

Wealth Care LLC January 2022 Monthly Commentary

With Gratitude

Wealth Care LLC enters its 18th year in business as a family Fiduciary fee only planning firm. We are so very grateful to all of you that have made this possible! All four of us are CFP® certificants, and we love our work.

Although we have grown regularly (over 220 families, over ½ billion dollars managed), we put no administrative staff between you and us. Every client has our cell phones and can contact us directly at will. This will not change.

We have developed an extensive and skilled set of consultants for investments, accounting, legal and insurance purposes-and we are grateful for all of them as well. We cannot thank all of you enough as we enter the new year!

Investment Thoughts

Market Fertilizer?

There are a number of factors that often cause the US stock market to increase in price (overall). These factors include psychology/sentiment, valuations-are companies making increasing profits, and (not finally) do people have money to invest. The following two charts suggest that there is a lot of money in households and that companies are doing quite well profit wise. These factors are “tailwinds” helping the markets to do better.

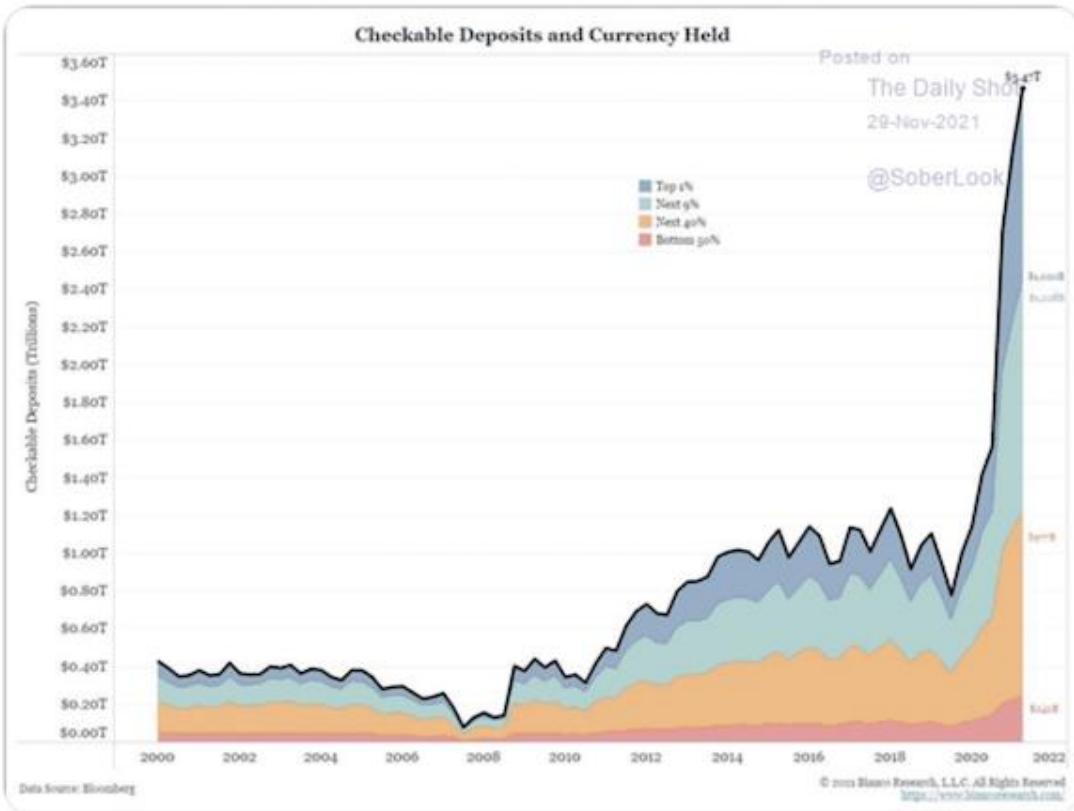
“Headwinds” would be rapidly rising interest rates and geopolitical instability. We don’t make predictions, but don’t see anything yet to worry much about.



