

**Spring 2022**

**WEALTH MANAGEMENT MIDWEST, INC**  
**Quarterly Investment Newsletter**

**As I See It**

**“Bull markets are born on pessimism, grown on skepticism, mature on optimism, and die on euphoria.” -Sir John Templeton**

According to the guidance of revered investor Sir John Templeton, it appears to me that this market may have a bit more left in the tank. The market returns we witnessed in March seem to bear this out, as stocks surged during the month despite the backdrop of war in Ukraine, inflationary pressures, and surging interest rates. However, over the intermediate term, the path forward may only be partially defined by Federal Reserve policies, global diplomatic efforts, and rates. Why? For one reason—earnings from corporate America remain strong and the jobs market is back to approximate pre-pandemic levels. Indeed, there seems to be plenty of skepticism, but market fundamentals have yet to be materially shaken from their foundation.

Historically, geopolitical events have typically dented market sentiment for a period, but stocks have shown a tendency to rebound rather quickly when initial pessimism subsides. Past performance is no guarantee of future outcomes of course, but the latest market rebound seems to fit historical precedents. After hitting a March closing low of 4,170, the S&P 500 Index has regained considerable ground and is hovering near 4,500 at the time of this letter.

Meanwhile, the Federal Reserve’s first move to raise interest rates (in March) was well telegraphed by market participants, and most expect further tightening from the central bank. The primary policy target is rising U.S. inflation, an undesirable circumstance driven by unprecedented COVID-19-induced economic volatility and a massive policy response. That has been further complicated by current geopolitical tensions. The good news is we expect inflation to come down significantly as the year progresses.

And finally, the third pillar in the latest wall of worry is new concern over yield-curve inversion. Recently, the 10-year Treasury yield fell below the two-year Treasury yield, an occurrence that has preceded economic recessions in the past, but not always. A similar circumstance transpired in 1998 and 2005 and no recession immediately followed, while a recession following the yield curve inversion in 2019 would have been very unlikely if not for COVID-19. So, while yield curves may tell a cautionary tale and the media is quick to report on it, we do not believe a recession is imminent, given the overall strength in the economy.

To sum it all up, March has given us some signs that staying the course may be the most prudent investing decision to make. Although we warned that volatility was likely to return in 2022, and it has, we believe riskier assets, like stocks, still may present opportunities for investors. In my view, financial conditions remain favorable, earnings may continue to surprise to the upside, and

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*As I See It-Continued From Page 1*

economic data in many corners of the economy remain favorable. These elements help me label the recent market skepticism as potentially healthy and help us to forecast that the upswing in the business cycle may yet have a ways to go.

Lastly, it is especially important to me that we keep our communications *extra* open during these volatile times. Please feel free to contact me anytime if you have any questions.

Sincerely,



David Purdy

Important Information: This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change. References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

All data is provided as of April 1, 2022. Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial doesn't provide research on individual equities. All index data from FactSet. This Research material was prepared by LPL Financial, LLC. All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.



**Not receiving our Monthly Market Update?**

Contact Kalee at [kalee.stanke@lpl.com](mailto:kalee.stanke@lpl.com)

to be added to our email list.

## Quote Of The Quarter

The price of  
anything is the  
amount of life  
you exchange  
for it.

- Henry David Thoreau

### The six main value propositions that Wealth Management Midwest provides:

**Organization.** We will help bring order to your financial life, by assisting you in getting your financial house in order (at both the "macro" level of investments, insurance, estate, taxes, etc., and also the "micro" level of household cash flow).

**Accountability.** We will help you follow through on financial commitments, by working with you to prioritize your goals, show you the steps you need to take, and regularly review your progress towards achieving them.

**Objectivity.** We bring insight from the outside to help you avoid emotionally driven decisions in important money matters, by being available to consult with you at key moments of decision-making, doing the research necessary to ensure you have all the information, and managing and disclosing any of our own potential conflicts of interest.

**Proactivity.** We work with you to anticipate your life transitions and to be financially prepared for them, by regularly assessing any potential life transitions that might be coming, and creating the action plan necessary to address and manage them ahead of time.

**Education.** We will explore what specific knowledge will be needed to succeed in your situation, by first thoroughly understanding your situation, then providing the necessary resources to facilitate your decisions, and explaining the options and risks associated with each choice.

**Partnership.** We attempt to help you achieve the best life possible but will work in concert with you, not just for you, to make this possible, by taking the time to clearly understand your background, philosophy, needs and objectives, work collaboratively with you and on your behalf (with your permission), and offer transparency around our own costs and compensation.

