



Hi (Firstname),

MAPPA WEALTH MANAGEMENT

NEWS AND VIEWS

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A Message From Mark Mappa

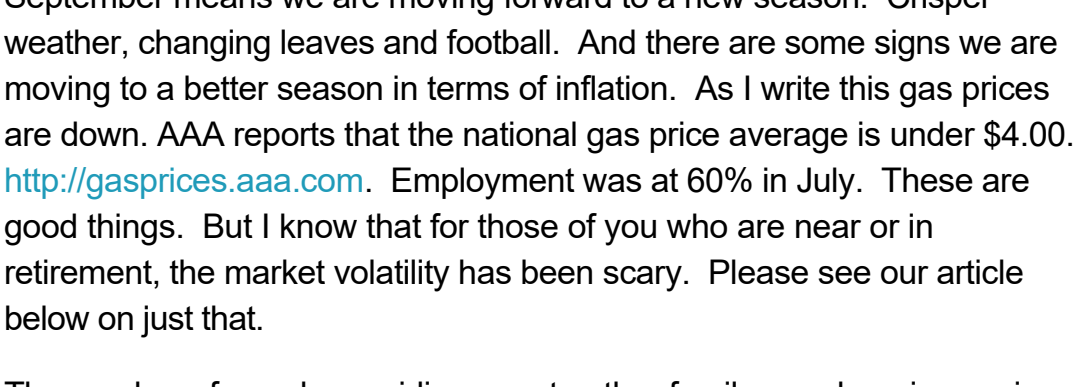
4 Elements of an Estate Strategy

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Please share this newsletter with friends and colleagues who may be interested in this information.



September means we are moving forward to a new season. Crisper weather, changing leaves and football. And there are some signs we are moving to a better season in terms of inflation. As I write this gas prices are down. AAA reports that the national gas price average is under \$4.00. <http://gasprices.aaa.com>. Employment was at 60% in July. These are good things. But I know that for those of you who are near or in retirement, the market volatility has been scary. Please see our article below on just that.

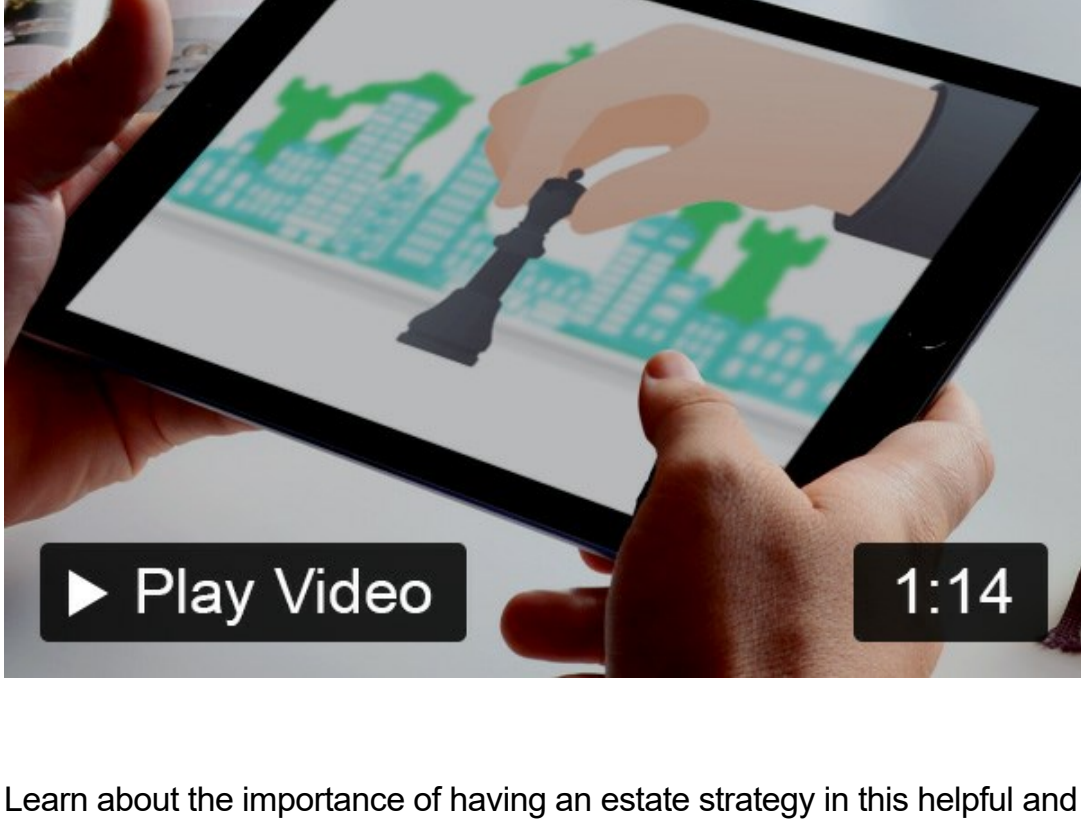
The number of people providing care to other family members is growing and the health of those caregivers is often in jeopardy. If you or a family member is a care giver, please check out this month's Wellness Corner.