Jesse Felder
@jessefelder

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'Deposits and currency held by US households:'
thedailyshot.com/2021/11/29/is-... via [@SoberLook](#)
[@biancoresearch](#)





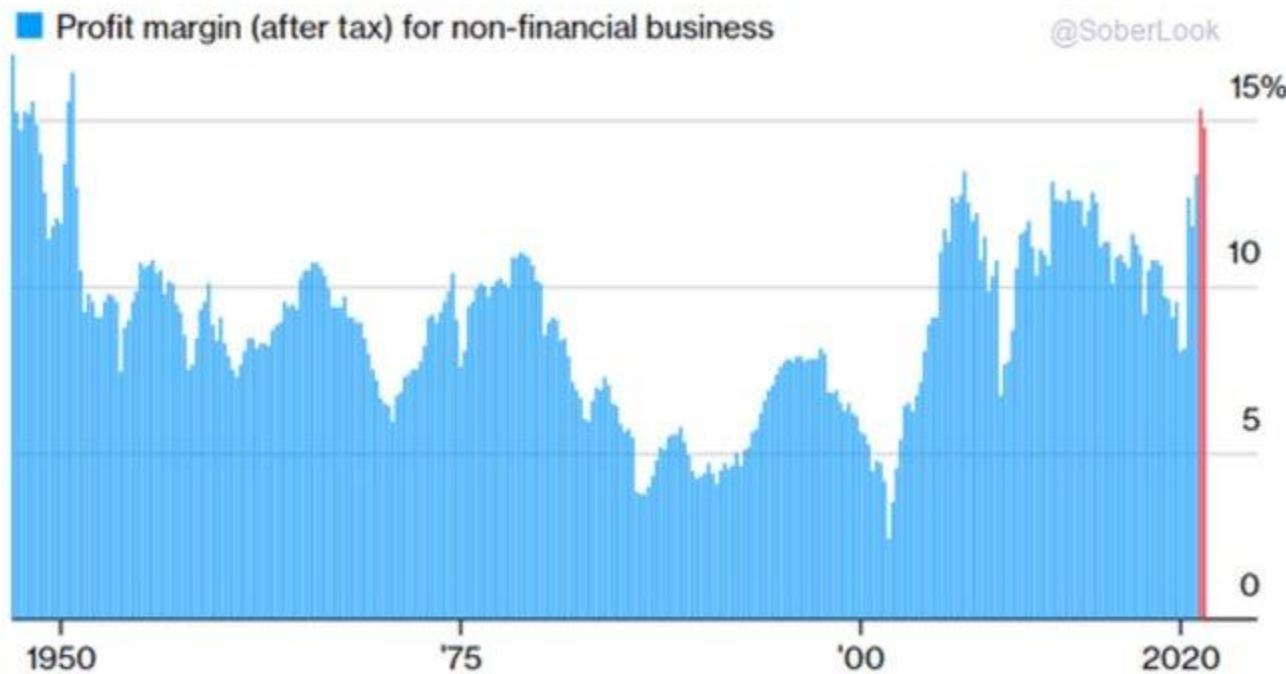
Raking It In

In the last two quarters, U.S. business has posted its widest profit margins since 1950

Posted on

03-Dec-2021

@SoberLook



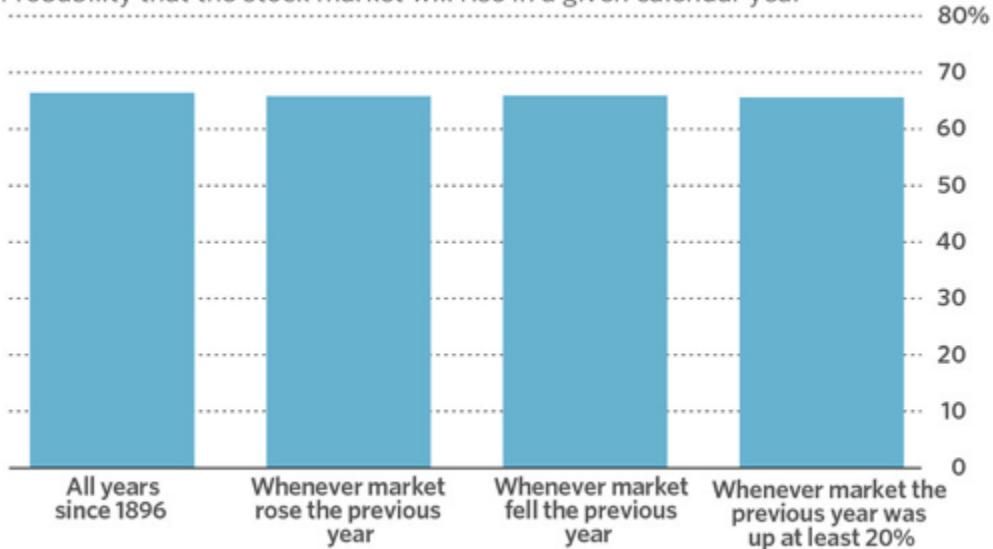
Source: Bureau of Economic Analysis

Note: Margin = seasonally adjusted profits as share of gross value added by non-financial corporate business.