## New Client Services Assistant



**Please join us in welcoming our newest team member Kalee Stanke**

*Kalee joined Wealth Management Midwest in February 2022. She brings over 10 years of providing service to people of all ages and backgrounds. She has an extensive background of working in the Special Education field and recently from the Real Estate profession.*

*Kalee is from Hugo, Minnesota and comes from the Title and Escrow industry. She has a consistent track record of providing outstanding client service, she's extremely well organized, and she has a very likable and welcoming personality. We are excited to have her join our team.*

*Kalee's key responsibilities as the Client Services Assistant are to deliver high quality service to each of our clients by providing a friendly office environment, scheduling appointments, opening, and funding new accounts, assisting clients in beneficiary changes, contributions, and distributions and special projects.*

**Getting to know Kalee:**

- ◆ ***Favorite Movie – Sweet Home Alabama***
- ◆ ***Favorite Restaurant – Oasis in Stillwater/ family diners***
- ◆ ***Hobbies – Cooking and Trail Hiking***
- ◆ ***Favorite Flower(s)- Summer & Early fall wildflowers***
- ◆ ***Favorite Place- The shoreline of Lake Superior***
- ◆ ***If I could wear any shoe for the rest of my life, I would pick rain boots!***

### LPL Financial is Among America's Most Responsible Companies

Wealth Management Midwest has been associated with LPL Financial since 2001. I am proud to say that LPL Financial recently announced the firm's inaugural appearance in the America's Most Responsible Companies list published by *Newsweek* and Statista. LPL was ranked No. 240 among 400 companies that share a commitment to creating shared value and bettering society.



"This accomplishment is a recognition of our ongoing, collective efforts to run our business and serve our clients in the most socially responsible way possible," said Dan Arnold, LPL president and CEO. "We continue to evolve our sustainable framework and implement high-impact initiatives to enhance our social and environmental performance and foster an inclusive financial system for all. We are incredibly proud of what our team has achieved, and looking ahead, we remain focused on creating positive, lasting change for our employees, advisors and their clients."

Companies were selected from 2,000 public companies across 14 industries and judged in three areas – environment, social and corporate governance (ESG) – based on corporate social responsibility (CSR) reports and key performance indicators research.

*Source: Newsweek.com*

## From the Desk of Dave Purdy:



Social Security can be challenging for many people to grasp. Our role at Wealth Management Midwest can be crucial in helping you understand the ins and outs of these important benefits by doing a deep dive into your situation. Social Security was established in 1935 to help with financial challenges seniors were facing. The program's longevity has made "getting Social Security" a foregone conclusion for most retirees.

By debunking three common myths about Social Security with accurate information, you can better understand Social Security for the valuable retirement asset it is — and how to leverage it to your advantage.

### **Myth 1: "There's only a certain amount of Social Security money set aside for me."**

Social Security offers a set monthly amount based on a predetermined credits-based formula for eligibility and the amount you receive. You cannot outlive this source of income, and it does not stop after you've claimed a certain amount.

### **Myth 2: "I have to claim Social Security starting at age 62."**

No one has to start receiving Social Security benefits at age 62, but they can choose to do so. Anyone with enough working hours/credits earned can start receiving benefits at that age, but those benefits are reduced by a small percent for each month before full retirement age. But this is a choice. Waiting to make a claim until full retirement age, which varies based on birth year, entitles beneficiaries to 100% of their monthly benefit. Furthermore, those who delay taking their benefits until age 70 can actually increase their monthly payments for each month they delay benefits until reaching age 70.

### **Myth 3: "My spouse, who was the primary worker, died. I can't collect his/her Social Security benefit."**

A survivor can't collect their spouse's benefits, because they belonged to their spouse; however, widows, widowers and dependents of eligible workers can claim their own benefits. If the deceased person worked enough to be insured under Social Security, the deceased's family members may qualify for benefits.

Those eligible to receive benefits include:

- A widow or widower who is age 60 or older, or age 50 or older if disabled.
- A widow or widower of any age who is caring for the deceased person's child if the child is under age 16 or is disabled.
- An unmarried child of the deceased who is either under age 18 (or as old as 19 if a full-time student in an elementary or secondary school) or age 18 or older with a disability that started before they turned 22.
- A stepchild, grandchild, step-grandchild, or adopted child under specific circumstances.
- Parents who are age 62 or older who were dependent on the deceased for half of their support or more.
- A surviving divorced spouse under certain circumstances.

For those with questions having to do with Social Security and possible strategies on when to take it, please reach out to us. We are happy to run a Social Security analyzer on your particular situation. Moreover, if you have a relative or family friend that would benefit from a second opinion having to do with their Social Security, let us know. We are happy to help!

Source [IRS.GOV](https://www.irs.gov)

## Office News From Danielle



With the updated AccountView mobile App and desktop portal, you can now update your own beneficiaries. **WOW! WOW! WOW!** How exciting!

