



TABLE OF CONTENTS #

[Market Overview](#) **1**

[Market Indices](#) **1**

[Treasury Yield Curve](#) **2**

[Mortgage Rates](#) **2**

[Featured Article](#) **3**

[Strata News](#) **4**

[Community Service](#) **4**

[The Strata Team](#) **5**

[Our Offices](#) **5**

[Disclosures](#) **5**

Written by Strata Financial Group, LLC

Market Overview

Finally, stocks had a positive month – the first one of the year – but too little, too late, as the stock market just notched its worst quarterly performance in two years. The first quarter of 2022 did end on a high note though, with the S&P 500 up +3.71% in March, followed by the NASDAQ (+3.48%), per Morningstar. However, those indices are down -4.60% and -8.95%, respectively, so far this year.

Let’s Talk About “Rates”

Interest rates are definitely one of the key factors that have affected the markets so far this year. But what exactly are they? There are many different interest rates out there, but they are all (one way or another) tied to the federal funds rate. The federal funds rate is set by the Federal Reserve (the U.S. central bank) and it is basically the interest rate that banks charge each other to borrow or lend excess reserves overnight. During the pandemic, the Federal Reserve (the “Fed”) lowered the federal funds rate to a target of 0% - 0.25% in order to encourage borrowing and to help stimulate the economy. You may have heard recently that the Fed just announced a 0.25% increase to the federal funds target rate, the first rate hike since the pandemic. The Fed plans on increasing rates **six** more time this year in order to curb inflation.

What Does This Mean?

By increasing the federal funds rate, the Fed is essentially making borrowing more expensive, which will cause individuals and businesses to hold off on making new investments. This should slow down the economy and decrease demand which would provide much needed relief to the constrained supply chains around the globe. This is the Fed’s plan to combat inflation. Stocks have sold off year-to-date in anticipation of a slow-down in business activity due to the expected rate increases. Mortgage rates have already rebounded very quickly from recent historical lows. 30-year fixed mortgage rates are now approaching 5%! On the flip side, at least we should see some better interest rates for savings accounts, CDs, and fixed annuities as rates continue to increase throughout the rest of the year. Hang in there with your investments and stay focused on the long-term goal – if history has taught us anything, it is that the market is resilient.

Visit our website to view our blog posts, past newsletters, and learn more about our company and team members.
www.stratafinancial.com



Market Indices

Source: Morningstar
Percent annualized total return rates as of 03/31/2022

Index Descriptions

Global (including US)
International
500 largest US stocks
Tech-weighted US index
30 large blue-chip US stocks
US small cap stocks
US intermediate BBB+ bonds