Past is not prologue

Probability that the stock market will rise in a given calendar year



Data: Reflects Dow Industrials' calendar-year performance since 1897

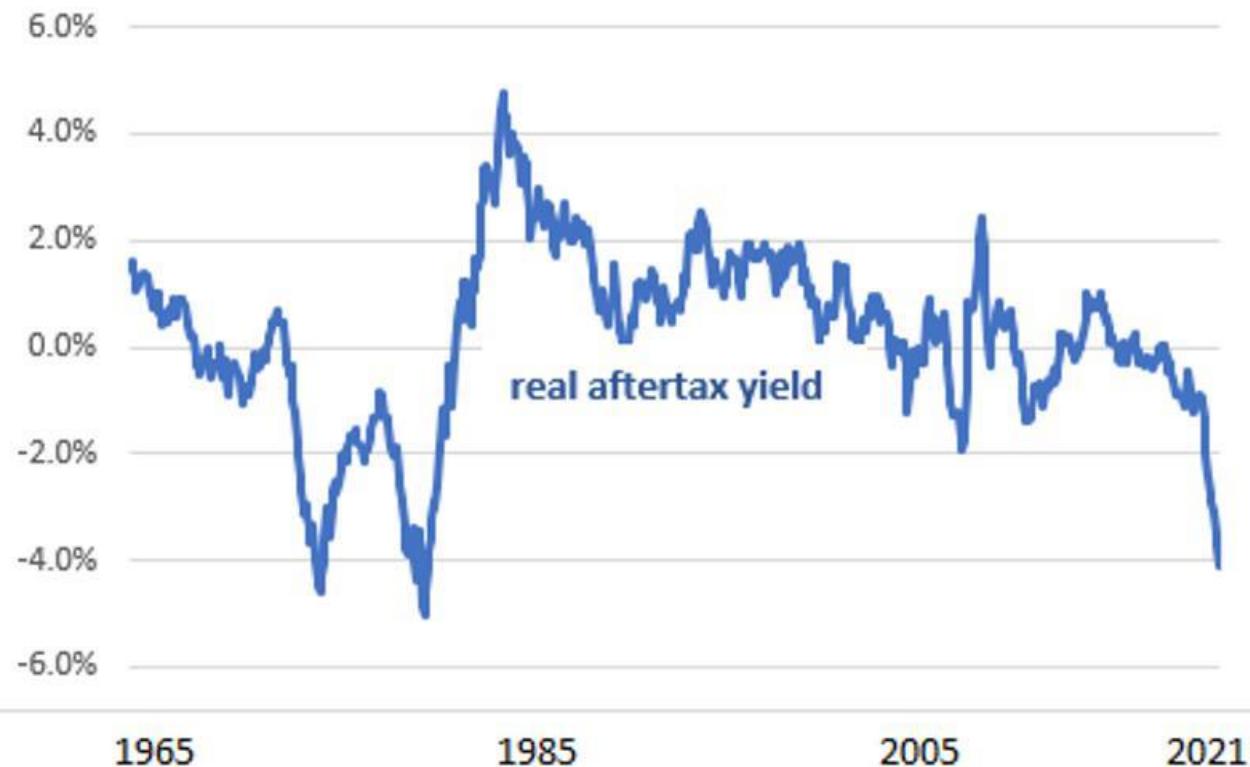
Source: www.HulbertRatings.com

Inflation Inflation Inflation!

The “ultrasafe” ten year US bond is losing around 4% a year in purchasing power. If inflation continues, this is a wealth killer. Wealth Care LLC continues to use actively managed “go anywhere” fixed income funds to tread water in this environment (doing well so far!).



