of the accumulation of household wealth — even more so than current income. Also, the data assumes that temporary employment will have no long-term effect on wage levels.¹

Speaking of wages, the pandemic has spurred a potentially long-lasting change that could help lower the NRRI. The first six months of 2021 saw the highest wage growth in two decades. Moving forward, analysts project blue-collar wages will continue to accelerate in 2023 and beyond.²




¹ Alicia H. Munnell, Anqi Chen and Robert Siliciano. Center for Retirement Research at Boston College. January 2021. “The National Retirement Risk Index: An Update from the 2019 SCF.” https://crr.bc.edu/wp-content/uploads/2021/01/IB_21-2.pdf. Accessed Oct. 10, 2021.

² The Conference Board; 2021. “Why Wages Are Growing Rapidly Now – And Will Continue to in the Future.” <https://www.conference-board.org/publications/Why-Wages-Are-Growing-Rapidly>. Accessed Oct. 10, 2021.

BRAIN GAMES

ANSWER KEY:

2	24	15	7	20	3	17
25	24	25	21	20	19	21
18	23	22	16	17	18	23
14	14	15	1	6	5	6
4	13	11	7	2	4	13
9	12	10	9	8	3	10
19	12	11	16	8	5	22

cut here 



RECIPE LASAGNA SOUP

INGREDIENTS

- ½ Tbsp. olive oil
- 1 lb. ground Italian sausage
- 1 white onion, diced
- 1 tsp. dried oregano
- ½ tsp. dried rosemary
- 1 tsp. dried thyme
- 1 tsp. salt
- 2 tsp. sugar
- ½ tsp. white pepper
- 1 tsp. Worcestershire sauce
- 2 garlic cloves, minced
- 8 oz. tomato paste
- 24½ oz. tomato sauce
- 6 cups chicken broth
- 2 cups lasagna noodles, loosely broken

INSTRUCTIONS

1. In a large pot, sauté diced onion until it begins to get tender.
2. Add Italian sausage to the pot along with Italian seasoning, salt, sugar, white pepper and Worcestershire sauce.
3. Once the sausage starts to brown, stir in tomato paste until completely combined with sausage. Pour in tomato sauce and broth; stir until completely combined. Bring to a simmer.
4. Add broken pieces of lasagna noodles to the pot and continue to simmer until noodles are tender (about 10-15 minutes).
5. Serve immediately, topped with shredded mozzarella cheese, a dollop of ricotta, or mascarpone and fresh parsley.

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UPCOMING DATES

JANUARY

- 1 New Year's Day
- 17 Martin Luther King Jr. Day

FEBRUARY

- 2 Groundhog Day
- 14 Valentine's Day
- 21 President's Day



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