

THE PERRY RICHEY GROUP QUARTERLY NEWSLETTER

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BAIRD

The Perry Richey Group
Private Wealth Management

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The Perry Richey Group

Front photo pictured left to right: Melissa Steele, Savannah York, , Andrew Boyles, Brooke Cassady, Shawn Perry, Jacqueline Hunt, Drew Richey, Claire Wilson, Josh Marson, Brooke Schakat, and Michelle Humphrey.

Shawn M. Perry, CFP®, CPWA®
Managing Director
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N. Drew Richey, CFP®, CRPS®
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Assistant Vice President
Branch Administrative Supervisor

Melissa Steele
Senior Client Specialist

Brooke Schakat
Client Assistant

Michelle Humphrey
Client Assistant

Savannah York
Client Assistant

Recap of
2022

Stars & 6 Strings

Affordable
Christmas

High-Performing
Team Retreat



The Perry Richey Group
Private Wealth Management

Our Newest
CFP® Professional

Financial Literacy
Month Event

KY Utility
Exemption

The Perrys in Africa

SUPPORTING OUR COMMUNITY



STARS AND 6 STRINGS

Our team was honored to be the presenting sponsor of The Center for Courageous Kids' *Stars & 6 Strings* event again this year. Thanks to the generosity of countless co-sponsors, committee members, staff, and supporters, CCK reached a record-breaking \$325,000 in donations! Every donation will go directly to ensuring more medically complex children can attend camp completely free of charge in 2023!

AFFORDABLE CHRISTMAS

Thank you to everyone who donated in support of Hope House Ministries' Affordable Christmas. With your help, 1,433 children from 562 families opened gifts from their parents on Christmas morning! Thank you for partnering with us to give joy and dignity to families' Christmas celebrations this year.



WOMEN'S FUND OF SOUTH CENTRAL KENTUCKY

What a great evening celebrating 10 years of the Women's Fund of South Central Kentucky. The Foundry Christian Community Center was awarded this year's \$100,000 impact grant to go toward building a new facility to double the number of children testing Kindergarten ready.

THE SKYPAC ARTS FESTIVAL

The Bowling Green Baird offices joined forces to host activities and fun for our clients at SKyPAC's Community Day. There was gingerbread house decorating, delicious food, balloons, holiday activities, a scavenger hunt, and so much more. It was fun to see clients there with their kids and/or grandchildren. We love being a part of downtown activities in our community.

RECAP OF 2022

If there is one thing that can be said of 2022, it's that there has been no shortage of news headlines to grab your attention. Over the last 12 months, we've seen an evolving geopolitical conflict between Russia and Ukraine, inflation at it's highest point in 40 years, the Fed increase the Fed funds rate on seven different occasions, and a midterm election... just to name a few.

We understand that the resulting market volatility from these events in both the equity and fixed income markets has been challenging and unsettling. Market volatility is predictably unpredictable - we know it's going to happen, but nobody knows when or how long it will last.

I would like to take a moment to recap three of the more meaningful events of 2022 and the impact our team believes they will have on the market as we kick off the new year.

Inflation:

Inflation, thus far, peaked at 9.1% in June 2022, and since then we saw inflation decrease for five consecutive months. As of the most recent announcement, Inflation sits at 7.1% year over year. This elevated inflation has had an impact on the market not so much because of the immediate impact on the economy, but around the uncertainty of what impact it would have on the economy if it remained elevated for an extended period of time. While there is still a need for it to continue to decrease, inflation's trajectory over the last few months is an encouraging sign as we start the new year.

The Fed:

The Fed's benchmark interest rate, also known as the Fed funds rate, started 2022 at a range of 0.0%-0.25% and we ended 2022 with it sitting at 4.25% - 4.50%. This comes after Fed Chairman Jerome Powell announced a .50% increase on December 14th. This marked the seventh interest rate hike for 2022 as they have taken an aggressive (also known as 'hawkish') approach to try and curb inflation. While it is expected for the Fed to slow down the pace of rate increases this year, we will not be surprised to see interest rates remain elevated until there is further confirmation that inflation has returned closer to a long-term average of 2-3%.

Washington D.C.:

Republicans have officially taken control over the House of Representatives by a count of 222-213 and Democrats have control over the Senate 51-49 after the November midterm election. This dynamic presents our country with a split government which means that for the next two years enacting legislation will be an uphill battle - for both parties. We are unlikely to see major legislation that is heavily skewed to one party or the other. Specifically, any tax increases are likely off the table for now, as the attention of both parties is now focused on rallying support for the 2024 Presidential election.

I will leave you with one of my favorite quotes from the book *Psychology of Money* by Morgan Housel. In the book, he says, "Your success as an investor will be determined by how you respond to punctuated moments of terror, not the years spent on cruise control."