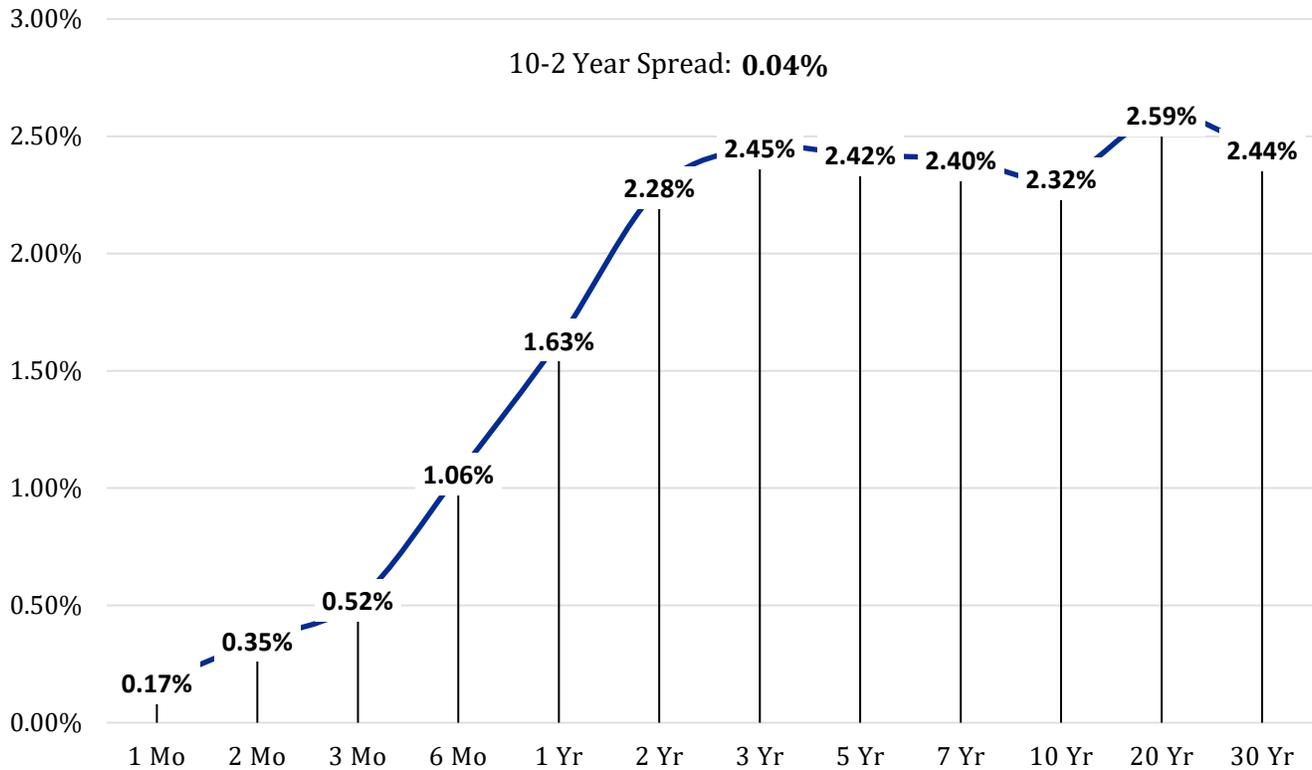
Index	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
MSCI ACWI	-5.36%	7.28%	13.75%	11.64%	10.00%	6.49%
MSCI ex US	-5.44%	-1.48%	7.51%	6.76%	5.55%	3.13%
S&P 500	-4.60%	15.65%	18.92%	15.99%	14.64%	10.26%
NASDAQ	-8.95%	8.06%	23.57%	20.31%	17.77%	13.69%
DJIA	-4.10%	7.11%	12.57%	13.40%	12.77%	9.84%
Russell 2000	-7.53%	-5.79%	11.74%	9.74%	11.04%	7.99%
Barclays US Bond	-5.93%	-4.15%	1.69%	2.14%	2.24%	3.56%

Indices cannot be invested in directly, are unmanaged, and do not incur management fees, costs, and expenses. Past performance is not a guarantee of future results.