AccountView 2.0 has an enhanced dashboard making it easier to get the information you are looking for and stay up to date with your short-term and long-term goals, along with many other great features. If you are interested in this new platform, please contact me at [danielle.urman@lpl.com](mailto:danielle.urman@lpl.com) or call 651-464-2664, and I can help enroll you.



MEDICARE



HEALTH INSURANCE

## Complimentary Medicare Concierge Service!



Are you approaching age 65 and have questions about applying for Medicare? Would you like to learn exactly how Medicare works and what the current plan options are? Are you enrolled in Medicare and really don't understand it? We have you covered with our Medicare concierge service! There is no cost for this, and we don't offer Medicare insurance supplements or product sales of any kind. This is truly a value-add convenience for being a client of ours. Don't lose sleep over Medicare concerns, contact Kalee and she will put you touch with the services best able to help answer your questions. Call her today to learn more about this value-added service (651) 464-2664.

# TIME IT TAKES A HACKER TO BRUTE FORCE YOUR PASSWORD IN 2022

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	2 secs	7 secs	31 secs
8	Instantly	Instantly	2 mins	7 mins	39 mins
9	Instantly	10 secs	1 hour	7 hours	2 days
10	Instantly	4 mins	3 days	3 weeks	5 months
11	Instantly	2 hours	5 months	3 years	34 years
12	2 secs	2 days	24 years	200 years	3k years
13	19 secs	2 months	1k years	12k years	202k years
14	3 mins	4 years	64k years	750k years	16m years
15	32 mins	100 years	3m years	46m years	1bn years
16	5 hours	3k years	173m years	3bn years	92bn years
17	2 days	69k years	9bn years	179bn years	7tn years
18	3 weeks	2m years	467bn years	11tn years	438tn years



> Learn about our methodology at [hivesystems.io/password](https://hivesystems.io/password)

**Food for Thought, From The Desk of Chad Olson:**

**The Magic Bank Account**

What follows is not original and the author is unknown. Apparently, the text was found in the possessions of famed Alabama football coach Paul Bear Bryant after he passed away. It's a thought-provoking piece entitled "The Magic Bank Account."

Imagine that you won the following prize in a contest: Each morning your bank would deposit \$86,400 in your personal account for your exclusive use. However, there are strict rules: 1. Everything you did not spend during each day would be taken away from you. 2. You may not simply transfer money into another account. 3. Only you may spend it. 4. Each morning upon awakening, the bank opens your account with another \$86,400 for that day. 5. The bank can end the game without warning; at any time, it can declare, GAME OVER! The bank can close the account and you will not receive a new one.

What would you do? You would buy anything and everything you wanted, right? Not only for yourself, but for all of the people you love and care for. Even for people you don't know because you can't possibly spend it on yourself, right? You would try to spend every penny and use it all because you know it would be replenished in the morning, right?

Actually, the contest, the game, is real. Are you shocked? YES! Each of us already is a winner of this prize. We just can't seem to see it.



The prize is **TIME**. 1. Each morning we awaken to receive 86,400 seconds as a gift of life. 2. And when we go to sleep at night, any remaining time is not credited to us. 3. What we haven't used up that day is lost. 4. Yesterday is forever gone. 5. Each morning the account is refilled, but the bank can dissolve your account at any time, without warning!

So, what will you do with your 86,400 seconds? Those seconds are worth so much more than the same amount of dollars. Think about it and remember to enjoy every second of your life, because time races by much quicker than you think. So, take care of yourself, be happy, love deeply and enjoy life! Here's wishing you a wonderful and beautiful day. Start spending...

Lastly, don't complain about growing old! Some people don't get the privilege!



**It's always fun to look at these charts and remember how negative it felt at the time, in the moment when the "scary thing" was happening (and it really was scary at the time!)..... Thanks, Michael Kitces, for your insight.**

**INVESTMENT PORTFOLIOS ARE BUILT TO LAST**

Year	Event	Some examples of reasons not to invest	Cumulative total return <sup>1</sup>
1999	Y2K		467.1%
2000	Tech wreck; bubble bursts		368.5%
2001	September 11		415.4%
2002	Dot-com bubble: market down -49%		484.9%
2003	War on Terror - U.S. invades Iraq		650.9%
2004	Boxing Day Tsunami kills 225,000+ in southeast Asia		483.5%
2005	Hurricane Katrina		426.2%
2006	Not a bad year, but Pluto demoted from planet status		401.6%
2007	Sub-prime blows up		333.2%
2008	Global Financial Crisis; bank failures		310.6%
2009	GFC: market down -56%; depths of despair	S&P 500	551.8%
2010	Flash crash; BP oil spill; QE1 ends	price level	415.4%
2011	S&P downgrades U.S. debt; 50% write-down of Greek debt		347.9%
2012	2nd Greek bailout; existential threat to Euro		338.6%
2013	Taper Tantrum		278.1%
2014	Ebola epidemic; Russia annexes Crimea		185.6%
2015	Global deflation scare; China FX devaluation		151.2%
2016	Brexit vote; U.S. election		147.8%
2017	Fed rate hikes; North Korea tensions		121.3%
2018	Trade war; February inflation scare		81.7%
2019	Trade war, impeachment inquiry, global growth slowdown		90.0%
2020	COVID-19 pandemic, U.S. Presidential Election		44.5%
2021	Omicron variant, China regulatory crackdown, what's next?		22.0%