Your Government Bonds At Work



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- US Consumer Price Index YoY
- US Core Consumer Price Index YoY



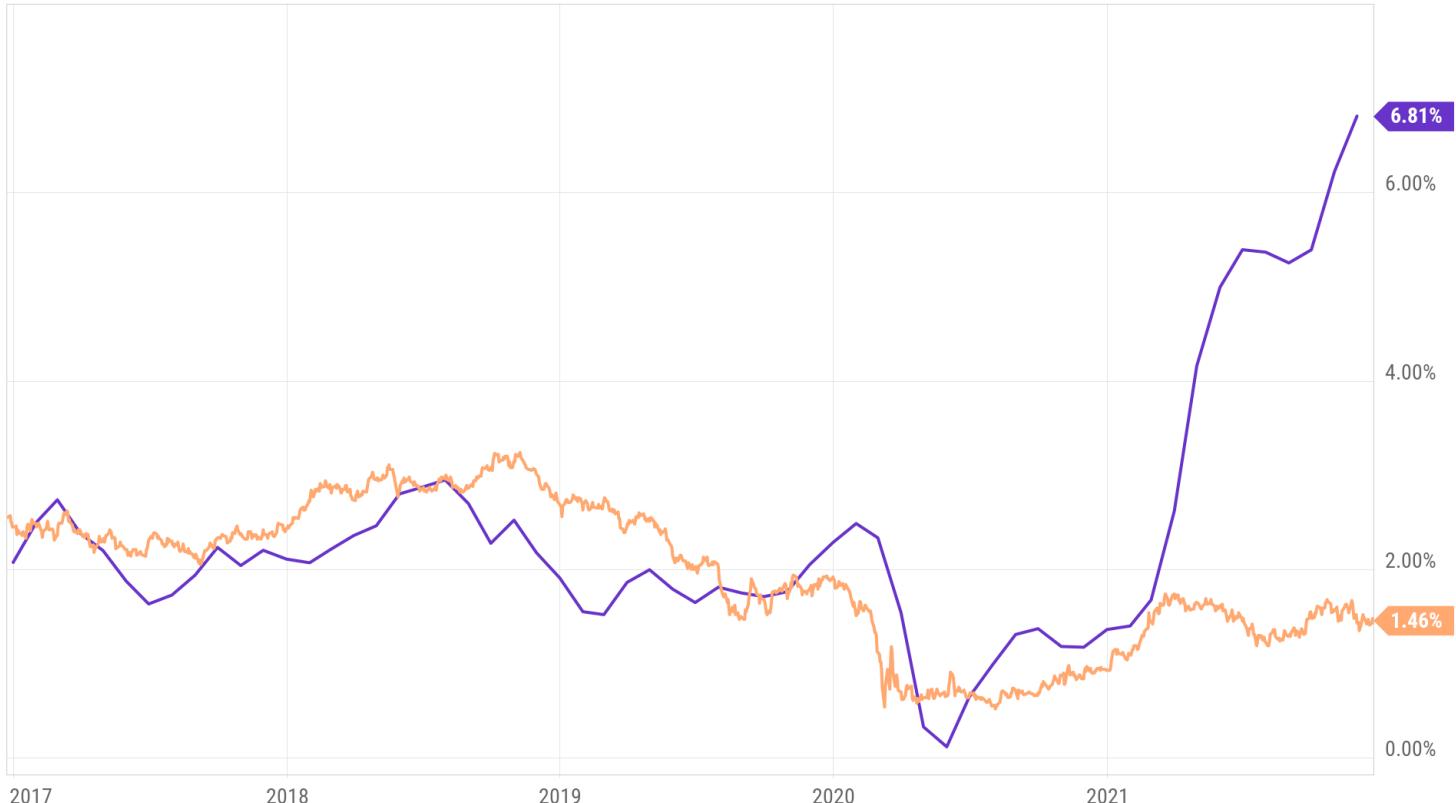
1982-2021

 COMPOUND @CharlieBilello
Dec 10 2021, 8:38AM EST. Powered by  YCHARTS

Yet Bond Yields remain low and Gold has been a terrible hedge against inflation:



