

THE ROAD TO RETIREMENT

OUR MONTHLY GUIDE TO EVERY MILEPOST, JUNCTION,
AND LANDMARK ON YOUR ROAD TO RETIREMENT.



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A WORD FROM MATT

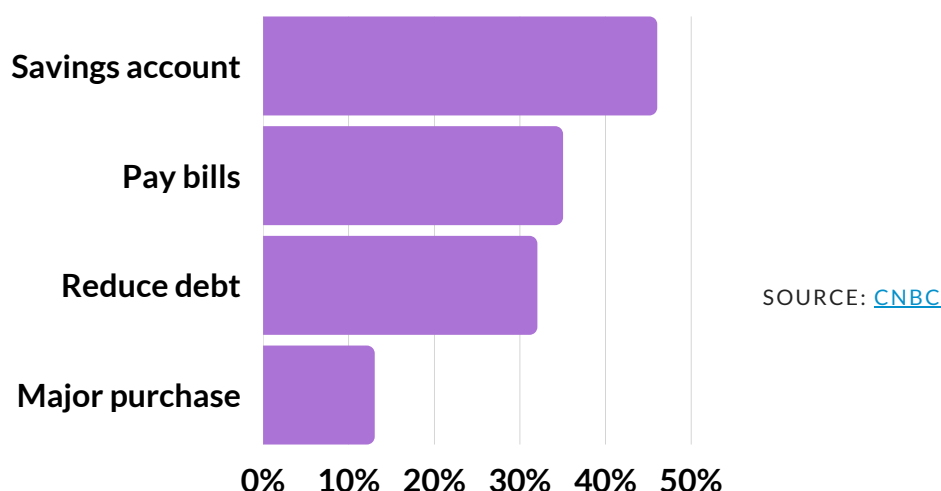
Spring is truly here! I don't know about you, but I'm excited for a change in seasons. It's been a great year so far, but an extremely busy one. Fortunately, we're in for a riot of color and melody with new flowers blooming, new grass growing, trees budding, and birds returning to sing their cheerful songs.

Spring is the season when the world renews itself. It's a season for growth and a season for change. Really, it's a season when nature *gets things done*. That's true for people, too: There's a reason that "spring cleaning" is a thing! If you haven't already, this is a great time of year to start thinking about any financial areas of your life that need renewing.

So, as we get deeper into the year, if there's anything you want to get done, like new goals to set or old goals to move forward on, always remember that my team and I are here to help. Have a great month!

WHAT'S AROUND THE BEND: YOUR TAX REFUND

As you know, tax season ended last month. For adults, this is like a second Christmas! The stress of filing is over, and in some years, we have a tax refund to look forward to. The question is, what will you do with yours? Back in 2021, the University of Chicago [surveyed over one thousand American adults](#) to see what they planned to do with their refund. Here's what they found:



As a financial advisor, I don't have a problem with any of these decisions. It's always good to save or pay down debt. It's equally important to enjoy your money. But a tax refund can also be a powerful way to get ahead of schedule on the road to your long-term goals, especially if you invest it. Now, that doesn't mean just flinging it at the stock market. As always, how you invest should be determined by your goals. For example, you can always:

- **Make "catch up" contributions to your 401(k)** – if you are over 50 years old – [up to \\$7,500 per year](#).
- **Set up or contribute to a 529 Plan** to help your kids or grandkids pay for college.
- **Put the money in a "short-term" investment** like a Treasury Bill or Certificate of Deposit in order to save for a specific goal you want to reach sooner rather than later.

QUOTES
WE'VE BEEN
THINKING
ABOUT:

**"May your
trails be
crooked and
winding,
leading to the
most amazing
view."**

EDWARD ABBEY

WHAT'S OVER THE NEXT HILL: VACATION PLANNING

As we get nearer to summer, you will probably start making summer vacation plans. But whether you're planning an epic road trip, sightseeing tour of Europe, a Disneyland adventure or a quick jaunt down to Cabo, these days, it's easier than ever to find yourself spending more than you intended on your getaway. To ensure you don't accidentally rack up credit card charges or dip into your long-term savings, here are a few tips to save money this summer:

1

PLAN EARLY AND SAVE IN ADVANCE

Early planning allows you to take advantage of lower cost airfare and hotel bookings. And with a set itinerary, you know exactly how much to save up in advance.

