

# THE NAVIGATOR

NEWS FROM TEAM FAS

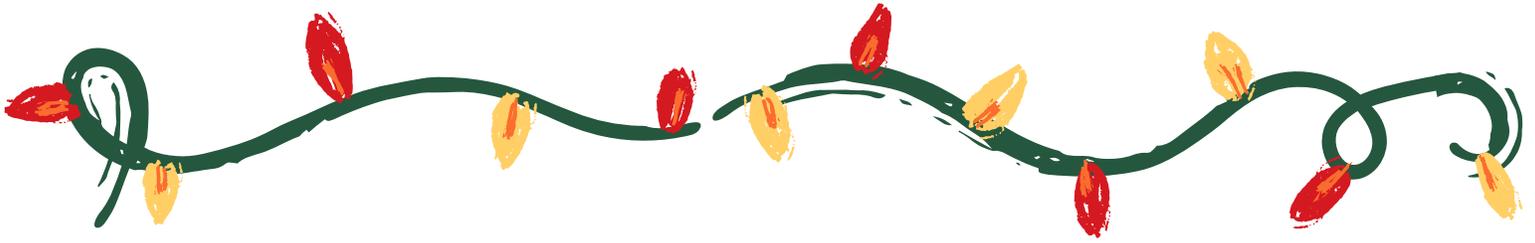
December 2021



Wishing you the  
joy of presence...

*Merry  
Christmas*





## PRESIDENT'S MESSAGE

MATT ARNOLD, CFP®  
*President of FAS*

Greetings everyone,

What a rollercoaster the last two years have been! The fluctuation of the market in response to COVID-19 and its various news cycles is a great illustration of why we advocate for long-term investing and matching investments to your risk tolerance. The fluctuations continue as investors respond to high consumer demand, Fed announcements, and new variants emerging.

The pace of economic growth took a breather in the third quarter of 2021, growing just 2%, following impressive gains of 6.3% in the first quarter and 6.7% in the second quarter. Many suspected the pace of economic growth in the first half of the year was not sustainable. In the third quarter the economy was also slowed by increased COVID-19 cases, continued shortages, and supply chain interruption.

The rate of inflation continues to remain higher than we have grown accustomed to, especially when we look at how we spend our first dollars every week – at the grocery and the gas pump. The consumer has pent up spending so with plenty of cash and a limited supply of goods, this creates higher prices. Some investors are concerned over the lack of action by the Fed to temper inflation. As the Fed sees it, it does not have the tools to deal with this specific type of inflation. This inflation is not due to a tight labor market, which is traditional in a reopening of the economy.

If it were, the Fed would raise interest rates to slow demand, leading to a lower pace of growth in prices. The inflation is primarily due to supply and demand imbalances brought on by the pandemic and the reopening of the economy. As the supply chain issues resolve we expect inflation to ease and trend lower over the next several years.

The fourth quarter continues to be very encouraging. The Delta wave is fading and, even as new variants emerge, we expect to see continued expansion, particularly in the service sector. Furthermore, consumer spending is expected to come back stronger as household balance sheets are very strong, liabilities are down, and hiring continues to pick up due to increased demand. A continuation of this trend should bode well for financial markets in the year ahead. While the market outlook for the next 3 to 5 years remains positive, we do still anticipate periods of increased volatility.

As we come to the close of the year, we want to thank you. We are grateful for and humbled by the opportunity to partner with you as we work together to help you reach your financial goals.

I hope this holiday season finds you back with friends & family and that returning to your traditions gives you more to savor this year.

Merry Christmas!

## WHAT'S HAPPENING AT FAS?



Janelle Koverman joined our team as an Administrative Assistant in August. Janelle comes to FAS with 20 years of experience in the insurance industry in the areas of customer service and software testing. Born and raised in Greenville, she continues to reside here with her husband Keith and children Emma and Gabe. In her free time Janelle enjoys watching her children's sporting events, reading, and spending time with family and friends playing cards and games. Janelle recently passed her SIE exam. Welcome, Janelle!



Crysta Bloomingdale recently passed her Series 7 exam. Congratulations, Crysta!

# ELECTRONIC TICKETS AND CASHLESS CONCESSIONS

With venues going paperless to everything from tickets to cash, here are some tips to help you navigate your next outing to the ballpark, concert or amusement park. As far as entry tickets are concerned, below are some best practices to get you through the gate:

Before arriving at the venue, take a screen shot of your ticket and/or add the ticket to your Apple Wallet or Pass2U Wallet depending on the type of device you use. Once you get to the venue, data service may be limited due to congestion. Having the ticket stored directly on your device will save you from standing at the ticket gate waiting for your phone to find a signal to retrieve your ticket online.