- US Inflation Rate
- 10 Year Treasury Rate



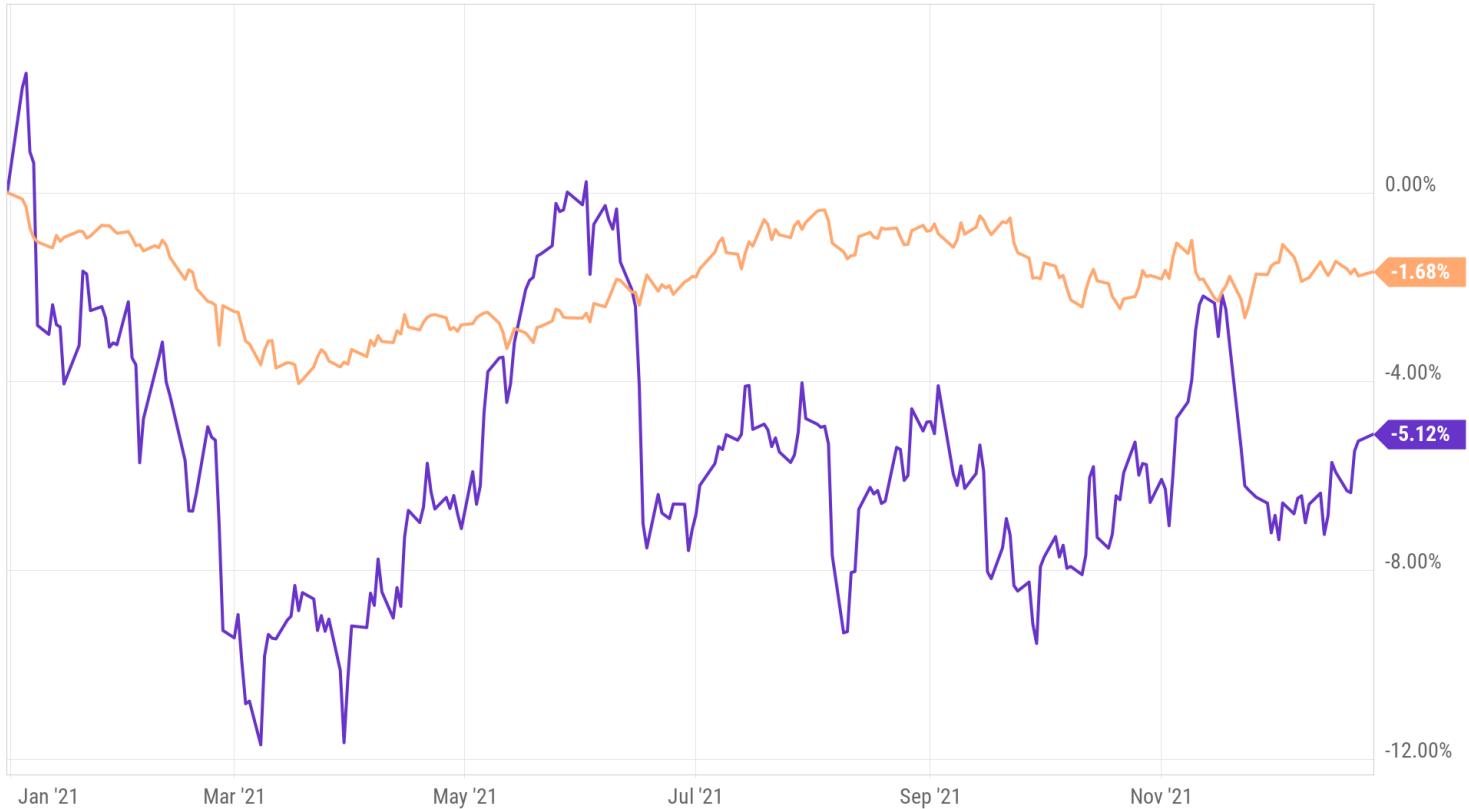
From blogger Ben Carlson:

If you would have told someone this year would include hundreds of thousands dead in a prolonged pandemic, an attack on the U.S. Capitol, massive government spending and the highest inflation in almost 40 years, buying gold would seem like a reasonable conclusion.

Instead, gold has underperformed the U.S. bond market:



- SPDR® Gold Shares Total Return Price % Change
- Vanguard Total Bond Market ETF Total Return Price % Change



Dec 27 2021, 11:48AM EST. Powered by **YCHARTS**

Tax Changes

Still pending!

Miscellaneous

Donating your IRA Required Distributions:

If you are actively taking required minimum distributions from an IRA, are at least 70 ½ years of age, and are interested in charitable giving, please contact us to discuss Qualified Charitable Distributions

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(QCDs). A Qualified Charitable Distribution is a direct transfer of funds from your IRA to a qualifying charity. The amount given to charity *does* count towards your annual RMD amount, but does not count as taxable income for you (unlike regular RMDs). QCDs are an incredibly tax-efficient way to be charitable, especially for people who have otherwise low itemized deductions.

