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sage Wealth Planning

Newsletter

Market Updates

The Great Rate Debate....

While the Dog Days of Summer generally are not good for the stock market, this year has had a few more twists and turns than usual.
Add in a tight Labor Market and the highest inflation in decades, and that puts all eyes on the Fed.

Signs that inflation may have already peaked are prevalent

- Gas prices have fallen for 88 consecutive days
- There has been a precipitous decline in mortgage and refi- applications
- Shipping container costs have dropped 60%

So, it would seem that things are heading in the right direction, right?

Unfortunately, the Fed has been widely criticized for being slow to act and isn't likely to allow a smoldering fire to flare back up again.

While investors hope the data will curtail rate hikes, that doesn't appear to be playing out. Raising interest rates is intended to put a damper on demand and slow the economy.

This, in turn, will help to ease inflation, but also brings a general slowing that could result in layoffs and potentially a recession.

Since stock prices are predicated on earnings and expectations of future growth, this is a speed bump that has led to volatility as expectations and prices get reset.

Where are we now?

We are experiencing a "good news is bad news" environment for the market, and vice versa.

- When good economic or unemployment data comes out, it increases the likelihood that the Fed's work isn't done, and the markets move lower
- Weak economic news, conversely, gives investors hope the medicine is working and little more will be necessary

All of this is normal, albeit uncomfortable.

Our consistent guidance is to invest for long-term growth that is much more predictable, making small adjustments to manage the short term.

Having an appropriate amount of cash for anticipated expenses and opportunities, and a good amount of patience will help as we move through the volatility that is likely with us for a while longer.

Contact Sage Wealth Planning to help you navigate this volatility and its impact to your personal planning strategies.

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Team Approach

Leading with the philosophy of a client-centric approach we recognized the need to expand our team. Working with a team provides our clients with expanded resources, greater efficiencies, deeper collaboration and expertise, and the peace of mind knowing that there are multiple individuals in your corner.

Please join us in welcoming our two newest team members Liz and Paige!

Welcome Paige

Paige has a passion for improving the client experience, something we are focused on at Sage. Paige will be a Client Service Specialist, specifically helping execute and improve our onboarding experience and the way in which we communicate with the families we serve.

Paige is a recent graduate from Central Michigan University (fire up chips!), where she earned her Bachelor's of Science and Business Administration in Personal Financial Planning. Paige has previously worked in the financial services industry and gained experience building financial plans and creating a best-in-class service for the clients she worked with. She is excited to start getting to know all of the clients here at Sage and cannot wait to lend a helping hand!

Welcome Liz

Liz Schehl, a former financial services executive, joined Sage Wealth to reignite her passion to work directly with clients, deepening the value and experience they receive through a more comprehensive planning process.

Schehl began her career more than two decades ago as a financial advisor in New Hampshire, where she spent her childhood. During her time as an advisor, Schehl built a successful practice and was active in several regional leadership roles, which subsequently led her into management at the corporate level. There she spearheaded a variety of efforts, including the strategic development, alignment and execution of advisor training and coaching programs, and leading diversity, equity, and inclusion efforts for wealth management.

Most recently, she led business development for a large territory down the east coast, working with teams to assist business owners in transitioning their businesses.

Schehl has been featured in articles and interviews with On Wall Street, Think Advisor, Fortune, The Glass Door, CBS Radio, and Talent Management.

Schehl received her MS in Organizational Leadership and MBA from Southern New Hampshire University, as well as a BA in Communications from the University of New Hampshire. She holds the series 7, 9, 10, 24, 63, 66 and insurance licenses.

After more than 10 years of relocations, Schehl has finally settled with her family in paradise. She currently resides on Hilton Head Island, SC with her husband and two daughters, and enjoys spending time on the beach, running, gardening, reading, and baking. She remains a loyal New England sports fan.

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3 Strategies to Boost Efficiency When Values Fall

At Sage, we believe in making lemonade out of lemons no matter the situation. Your portfolio in a down market is no exception! Here are 3 strategies that can boost efficiency when values fall:

Tax Loss Harvesting

Selling an investment for less than the purchase price to capture a tax loss is known as tax loss harvesting,

This provides the ability to offset capital gains or up to $3,000 of ordinary income.

If there is excess loss, it may be carried forward for future tax years.

The current volatility in the market may present an opportunity for tax loss harvesting where appropriate.

Whether used against capital gains, ordinary income, or carried forward, tax loss harvesting makes portfolio management more efficient.

Invest in Down Markets

Investing in down markets can be challenging. It goes against our gut instincts, but when shares of quality companies can be purchased at lower valuations, it can be very profitable over the long term.

One popular strategy that may make it easier on the psyche is Dollar Cost Averaging.

Dollar Cost Averaging (DCA)
DCA is the practice of investing a set amount of money over a set number of periods. Rather than investing a lump sum all at once. Investing a small piece every month can help put volatility on your side.

Roth Conversion

Roth conversions are a strategy that enable investors to convert their Tax Deferred Retirement Accounts funds (such as a traditional IRA) to a Roth IRA.

Any conversion amount is included as income in the current year and would create some tax liability. However, moving assets to a Roth IRA where the future growth is not taxable can be a significant benefit.

Roth Conversion can can be done at any time, but become particularly attractive when a tax payer's marginal income tax rate is low or values of securities being converted are low.

Converting high quality securities in kind, allows the position to be maintained and moved to a more friendly tax treatment.

*a five year holding period and obtaining age 59.5 are required to reap the benefits of this strategy.