2

SET A BUDGET

When planning a vacation, it's extremely easy to undercalculate how much you'll have to pay. By setting a specific budget - and sticking to it - you'll be able to allocate money only to the activities/sights you truly care about.

3

LEAVE YOUR CREDIT CARD AT HOME

That little magnetic strip in your wallet can be the difference between sticking to your budget and overspending on knickknacks, souvenirs, and gifts that you hadn't planned on buying. Instead, stick to your debit card or traveler's checks.

FUN FINANCIAL FACT

One of our goals is to help ensure clients don't "outlive their money." But did you know that money has its own lifespan? According to the U.S. Currency Education Program, the average dollar bill has an estimated lifespan of 6.6 years before it becomes too wrinkled, faded, or torn to use. \$5 and \$10 bills last even shorter – 4.7 and 5.3 years respectively. \$50 bills, on the other hand, last 12.2 years on average, while \$100 bills last a whopping 22.9 years!

Source: <https://www.uscurrency.gov/life-cycle/data/life-span>

WHAT'S ON THE HORIZON: THE W'S OF RETIREMENT

Did you ever learn the "W" questions in school? They are: Who, What, When, Where, and Why. At some point on the road to retirement, these are questions you need to ask yourself.

WHO DO YOU WANT TO SPEND RETIREMENT WITH?

One of the great joys of retirement is that you can spend more time with the people you love. So ask yourself: Is it your spouse? Your grandchildren? Old friends? People in your golf club, improv class, or church group? Whatever you decide will help you answer:

WHAT DO YOU WANT TO SPEND RETIREMENT DOING?

If the answer to the "Who" question is your grandkids, the answer to the "What" question may be, "I want to spend time teaching my grandchildren how to fish."

WHEN DO YOU WANT TO RETIRE?

A very important question. Have you dreamed of retiring early, or would you rather work for as long as possible? The answer will determine how much you'll need to save for retirement, when you take your Social Security benefits, and so on.

WHERE DO YOU WANT TO RETIRE?

Maybe you'd rather live closer to family or are looking for a different climate. Either way, *where* you choose to spend your golden years will have a major impact on your finances.

WHY DO YOU WANT TO RETIRE?

You should never retire just because you're 65 or because you don't know what else to do. One of the keys to a happy retirement is finding your *why*. For instance, so you can help raise your grandkids, travel the world, or finally write that novel.

INVESTING TIP OF THE MONTH

Always avoid long shots. Investing isn't gambling. While we have no control over the markets, we do control how much risk we take on. Your portfolio isn't the place for speculation or bets. For that, head to Vegas.

WHO**WHAT****WHEN****WHERE****WHY**

WATCHING THE WEATHER: MARKET CONDITIONS ON THE ROAD TO RETIREMENT (APR-MAY)

After enjoying a positive first quarter, the markets were largely flat in April. Investors have been in "wait and see" mode, trying to determine how the following storylines would play out moving forward:

Inflation and Interest Rates: After hiking rates at near warp speed in 2022, the Fed has taken a slower-and-smaller approach to fighting inflation so far in 2023, last lifting rates by [0.25% in March](#). Many investors hope the Fed will either continue this pace or stop raising rates altogether, although the Fed itself expects at least one more rate hike this year.

Banking Stress: After the collapse of Silicon Valley Bank and Signature Bank back in March, investors have been watching other regional banks with bated breath. While the government's actions stopped the bleeding in April, there's still a lot of uncertainty facing the banking industry, with many banks reporting slower business and lower earnings.

HERE'S WHAT WE'RE KEEPING AN EYE ON IN MAY

GOVERNMENT REPORTS

Investors will be watching for two key reports early in May: The next jobs report, and the next Consumer Price Index (CPI) report. The former is a bellwether of the economy's health, but interpreting what it means for the markets isn't always easy. For example, a better-than-expected jobs report may indicate a possible recession is still months away...but it might also indicate the Federal Reserve will continue to raise interest rates in order to cool the economy down and decrease inflation. The CPI Report, of course, actually *measures* inflation, and is a key factor in the Fed's decision-making.

AN EARNINGS RECESSION?

Many companies release their Q1 earnings late in April, while also providing guidance on what they *expect* to earn moving forward. While the economy as a whole may or may not be near a recession, investors will be paying careful attention to these companies' earnings projections. If they are largely down across multiple industries and sectors, that could indicate an "earnings recession" — two or more straight quarters of a decline in earnings.