Salary Deferral Increase for 401k Plans

The amount of allowed salary deferral for 2022 is increased to \$20,500 for those under age 50, and to \$27,000 for those 50 and older.

Remember When Marijuana Stocks “couldn’t lose”?

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Tilray:

8.95 USD -20.82 (-69.94%) all time

Closed: Dec 3, 7:59 PM EST • Disclaimer

After hours 8.90 -0.050 (0.56%)

1D

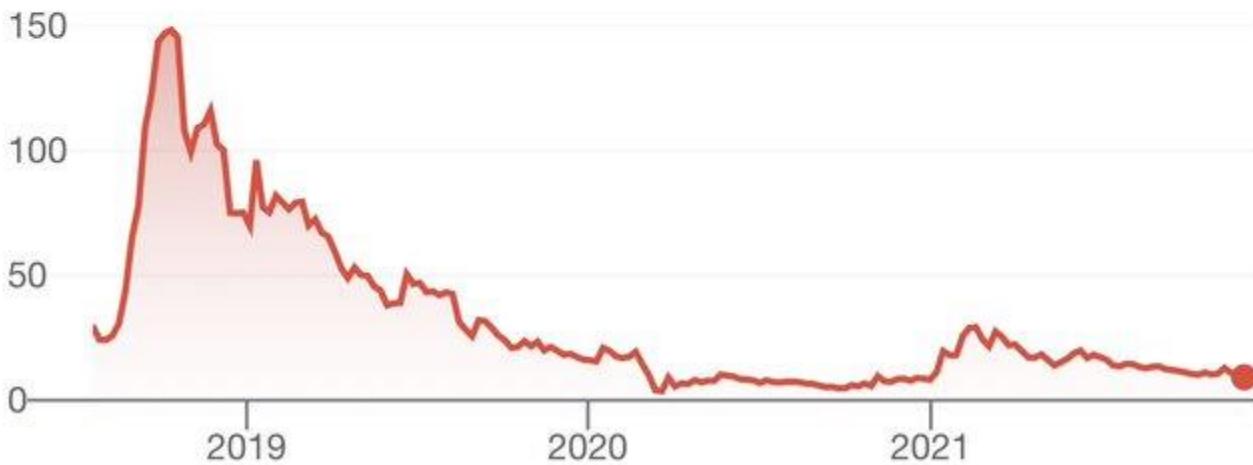
5D

1M

6M

YTD

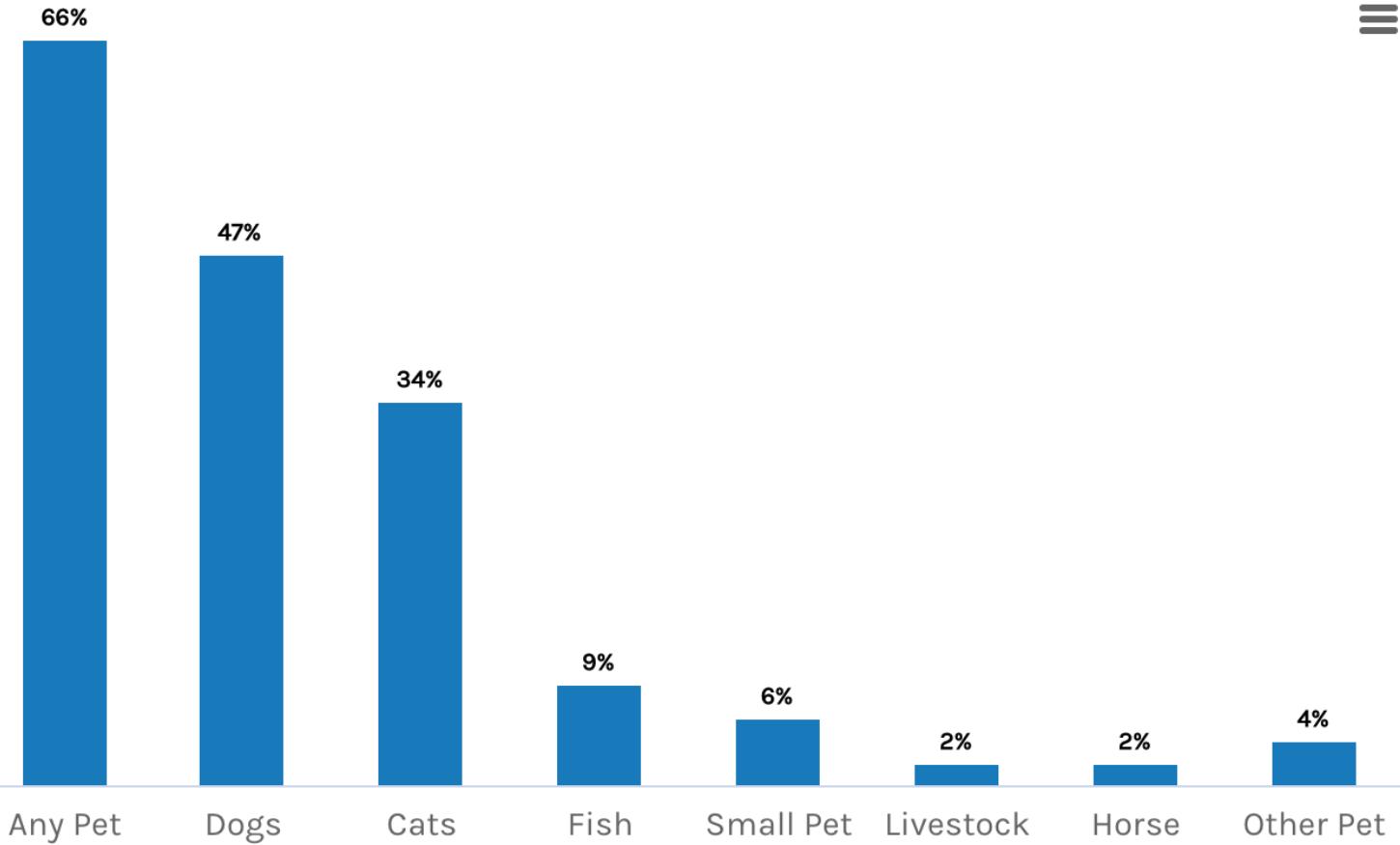
Max



In 1980, the stock market crashed -34%. In 2000, the stock market crashed -49%. In 2020, the stock market crashed -34%. Since 1980, the stock market has gone up 3,651% in total. Play the long game and everything will be fine.-@idylllicfinance



Two-thirds of U.S. households have at least one pet



Source: AlphaWise, Morgan Stanley Research