This fall I am planning on focusing on the positive, great weather, better economic conditions and family. I hope you do too.

Very Truly Yours,

Mark

## 4 Elements of an Estate Strategy



Learn about the importance of having an estate strategy in this helpful and informative video.

[Learn More](#)



### It's Not Just About The Stock Market

When you hear the word risk, especially in the context of finances, you think stock market risk and your risk tolerance. While that is an important concept, there are other types of risk that are just as important.

**Liquidity Risk:** The inability of an individual or company to sell (liquidate) an asset when needed to pay bills or take advantage of a better opportunity. Think about 2008 when the housing market crashed and homeowners who needed to sell either couldn't or had to sell at a loss and could not cover their remaining mortgage obligation.

**Purchasing Power Risk (PPR):** Purchasing power is how much one unit of money (say a dollar) can buy. The risk comes when prices rise faster than the value of your money. That can mean that the cash flow from investments will not keep pace with the price of needed goods and services. PPR is a risk that needs to be taken into consideration at any point but especially when planning for retirement. It is tied to, and sometimes equated with inflation risk.

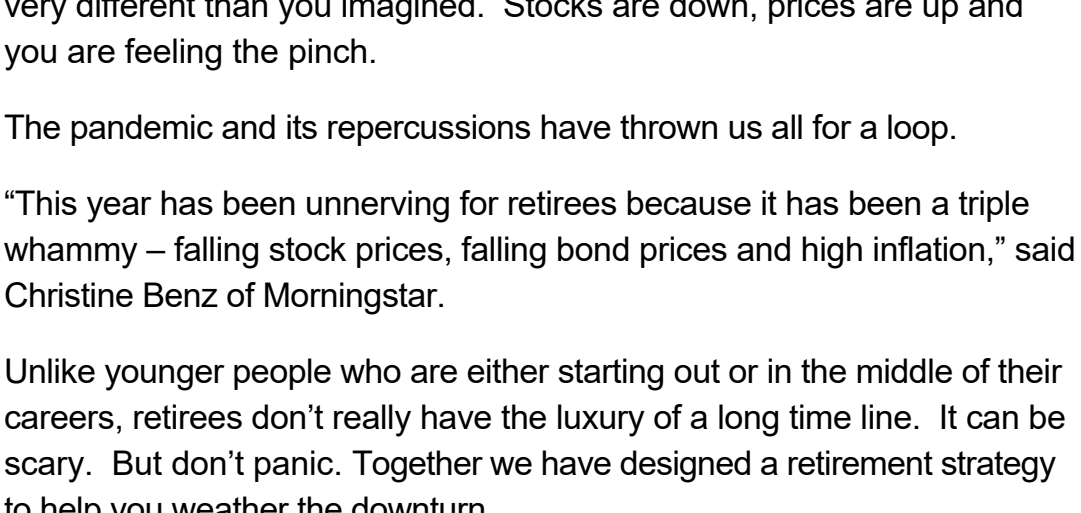
**Inflation Risk:** We have all become more aware of the risk of inflation. This has been an inordinate period of low to no inflation but the risk of inflation is always a reality. What does that risk mean to individuals? For those in the accumulation phase an example would be if you are saving for a home, when you are ready to buy, you may not be able to get the same type of house you planned on buying. Retirees have to grapple with the fact that their cash flow may not cover as many expenses and they may have to rebudget.

**Longevity Risk:** This is the risk of retirees outliving their retirement income. Americans are living longer (although there was a drop in age during 2020/20201 due to the pandemic). Currently the average life expectancy for women is 81 years and for men 77 years. Contrast that to 1940 when it was 65 years for women and close to 61 years for men. Today the risk of outliving your savings is real and is an important issue to consider when planning for retirement.

**While you cannot always avoid risk** of any type, you can plan for it. As a financial advisor, I can help you build in counter-balancers to your financial and retirement planning to help minimize the effects of risk. Please call me if you have any questions.

#### Sources

- <http://www.americancentury.com/insights/longevity-risk/>
- <http://www.top1insights.com/News/What-Is-Purchasing-Power-Risk>
- <http://www.finra.org/investors/insights/investment-risk>
- <http://www.simplyinsurance.com/average-us-life-expectancy-statistics/>
- <http://www.msn.com/en-us/news/us/this-was-the-u-s-life-expectancy-the-year-you-were-born/ss-AA55WR1#image=2>
- <http://www.americancentury.com/insights/longevity-risk/>



### Retirement in a Downturn: Don't Panic

**You have done everything right for your retirement.** You saved and invested wisely and now the time has come to retire or maybe you have been in retirement for a few years; however, the economic situation is very different than you imagined. Stocks are down, prices are up and you are feeling the pinch.