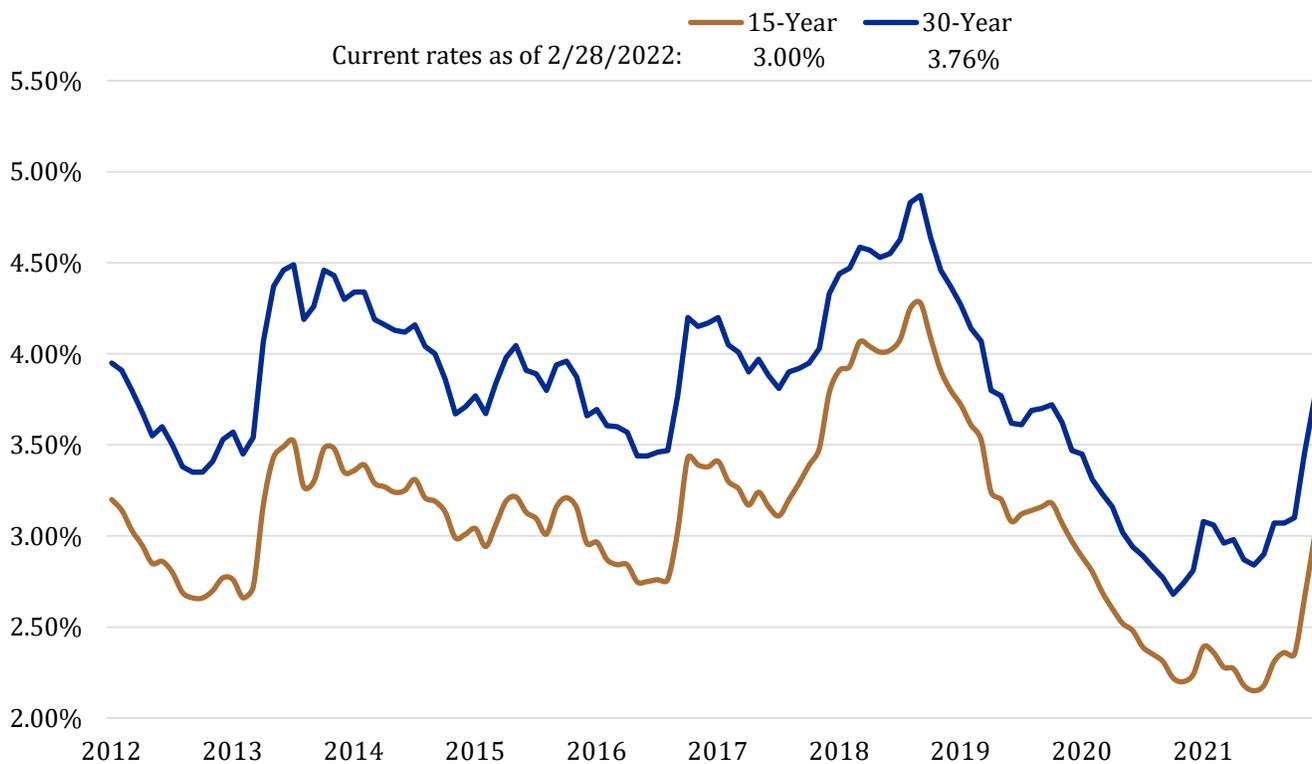
Treasury Yield Curve

Source: U.S. Department of the Treasury
Rates as of 03/31/2022



Mortgage Rates

Source: Freddie Mac
10-Year rolling monthly rates



Featured Article

Inflation Continues to Rise: How to Navigate the Uncertainty

3/9/2022 – Tony Drake (Click [here](#) for the link to the article online)

Inflation is at a 40-year high. For those nearing or in retirement, it could pack a painful punch, but there are things you can do now to address inflation and make sure you don't run out of money in your golden years.

So many retirees budget for their ideal retirement but don't always consider one piece of the puzzle that could easily derail a solid plan with the impact of inflation. As of January 2022, inflation hit a 40-year high [as the Consumer Price Index increased to 7.5%](#), and everyone is feeling it when they go to the grocery store or fill up at the gas stations.

If you are nearing or are in retirement, there are some strategies you can use now to navigate high inflation and make sure your plan is secure.

Don't Increase Your Risk with Your Savings

Risk management is a big part of dealing with high inflation, especially now, but the closer you are to retirement, the less risky moves you want to make in the market.

For example, if you meet with a financial professional to discuss ways to protect your retirement from inflation, and they suggest making drastic changes to your portfolio to give you a better chance of a higher rate of returns, that's a big red flag. The only way to increase your chances of a higher return is to take on more risk of investment loss. If the market turns on you, this could leave you with a lot less in your nest egg to work with while you deal with higher prices due to inflation, and it could affect your ideal retirement.

Beef Up Your Social Security Benefits

Social Security benefits are one of your income sources that goes up automatically over time because of cost-of-living increases. In 2022, the Social Security [cost-of-living adjustment increased to 5.9%](#), the largest boost [since 1982](#).

One way to boost your Social Security benefits is delaying when you start taking them. You have the option to [take Social Security at age 62](#) or wait until your full retirement age, which is usually [either 66 or 67](#), depending on when you were born. You could even wait until age 70 to start. Putting off the date you start to collect will help your benefits grow by as much as [8% a year](#) from your full retirement age up until age 70.

But if you can't wait to claim your benefits, this isn't the only way to beef up Social Security. Earning more, minimizing Social Security taxes and working for longer are just a few of the other ways to increase your payments.

Diversify and Coordinate Your Income Streams

Retirement requires you to transition from getting paychecks from your company to figuring out your own payment plan. You could be living in retirement for 20 years, 30 years or even longer, and adding inflation to the mix can make this process pretty overwhelming. Your plan will need to factor in retirement income increases over time.