Alexa Together launches new service for elderly parents

Mentioned before, but may be of interest to many

<https://www.amazon.com/Alexa-Together/b?ie=UTF8&node=21390531011>

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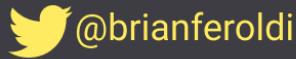
Random Thoughts

In The Beginning, Your Savings Rate Is All That Matters

Over Time, Your Investing Returns Become All That Matter



Focus Your Time Accordingly

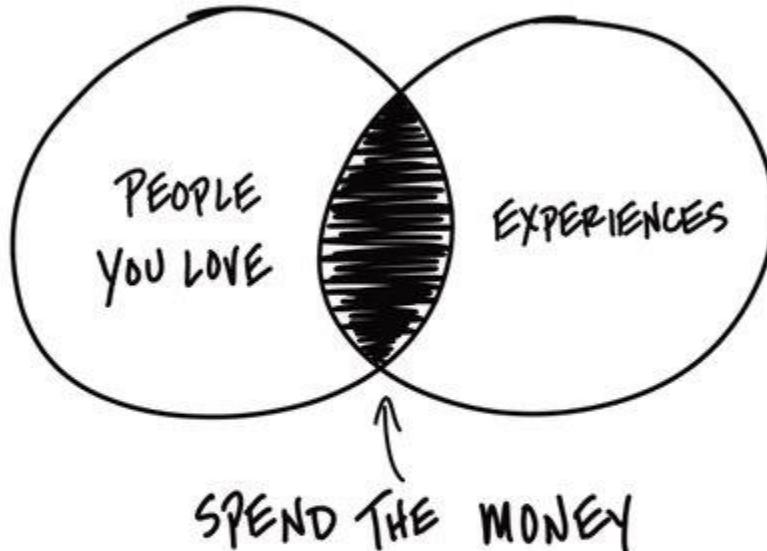


- Most every person you meet knows an amazing lot about something you know virtually nothing about. Your job is to discover what it is, and it may not be obvious.



“ Your ultimate success or failure will depend on your ability to ignore the worries of the world long enough to allow your investments to succeed. ”

Peter Lynch



2/9

-CARL

After the last two years, imagine trying to predict what will happen next year.