While the last twelve months may not feel like a 'punctuated moment', many of you are in the midst of a much longer time horizon related to your investments, even those of you in retirement. We continue to keep a long-term perspective on the markets and provide personalized advice, while looking for strategic investment, tax, and estate planning opportunities that may present themselves and are within our control. We care deeply about you and the responsibility that comes with providing wise guidance for you and your family. We look forward to serving you in 2023 and wish you and your family a Happy New Year.

-Andrew Boyles 3

KY UTILITIES SALES TAX EXEMPTION

As of January 1st, 2023, Kentucky residents will be required to pay sales tax on utility bills. However, this tax will not be applied to usage of utilities of your primary residence. Residents will need to provide a Declaration of Domicile to their utility provider(s) to ensure they are provided the primary residence exclusion. The form can be found online and submitted multiple ways including on your providers' website, via email, fax, or in person. Some providers are allowing residents to supply this information over the phone. While you may already have your primary residence properly titled, if in doubt, we encourage you to reach out to your utility provider to confirm. In the event you have rental units, you have an additional document to provide alongside the Declaration of Domicile from your tenants.



ADVISOR TEAM PLANNING RETREAT

The Advisor Team spent time together at Lake Barkley to work on the business and plan for 2023. While majority of the time was spent brainstorming opportunities to improve the experience for our clients, the team snuck in a fun hike around the lake and dinner at Patti's 1880's Settlement.



SPEAKING ENGAGEMENTS

Several of our team members have been out and about talking to groups at the Bowling Green Police Department, WKU, and students from Warren County Public Schools. If you would like to invite someone from our team to speak to your group, please call our office (ask for Brooke S.) and we are happy to coordinate!



FINANCIAL LITERACY MONTH EVENT

SAVE THE DATE for Friday, April 28th, at the Knicely Conference Center where we will be hosting an educational event to celebrate Financial Literacy Month. This will be a conference-style event and will include lunch. Call our office at 270-467-9664 to reserve your seat, as we are limited to the first 250 attendees!

CERTIFIED FINANCIAL PLANNER™



In November, Josh successfully passed the certification exam to become a Certified Financial Planner™ practitioner. This designation encompasses several criteria other than the exam including experience, education, an ethics agreement, and an ongoing commitment to continued training. With wisdom and discipline being core values of our practice, Josh becomes the 6th CFP® professional on our team. We believe the culture of collaboration we have created through multiple experts sets our team apart in our industry. This gives our clients direct access to deep knowledge and skillsets hard to find in such concentration. Way to go, Josh!

HIGH-PERFORMING TEAMS RETREAT

The Perry Richey team was one of 21 teams hand-selected to participate in Baird's inaugural High Performing Teams Retreat in beautiful Lake Tahoe, California. Eight of our team members traveled together to the event where they shared best practices and networked with other like-minded teams. They also took advantage of the time away from the office to brainstorm ways to serve our clients better while strengthening our bond as a team. We appreciate opportunities to grow and get better and would like to thank our clients for their patience and understanding when we are away from the office.



STRATEGIC COACH

Drew with his coach and colleague at Strategic Coach, an entrepreneurial coaching program in Chicago. Drew has been a member since 2015.





CLIENT APPRECIATION PICNIC



Thank you to everyone who came to our client appreciation picnic in October. We had Local Taco, Chaney's ice cream, Pelican's SnoBalls, face painting, balloon magic, and a fun photo booth. It is always a good time when we get to spend time with our clients outside of the office!



SERVICE TEAM FUN

The Perry Richey Group Service Team took a little Christmas outing after work one night and walked to Candle Makers on the Square! We had so much fun making and pouring our own candles, and they smell amazing! A cute little store with lots of great gift ideas, too!



OUR TEAM CHRISTMAS PARTY



Our team enjoyed a night together for our Christmas party. It is always fun to get together with our entire group and get to visit with spouses/significant others!

BUILDING THE BEHAVIORAL ADVISOR

Shawn recently completed a cohort-based experience for financial planners committed to the achievement of "funded contentment" for their clients. This program, called Building The Behavioral Advisor, is an intensive program to train "player-coaches" on how to guide clients not just on timely financial decisions but timeless considerations of how money fits into a meaningful life. Shawn now holds a certificate in Behavioral Advice, which enhances his expertise in helping our clients navigate life's inevitable transitions and changes.

STRATEGAS LUNCHEON



In early October, we hosted Courtney Rosenberger, director of policy research at Strategas Securities' Washington, D.C. office, at the Knicely Center to speak on how 2020's events transformed 2022's economic, investment, and policy landscape. If you missed the luncheon, check out our October podcast where the advisors debriefed the event.

THE PERRYS IN AFRICA

Shawn's family took a trip to Niamey, Niger, in December to visit friends who live and work there. They were able to get reconnected to some old friends and make many new ones. The goal of the trip to spend time with friends in their cultural context. While there, Shawn was able to print a copy of our book on a printing press he helped fund for a non-profit based in Niger. Also, Shawn spoke to a group of Christian business leaders and to a group of over 100 college students and professors. It was a trip the Perry family will never forget.