A solid, diverse [retirement income strategy](#) can help you feel confident that you won't run out of money. Make sure your plan utilizes more than just your 401(k) or Roth IRA. Other income streams could be Social Security, any real estate you own, an inheritance or any other investments you have.

Regardless of what your ideal retirement looks like, planning in advance to deal with inflation, interest rate hikes and any unexpected changes is key. A financial professional can help you assess all of your options and create a comprehensive retirement plan that meets your goals and needs.

Strata News

2021 Tax Deadline Quickly Approaching

The filing deadline to submit your 2021 tax return is **Monday, April 18, 2022**. If you would like to file for an extension, your request must be submitted by this date as well. Taxpayers that are granted an extension will have until Monday, October 17, 2022 to file. A few tips:

- In order to avoid processing delays:
 - E-file (file electronically; avoid mailing in paper tax returns)
 - Sign up for direct deposit rather than have the IRS mail you a check (if receiving a refund)
 - Make sure your tax return is 100% accurate
 - Pay extra attention to Economic Impact Payments that you may have received in 2021, as well as any advanced Child Tax Credit payments that may have been paid to you last year
- Call us if you have any questions or if you need tax information for any of your accounts!

Community Service

April is Financial Literacy Month, a time to help Americans get educated on their finances. In preparation for this very important month (in our eyes at least), one of our advisors, Mitchell Romeo, partnered with [Goodwill of Lorain County](#) to host a 2-part Financial Literacy presentation series for the local community to attend throughout March. Based on feedback from last year's presentations, the focus this year was on taxes.

In his first presentation, Mitchell went over all the tax basics, including federal tax brackets, deductions, filing status, contribution limits, gathering tax documents, and different ways to file your taxes.

In his second presentation, Mitchell actually went through a full hypothetical tax return filing using TurboTax. He was able to help out a lot of individuals who had questions about their own returns.

A big THANK YOU goes out to Mitchell for volunteering his time and making a difference in our local community.

Financial Literacy Class Presented by Strata Financial

6-8pm, March 23 - TAX BASICS
Tax season: Gathering the necessary tax documents, options you have for Tax filing and keeping proper tax records

6-8pm, March 30 - TAX RETURNS
Tax return demo and Q&A Session



Contact Jerry
Armstrong to reserve
your seat today!
440-244-3174

Classes held at
145 Keep Court,
Elyria



The Strata Team



Anthony Campagni, CFP®
Managing Partner & Financial Advisor
(614) 798-8666
apc@stratafinancial.com



Ronald Jurczynski, CPA, PFS
Managing Partner & Financial Advisor
(440) 934-3222 Ext. 118
rjurczynski@stratafinancial.com



Mitchell Romeo, CPWA®, CPFA
Managing Partner & Financial Advisor
(440) 724-1950
mromeo@stratafinancial.com



Kyle Hancharick
Financial Advisor
(440) 934-3222 Ext. 117
khancharick@stratafinancial.com



Emily Dohnenko
Business Operations Manager & Advisor Assistant
(440) 934-3222 Ext. 114
edohnenko@stratafinancial.com



Hannah Dohnenko
Business Operations Associate & Advisor Assistant
(440) 934-3222 Ext. 111
hdohnenko@stratafinancial.com

Our Offices

CLEVELAND
5058 Waterford Drive
Sheffield Village, OH 44035
Phone: (440) 934-3222
Fax: (440) 934-3223

COLUMBUS
6195 Emerald Pkwy, One North
Dublin, OH 43016
Phone: (614) 798-8666
Fax: (614) 798-1382

Office of Supervisory Jurisdiction
Harrington Asset Management, Inc.
6195 Emerald Pkwy, One North
Dublin, OH 43016
Phone: (614) 798-1345
Fax: (614) 798-1382

Disclosures

Securities and investment advisory services offered through Royal Alliance Associates, Inc. (RAA) member FINRA/SIPC. Additional advisory services offered through Harrington Asset Management, Inc. RAA is separately owned and other entities and/or marketing names, products or services referenced here are independent of RAA.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.