- Make sure you have a full charge on your battery.
- Make your screen as bright as possible for the ticket scanner to read.
- If you can, zoom in to enlarge the barcode or QR code that needs scanned for entry

Now, how to handle cashless concessions. For an adult, this usually won't be a problem because you can use your credit or debit card. What about kids? With cashless concessions, you can no longer send your kid to the baseball game with a ten dollar bill to get a hotdog and a soda. Below are some alternatives.

Pre-paid debit cards – You can purchase these at the grocery store or convenience store. Once these are loaded with a dollar amount, they can be used just like a credit card. Make sure to read the fine print. Some of these cards carry a monthly fee. Others may have a per swipe fee. These fees can add up fast.

Debit card for kids – There are banks that now provide the ability to establish a joint account with an adult as a primary and a child as a secondary on the account. The secondary on the account is issued a debit card that is in their name. The adult and the child have separate online log in access to view and manage the account. Parameters are set on the account that restrict what types of establishments will be able to accept a transaction from the debit card. If you research this option, make sure to check for fees on the account. Some charge a monthly fee and some are free.

## LOOKING FORWARD TO 2022

The beginning of the year is a good time to evaluate what you are currently saving toward your retirement and think about if it might be time to increase your contributions.

### 457 Deferred Compensation Plans:

Normal limit: \$20,500  
Age 50 Catch-up limit: Additional \$6,500

### Simple Plans:

Normal limit: \$14,000  
Age 50 Catch-up limit: Additional \$3,000

### 401(k) Plans:

Normal limit: \$20,500  
Age 50 Catch-up limit: Additional \$6,500

### Traditional and Roth IRAs:

Normal limit: \$6,000  
Age 50 Catch-up limit: Additional \$1,000

### Traditional IRA modified adjusted gross income limit for partial deductibility: 2022

Single	\$68,000 - \$78,000
Married - Filing joint returns	\$109,000 - \$129,000
Married - Filing separately	\$0 - \$10,000
Non-active participant spouse	\$204,000 - \$214,000

### Roth IRA modified adjusted gross income limit phase-out ranges:\*2022

Single	\$129,000 - \$144,000
Married - Filing joint returns	\$204,000 - \$214,000
Married - Filing separately	\$0 - \$10,000

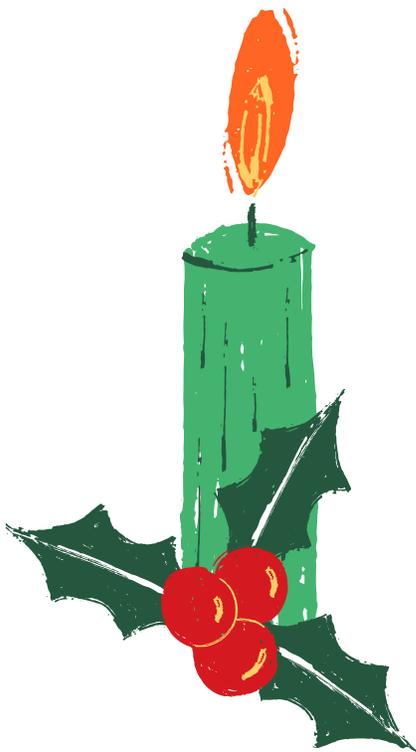
\*As of 2010, there is no income limit for taxpayers who wish to convert a traditional IRA to a Roth IRA





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## CHANGES TO REQUIRED MINIMUM DISTRIBUTIONS FOR 2022

- In November 2020, the IRS issued regulations that included updated Life Expectancy Tables used for calculating Required Minimum Distributions (RMDs). The new tables are effective for 2022 RMDs and generally reflect longer life expectancies. The effect of these changes is to reduce RMDs generally, allowing individuals to retain larger amounts in their retirement plans to account for the possibility they may live longer. This change applies to anyone beginning RMDs in 2022, as well as those who have already begun taking RMDs.
- A reminder that, although the IRS updated the RMD age to 72, the qualified charitable contribution age remains 70½. That is to say, a distribution made directly from the IRA to a qualified charity may be taken tax-free if the IRA owner is 70½ at the time of the distribution. There is no requirement to wait until the RMD age of 72 to direct donations from your IRA to the charity of your choice.