

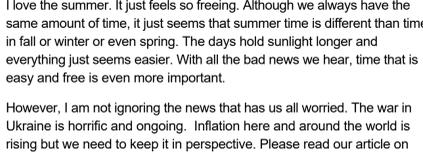
Hi (Firstname),



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



I love the summer. It just feels so freeing. Although we always have the same amount of time, it just seems that summer time is different than time in fall or winter or even spring. The days hold sunlight longer and everything just seems easier. With all the bad news we hear, time that is easy and free is even more important.

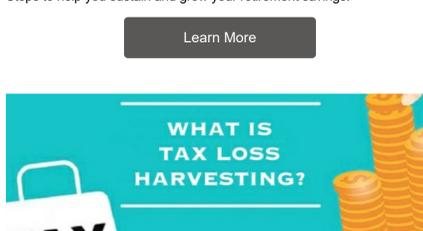
However, I am not ignoring the news that has us all worried. The war in Ukraine is horrific and ongoing. Inflation here and around the world is rising but we need to keep it in perspective. Please read our article on doing just that.

This issue has lots of other good information too, starting with information on "Tax loss harvesting". Our Wellness Corner talks about the health benefits of swimming. Last but still very important is our article about planning for a long retirement as we all live longer.

Despite bad news, this is the season to take a deep breath and enjoy the good things in our life.

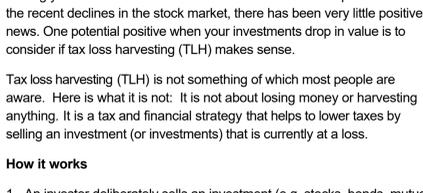
Very Truly Yours,
Mark

Managing the Risk of Outliving Your Money



Steps to help you sustain and grow your retirement savings.

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Tax Loss Harvesting: A Strategy You Might Consider

Seeing your investments decline in value is never a fun experience. With the recent declines in the stock market, there has been very little positive news. One potential positive when your investments drop in value is to consider if tax loss harvesting (TLH) makes sense.

Tax loss harvesting (TLH) is not something of which most people are aware. Here is what it is not: It is not about losing money or harvesting anything. It is a tax and financial strategy that helps to lower taxes by selling an investment (or investments) that is currently at a loss.

How it works

1. An investor deliberately sells an investment (e.g. stocks, bonds, mutual funds, ETFs) at a loss in order to use that loss to offset capital gains from other investments. This is called "harvesting" the capital loss.
2. If there are no capital gains, the harvested loss can be carried over to following years. There is no time frame on when you must use the loss.
3. If there are no capital gains to offset with capital losses, you can use up to \$3,000 of the capital loss to reduce ordinary income.
4. December 31st is the deadline to take the capital losses that will be used to offset capital gains for that year.
5. TLH cannot be used for tax deferred retirement accounts (e.g. IRAs, 401ks).

Here is an example:

An investor sells stock with a cost basis of \$25,000 for \$27,000, they have realized a capital gain of \$2,000—and that gain is taxable in the year they sold the stock and took the profit.

This is where the IRS-approved strategy of tax-loss harvesting comes into play. The investor who realized a capital gain of \$2,000 can deliberately sell one of their other investments at a loss to offset the gain on their tax return.

For example, if the same investor had another stock that they bought for \$30,000 and then sold for \$25,000 when the price dropped, they can "harvest" that price difference of \$5,000 as a capital loss. (For tax purposes, a capital loss is not considered realized until the investment has been sold for a price lower than the cost basis.)

Some situations where TLH may make sense

1. You have investments subject to capital gains.
2. The market is down and your investments are currently showing an unrealized loss (paper loss).
3. Your tax bracket is changing – for example you may be moving to a higher tax bracket.

What is the TLH Process?

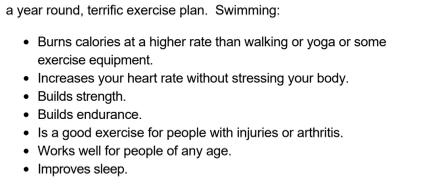
The three steps in the tax-loss harvesting process are: 1) selling securities that have lost value; 2) using the capital loss to offset capital gains on other sales; 3) replacing the exited investments with similar (but not too similar) investments to maintain the desired investment exposure or wait at least 30 days and then repurchase the same investment that was sold at a loss.

