

WINTER 2022 INFORM

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The Power of Intention

By Chris Nadler and Tracy Wells

The word “intentional” means to do something deliberately. As we start a new year, how are you planning to be more intentional with your finances? What new goals have you set for 2022? As we often say: planning gives purpose. Here are some goals we hear frequently, and some actions you can take to get your plans moving toward reality.

Goal: Get out of Debt

- Create a budget and stick to it. Be intentional by telling every dollar where to go (instead of wondering where it went).
- Pay off smallest balance or highest interest rate loan first. Create a snowball effect by focusing on one balance while paying the minimum on other debts, and then move on to the next balance with the same payment amount.
- Consider consolidating debt into one loan to manage interest rates and payments.

Goal: Retire Early and Maintain Standard of Living in Retirement

- Increase your contributions to your company retirement plan to at least 10-15% of earnings.
- Consider funding an IRA, Roth IRA, and/or brokerage account.

Goal: Reduce Tax Bill and Give Generously

- Consider increasing your contributions to tax-deferred retirement plan or IRA.
- If you're age 72 or older, consider gifting a Qualified Charitable Distribution (QCD) to a charity, rather than taking your Required Minimum Distribution (RMD).
- Gift highly-appreciated securities to a charity instead of cash.

Goal: Leave a Legacy

- Make sure your estate plan is up to date. Schedule a meeting with your attorney to create a plan (Will, Living Will, POA).
- Confirm the beneficiaries on your investment and savings accounts.

Like working toward any goal, it's best to have tools and support for both accountability (balancing your checkbook, using a budgeting app) and encouragement (your spouse, a friend, or financial advisor). Take intentional steps to make your goals become reality. If you need help setting financial goals for the new year, or support in reaching them, give us a call. We'd love to help you succeed in 2022 and beyond!



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2021 Market Recap: Keep Calm and Carry On

By Ryan Gilmer

The end of the year is a great time for investors to review the following questions:

- 1) How did global markets perform?
- 2) What were the main causes or drivers of this performance?
- 3) How do we best prepare for the coming year?

The first question can be answered by looking at returns for five of the largest investment asset classes:

	2021 Return
US Large Cap (S&P 500)	28.71%
US Small/Mid Cap (Russell 2000)	14.82%
International Developed Markets (MSCI EAFE)	11.26%
Emerging Markets (MSCI EM)	-2.54%
Bonds (US Aggregate Bond)	-1.54%

As you can see from the table, there was a wide range of outcomes depending on the asset class. US large-caps outperformed everything by a wide margin, and US stocks — including small and mid-caps — outperformed international stocks. Bonds were essentially flat for the year.

What were the causes of the above performance? Two factors contributed heavily to these market movements — the evolution of the COVID-19 pandemic and uncertainty surrounding economic and monetary policy.

On December 14, 2020, critical care nurse Sandra Lindsay became the first American to receive a COVID-19 vaccine. At the time, many thought it was the beginning of the end of the pandemic. But as the year went on, the Delta and Omicron variants emerged. While neither reignited the prior

depths of the pandemic, they cast uncertainty around a strongly rebounding global economy.

Throughout 2021, the consumer price index (CPI), often used as a gauge for inflation, climbed and stayed well over 5%: levels that we haven't seen in years. As a result, the Federal Reserve Board decelerated their bond purchases and signaled that interest rate hikes may happen sooner than previously expected. On December 19th, 2021, West Virginia senator Joe Manchin publicly pulled his support for the Biden administration's Build Back Better Act. Global markets declined on this news.

Neither of these developments are a catastrophe by any means. They do, however, show that 2021 was filled with economic and political uncertainty. In this environment, markets favored the predictability and relative safety of US blue chip stocks.

So, how do we best prepare for 2022? The most evergreen advice is to avoid overreacting by rebalancing the portfolio. All five asset classes listed above have a place in a portfolio, and each carries its own unique risks and attractions. Pruning the best performers and buying the worst performers is sensible management, ensuring proper balance and diversification entering the new year.

If you would like to discuss your personal portfolio, let's talk.



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MARKET UPDATE <small>as of 12/31/21</small>	4TH QTR	2021 YTD	5 YR AVG	10 YR AVG
S&P 500 COMP	11.03%	28.71%	18.47%	16.55%
RUSSELL 2000	2.14%	14.82%	12.02%	13.23%
MSCI EAFE	2.69%	11.26%	9.55%	8.03%
MSCI EMERGING MARKETS	-1.31%	-2.54%	9.87%	5.49%
BARCLAYS US AGG BOND	0.01%	-1.54%	3.57%	2.90%

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2022 Contribution Limits for Retirement Plans

By Matthew Lefelhoc

Happy New Year! The IRS recently announced updated retirement plan contribution limits for 2022. We wanted to highlight some of these changes that may apply to your financial planning.

Retirement Account	2021 Contribution Limits		2022 Contribution Limits	
	Age 49 and younger	Age 50 and older*	Age 49 and younger	Age 50 and older*
Traditional or Roth IRAs	\$6,000	\$7,000	\$6,000	\$7,000
Simple IRAs	\$13,500	\$16,500	\$14,000	\$17,000
401(k) or 403(b)	\$19,500	\$26,000	\$20,500	\$27,000

*The Catch-Up amount applies the year you turn age 50 and all future years.

A couple of things to note:

- Contributions to your Traditional or Roth IRA for the 2021 tax year can still be made until April 15, 2022.
- Income phase-out ranges have also increased for Roth IRA contributions, starting at \$204,000 for married couples filing jointly, single filers phase out at \$129,000.
- Required Minimum Distributions (RMDs) start for those with their 72nd birthday in 2022.

As always, if you have any questions regarding these updates or how they may affect your financial plan, please give us a call!



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New Investment Web Portal and Mobile App

By Tammy Higgins



We have a new Investment Web Portal and Mobile App! You can use these programs to check your balances and account information, as well as see your statements online, in one easy-to-use place.

The Whitcomb & Hess mobile app is available in the Apple and Google app stores. The Investment Web Portal can be used from any internet browser by visiting <https://login.orionadvisor.com>.

To set up your account credentials, **email Tammy Higgins at thiggins@whitcomb.com**. (Your username and password are the same for both the web portal and the app!)



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W&H Team News

By Jordan Kvochick

We are pleased to announce that **Scott Saner** has passed the CPA exam! This rigorous set of tests was created to assure the public that they are dealing with a knowledgeable and capable professional. This significant accomplishment gives our clients the assurance that their accounting and tax work is being completed by someone that has obtained the highest level of certification in the accounting profession.



Scott has been part of our team since May 2018, after graduating from Ashland University. As an Accounting Associate, he prepares personal tax returns, corporate tax returns, and financial statements for our business clients. Scott specializes in working with businesses that use Quickbooks. Outside the office, Scott enjoys snowboarding, as well as spending time with his wife, Courtney, and their pets.



We would also like to introduce you to some new faces you may see around the office. In November, we added both **Austin Artz** and **Jenna Gonzales** to our Accounting and Tax team.

Austin is an Accounting Associate who helps prepare payrolls, payroll taxes, and reconciliations. Jenna is also one of our Accounting Associates. She works on financial statements, payroll, as well as corporate and personal tax returns.

Outside the office, Jenna enjoys DIY projects, and Austin can be found playing disc golf, sand volleyball, or board games. Feel free to say hello next time you're here!



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Friday, May 6th – 9am to 12pm
Shred-It truck in the W&H parking lot

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