Source: J.P. Morgan Private Bank. FactSet. [1] Cumulative total returns for S&P 500 are calculated from December 31 of the year prior to January 31, 2022.



Dave Purdy



Gibson



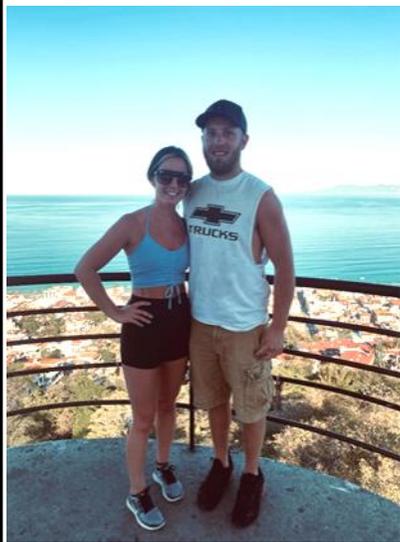
Happy Spring everyone! However, it sure hasn't felt that way! We enjoyed attending the LPL Master's conference on Marco Island in March. It was beautiful there and I had a chance to get together with some of the top thought leaders in the country. One speaker that I thoroughly enjoyed Erik Weihenmayer, the first blind person to reach the summit of Mount Everest. What an inspiring story! We took a side trip and spent an afternoon in the Florida Everglades which was interesting to say the least. We then went to visit my mother on Sanibel Island, which is just beautiful. I enjoy spending every moment I can with my mother. Recently we attended our first out state dog show of the year in Fort Dodge, Iowa. The dogs all did fantastic earning some titles. Gibson earned 2 top Championship titles in Barn Hunt. In AKC FastCat (100yd dash for dogs), Gnatt earned his FCAT2, with a top speed of about 21 mph not bad for a 10 yr. old dog and Tidbit got to try FastCat for the first time and earned his very first title with speeds of about 23 mph. I look forward to being in touch!



Danielle Urman

Chad Olson

Spring is here! Always a nice time of the year when it starts to get warmer outside, and the days get longer. Tom and I went to Mexico in the beginning of March, and we met my family down there. We had so much fun and spent a lot of our time at the beach soaking up as much sun as we could. This was a picture of us in Puerto Vallarta after we hiked about 6 miles to



get to this stairway that had over 300 stairs... yikes! But the view was so worth it overlooking the entire city. As always, I hope everyone is doing great and I look forward to seeing you!

Hopefully by the time you are reading this, the weather will reflect the date on the calendar. My daughters Brielie (9) and Aria (6) stayed busy this winter with activities ranging from basketball and gymnastics to choir and singing in church. Over spring break, we took a trip to Florida and enjoyed a nice stretch of sunshine and warm weather. We had a great time and spent a few days at Disney parks, but spent most of our time away and relaxing and away from the massive crowds down there. Aria had never seen fireworks before, so we stayed into the evening at the Magic Kingdom and saw an amazing fireworks/lights display. She loved it (we all did)! Hopefully we will be able to start on some projects around the house and yard as the weather warms up. I hope you are all well and I look forward to seeing you soon.





WEALTH MANAGEMENT  
M I D W E S T I N C  
"INDEPENDENT AND PROUD OF IT!"

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**David E. Purdy**

Founder, CEO  
2012 • 2013 • 2014 • 2015 • 2016  
2017 • 2018 • 2019 • 2020 • 2021 • 2022

*Award based on 10 objective criteria associated with providing quality services to clients such as credentials, experience, and assets under management among other factors. Wealth managers do not pay a fee to be considered or placed on the final list of 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 Five Star Wealth Managers.*



### Wealth Management Midwest: Mission & Vision

**Mission**

To inspire our clients to make sound financial choices, avoid costly mistakes, and live their best financial life.

**Vision**

Our industry needs leadership to move forward and be reshaped into a valued and supportive role in our clients' lives. We will help lead this change by committing to always do what we believe is in our clients' best interest. Our clients must have faith that our advice is drawn from our knowledge and desire to help them work towards their unique goals.

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