TLH can be complicated and there are specific rules that must be followed.

If you think TLH may be right for you or if you want more information, please call me to discuss this financial strategy. As always, when thinking about taxes it is always wise to consult a tax professional before executing a plan.

Sources:

- <http://www.investopedia.com/articles/taxes/08/tax-loss-harvesting.asp>
- <http://turbotax.intuit.com/tax-tips/investments-and-taxes/5-situations-to-consider-tax-loss-harvesting/L06jQWf>



All of us at Mappa Wealth Management know how awful the headlines have been and how hard it is to remain calm when the storm is raging all around us. However, we need to keep the news in perspective. Here are some things to think about based on recent reporting.

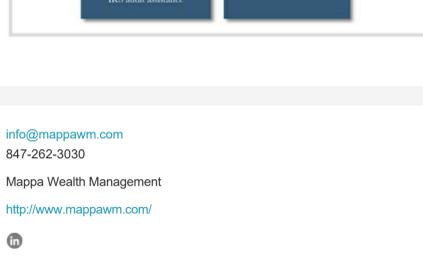
- First, remember that we have had a very long period of very low inflation. So when you read that inflation is the highest it's been in 30 years, recall that it has been incredibly low for those 30 years.
- While mortgage rates are higher than they have been, 30 year fixed rate mortgages are hovering around 6%. In the 1970's the average 30 year fixed rate mortgage was around 10%. Interest rates have been very low for a very long period of time.
- House sales are starting to slow, which with a still relatively low interest rate is good news for the economy.
- Gasoline prices are coming down. While oil prices are volatile, this is a good sign.
- There are some signs that consumers are pulling back from purchasing, which will help with supply issues.
- Some stores including Target are already trying to sell off bloated inventories, which could allow retail prices to slow. Costs for goods including sporting equipment and televisions have already begun to cool.

Let's be honest, inflation is causing havoc for the average person. But we have just lived through an extraordinary time and it will take time for the economy to get back to normal. There is no reason to panic.

Please remember that together we have put together a financial plan for you that makes sense for your situation. It is designed to help you weather economic challenges. If you have questions, I'm here to help answer them.

Sources:

- <http://gasprices.aaa.com/will-gas-demand-keep-falling-or-is-there-a-upturn-ahead/>
- <http://www.nytimes.com/live/2022/07/08/business/jobs-report-june-2022?referringSource=articleShare#jobs-report-june-2022>
- <http://www.nytimes.com/2022/07/13/business/economy/inflation-june-interest-rates.html?referringSource=articleShare>



Swimming: It's Great Exercise and Fun Too!

It's summer and the pictures that appear in our mind are of kids swinging out on a lake or plunging into the ocean. In hot weather swimming is often what we think about as a great leisure activity. But swimming can be a year round, terrific exercise plan. Swimming:

- Burns calories at a higher rate than walking or yoga or some exercise equipment.
- Increases your heart rate without stressing your body.
- Builds strength.
- Builds endurance.
- Is a good exercise for people with injuries or arthritis.
- Works well for people of any age.
- Improves sleep.

Swimming and kids

For children swimming is fun. When kids are taught to swim it allows them to be adventurous while they gain the same health advantages their parents do. The ability to swim is also a safety measure for children.

Getting started

If you already know how to swim, during the summer there are many public pools in most communities you can access. If you don't know how to swim, community centers and most YM/WCAs or JCCs have pools and lessons you can access at low costs all year round.

So why not dive right in (groan) and swim for your health and the fun of it as well.

Sources

- <http://www.healthline.com/health/benefits-of-swimming#get-started>
- <http://www.parentcircle.com/health-benefits-of-swimming-for-kids/article>

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To help our clients meet their financial objectives, Mappa Wealth Management offers a full array of concierge services. These professionals complement our broad range of financial services.

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