The pandemic and its repercussions have thrown us all for a loop.

"This year has been unnerving for retirees because it has been a triple whammy – falling stock prices, falling bond prices and high inflation," said Christine Benz of Morningstar.

Unlike younger people who are either starting out or in the middle of their careers, retirees don't really have the luxury of a long time line. It can be scary. But don't panic. Together we have designed a retirement strategy to help you weather the downturn.

#### The news is not all bad.

T. Rowe Price recently peered into the past half-century to see how people who retired into different downturns fared, even in periods of high inflation. The good news: Their portfolios performed well.\* But besides waiting for things to steady, there are some things you can do to mitigate what is happening right now.

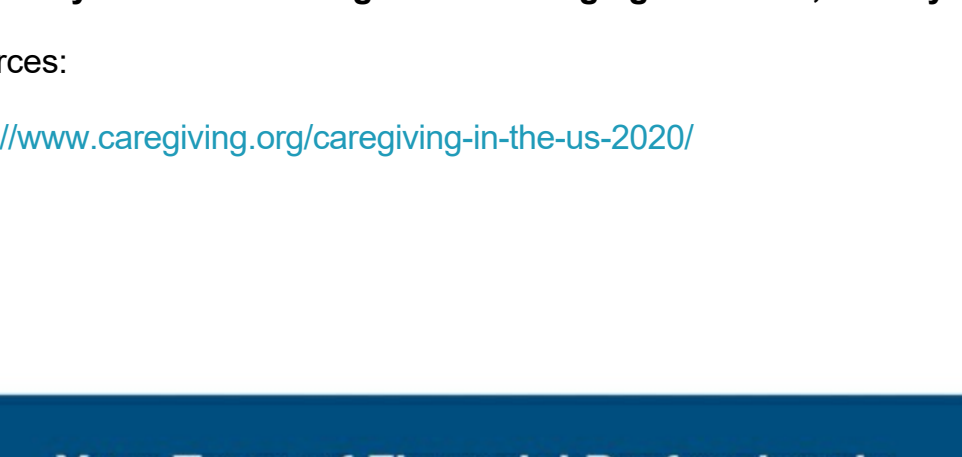
**Rethink needs and wants:** Everyone at some point has to rethink things they need and things they want. Right now focus on what you need. You will probably get back to the wants in the future.

**The Retirement Check-up:** Sit down and reevaluate the money that does not come from guaranteed retirement sources like a pension or Social Security. Project out to what may be a longer life and adjust withdrawals accordingly.

**It's about your timeline:** Any strategy needs to be based on your personal situation. Together we can figure out the best way for you to weather this particular moment. Please call me, I am always here to help.

#### Sources and notes:

- \* Past performance is not a guarantee of future performance.
- <http://www.nytimes.com/2022/08/11/your-money/retiring-recession-financial-math.html>



### Caring for the Family Caregiver

As America's population lives longer, many of us will be facing the fact that someone may have to take care of Mom and Dad. The National Alliance for Caregiving's 2020 report estimates that more than one in five Americans are now caregivers for a family member. That is an increase of 9.5 million caregivers from 2015. That means anyone may be in the position of being a caregiver at some point in time.

**Taking care of a family member is a wonderful and generous act.** It can provide the caregiver with a great sense of purpose. But it is also demanding and stressful and can result in burnout.

**Care giver burnout** is defined as a state of physical, emotional/mental exhaustion. According to the American Medical Association burnout can look and feel like this:

- Feeling overwhelmed or constantly worried
- Feeling tired often
- Getting too much sleep or not enough sleep
- Gaining or losing weight
- Becoming easily irritated or angry
- Losing interest in activities you used to enjoy
- Feeling sad
- Having frequent headaches, bodily pain or other physical problems
- Abusing alcohol or drugs, including prescription medications

**If you or someone you know is a family caregiver, here are some things you can do to help yourself or others.**

- Take a break. Tell friends and family you need some help. Can they fill in for a few hours each day while take a walk, head to a movie or have lunch with a friend? You can't do it all alone.
- Stay in touch with family and friends. Make time to see them socially.
- Check out an adult day care center in your town. Your charge may need this change of pace as much as you do. You can check out the [National Respite Locator](#) to find resources in your area.
- Join a support group. Others who are in your situation can be a source of comfort and ideas to help.
- Make that appointment to see your own physician. If you get sick it won't help anyone.

**To all of you who are caring for an ill or aging loved one, thank you.**

#### Sources:

- <http://www.caregiving.org/caregiving-in-the-us-2020/>

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