

# THRIVE TIMES

MONTHLY COMPANY  
NEWSLETTER

## GRADUATION TIME!

Do you have someone in your life who is graduating this spring? The form and function of graduation gifts can be sticky territory. It's important to consider not only the level of degree being attained but also the personal traits, interests and ambitions of new grads to ensure your gift will enhance their life.

A busy young professional might appreciate a subscription to one of the popular meal kit services. These kits deliver a set number of meal plans/serving sizes and include the specified ingredients and instructions to cook at home. It's a great way to encourage healthy eating as well as help your young adult learn to cook.

If your new grad is a fitness guru, consider gifting a membership to a gym near where he lives. The costs of streaming services tend to add up, so consider paying for an annual subscription to a service like Netflix, Hulu or Spotify. Not every entry-level salary allows young adults to splurge on luxuries.

Think about their interests and something you can give that they wouldn't be able to afford for a while, such as season tickets to a sporting event or live theater.



# BONDS IN 2022

*written by Erik Schuster, CFP® Financial Planner*

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US Stocks and Bonds are moving in the same direction, down. Since 2000, it is rare to see stocks and bonds move in correlation. It happened briefly in 2008 and again in 2018. Both occurrences were short-lived. What we are seeing today is the perfect storm the Federal Reserve has been trying to avoid.

When inflation surged in 2021, the Fed kept using the word transitory. Transitory inflation is temporary if price levels subside while supply catches up with demand. In 2021 we saw inflation begin to increase with no action from the Fed. To put it simply, supply was not catching up to demand.

By December 2021, the Consumer Price Index was at 7% for the year, the highest since 1981. With no short-term relief in sight, the Fed was forced to act using one of the few actions they can take - increasing interest rates. The Fed began to raise the Fed Funds rate in March 2022 with an initial increase of .25%. Changes in interest rates affect the bond market. When interest rates go up, bond values go down and vice versa.

As inflation continued to rise in 2022, the Fed had to become more aggressive with increasing interest rates. It was their only option to try and combat the inflation surge. In May 2022, the Fed decided to double the rate increase from March. They rose rates .5%.

The surge in inflation was fuel on the fire for the bond market. Under non-inflationary periods, rising interest rates would cause the bond market to lose value. What is occurring now is worst case scenario.

As of 6/13/2022, the Bloomberg U.S. Aggregate Bond Index, which is made up of U.S. Treasuries, high-rated corporate bonds, and mortgage-backed securities, has returned -12% this year. Its second-worst performance over the same period was -2.9% in 1984.

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The question moving forward is can bonds continue to be the “safe” money in your portfolio? What has occurred in the bond market was not unexpected. When interest rates went to near 0%, it was inevitable that they would have to rise at some point in the future. Most investors could have avoided this perfect storm of simultaneous stock and bond market declines.

Again, the entire industry knew bond values would decline when the Fed inevitably decided to raise interest rates. Most of the industry did not want to break from the traditional asset allocation of stocks and bonds.

It may be time, if you already haven't, to look at other asset classes for your “safe” money. Again, because this decline in the bond market was predictable, many products have been created to replicate bonds.

Why do investors use bonds? Bonds are used for protection of principal, upside opportunity when stocks are down, and moderate growth. You cannot get one of those features today from a bond. Several insurance products have been created to replicate bonds. They offer principal protection, upside opportunity when stocks are down, and moderate long-term growth. Now might be the time to re-consider how bonds fit into your portfolio.

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JULY 2022

REGISTER TODAY!

## TAXES IN RETIREMENT

At Thrive, we want to help you and your loved ones experience greater financial freedom and leave a legacy. Proactively educating the next generation of retirees on how to properly construct and manage their portfolios, and reach their long-term financial objectives is the foundation on which Thrive is built.

Join us and learn how to empower yourself.

CLICK HERE!



# WHATS GOING ON @ THRIVE

## BIRTHDAYS

Happy birthday Ryan Kelly & Jake Weiner! We hope that you both had relaxing birthdays & we are so thankful for everything that both do for us.



## TEAM MEMBER OF THE QUARTER

Congratulations Becky Stronger! All the hard work you do for us - we greatly appreciate it.



## RADIO SHOW

Give a listen to our latest radio show! Check out hosts David Bezar, Bret Elam and Karen Bezar every Saturday morning to stay up-to-date on the latest industry knowledge!



### UPCOMING CALENDAR DATES:

June 19 - Fathers Day  
June 21 - Summer Solstice (Start Of Summer)

### UPCOMING WORKSHOP DATES:

June 21 - General Warren Inn  
June 22 - William Penn Inn & Washington Crossing Inn  
June 28 - Washington Crossing Inn  
June 30 - William Penn Inn

July 12 - Spring Mill Country Club  
July 13 - Kennett Square Country Club  
July 14 - Yardley Inn  
July 19 - Kennett Square Country Club  
July 20 - Spring Mill Country Club



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