Financial Concepts Inc.

"Wealth Management"

355 W. Mesquite Blvd., Ste. C-80
Mesquite, Nevada 89027

(702) 346-1335

www.FinancialConceptsMesquite.com

Tune in to Jeffrey's podcast, *Financial Focus*, by visiting
http://financialconceptsmesquite.com/podcast/

Chicken and Wild

INGREDIENT

- 4 tbsp. unsalted butter
- 3 celery ribs
- 2 carrots
- 1 medium onion
- 2 clove garlic
- 1 1/2 tsp. thyme
- Salt and pepper
- 1/4 c. all-purpose flour
- 1 c. wild rice
- 2 qt. chicken stock or low sodium broth
- 2 c. water
- 4 c. roasted rotisserie chicken or turkey
- 1 c. heavy cream

DIRECTIONS

1. | In a large saucepan, melt the butter. Add the celery, carrots, onion, garlic, thyme and a generous pinch each of salt and pepper and cook over moderate heat, stirring occasionally, until the vegetables just start to soften, about 10 minutes. Sprinkle the flour over the vegetables and cook, stirring, until evenly coated and lightly browned, about 3 minutes.

2. | Add the wild rice to the saucepan and gradually stir in the stock and water. Bring to a boil, then simmer over moderately low heat, stirring occasionally, until the vegetables are tender, about 30 minutes. Add the chicken and simmer, stirring occasionally, until the wild rice is tender, 10 to 15 minutes longer. Stir in the cream and season with salt and pepper. Ladle the soup into bowls and serve.

www.countryliving.com/food-drinks/recipes/a34725/chicken-wild-rice-soup-recipe-fw1114/

Jeffrey Bird-RICP®

Financial Focus

A Monthly Insight Into Your Finances

January 2022

Following the Inflation Debate

During the 12 months ending in June 2021, consumer prices shot up 5.4%, the highest inflation rate since 2008.[1] The annual increase in the Consumer Price Index for All Urban Consumers (CPI-U) — often called headline inflation — was due in part to the "base effect." This statistical term means the 12-month comparison was based on an unusual low point for prices in the second quarter of 2020, when consumer demand and inflation dropped after the onset of the pandemic.

However, some obvious inflationary pressures entered the picture in the first half of 2021. As vaccination rates climbed, pent-up consumer demand for goods and services was unleashed, fueled by stimulus payments and healthy savings accounts built by those with little opportunity to spend their earnings. Many businesses that shut down or cut back when the economy was closed could not ramp up quickly enough to meet surging demand. Supply-chain bottlenecks, along with higher costs for raw materials, fuel, and labor, resulted in some troubling price spikes.[2]

Oreo Personalities

The way you eat Oreos says something about your personality. Kraft Foods once surveyed hundreds of Oreo eaters and sussed it out: Biters are easy-going and self-confident, while dunkers displayed more energetic and adventurous qualities. Twisters, on the other hand, are sensitive and trendy.

https://www.goodhousekeeping.com/life/g25692093/random-trivia/?slide=42

Monitoring Inflation

CPI-U measures the price of a fixed market basket of goods and services. As such, it is a good measure of the prices consumers pay if they buy the same items over time, but it does not reflect changes in consumer behavior and can be unduly influenced by extreme increases in one or more categories. In June 2021, for example, used-car prices increased 10.5% from the previous month and 45.2% year-over-year, accounting for more than one-third of the increase in CPI. Core CPI, which strips out volatile food and energy prices, rose 4.5% year-over-year.[3]

In setting economic policy, the Federal Reserve prefers a different inflation measure called the Personal Consumption Expenditures (PCE) Price Index, which is even broader than the CPI and adjusts for changes in consumer behavior — i.e., when consumers shift to purchase a different item because the preferred item is too expensive. More specifically, the Fed looks at core PCE, which rose 3.5% through the 12 months ending in June 2021.[4]

Competing Viewpoints

The perspective held by many economic policymakers, including Federal Reserve Chair Jerome Powell and Treasury Secretary Janet Yellen, was that the spring rise in inflation was due primarily to base effects and temporary supply-and-demand mismatches, so the impact would be mostly "transitory."[5] Regardless, some prices won't fall back to their former levels once they have risen, and even short-lived bursts of inflation can be painful for consumers.

Some economists fear that inflation may last longer, with more serious consequences, and could become difficult to control. This camp believes that loose monetary policies by the central bank and trillions of dollars in government stimulus have pumped an excess supply of money into the economy. In this scenario, a booming economy and persistent and/or substantial inflation could result in a self-reinforcing feedback loop in which businesses, faced with less competition and expecting higher costs in the future, raise their prices preemptively, prompting workers to demand higher wages.[6]

Until recently, inflation had consistently lagged the Fed's 2% target, which it considers a healthy rate for a growing economy, for more than a decade. In August 2020, the Federal Open Market Committee (FOMC) announced that it would allow inflation to rise moderately above 2% for some time in order to create a 2% average rate over the longer term. This signaled that economists anticipated short-term price swings and assured investors that Fed officials would not overreact by raising interest rates before the economy has fully healed.[7]

In mid-June 2021, the FOMC projected core PCE inflation to be 3.0% in 2021 and 2.1% in 2022. The benchmark federal funds range was expect-ed to remain at 0.0% to 0.25% until 2023.[8] However, Fed officials have also said they are watching the data closely and could raise interest rates sooner, if needed, to cool the economy and curb inflation. Projections are based on current conditions, are subject to change, and may not come to pass.

1, 3) https://www.bls.gov/news.release/pdf/cpi.pdf
2) https://www.wsj.com/articles/supply-chain-issues-car-chip-shortage-covid-manufacturing-global-economy-11633713877
4) https://www.bea.gov/data/personal-consumption-expenditures-price-index-excluding-food-and-energy
5-6) https://www.bloomberg.com/news/articles/2021-05-02/biden-economic-adviser-says-inflation-pressures-transitory
7-8) https://www.federalreserve.gov/newsevents/speech/clarida20211108a.htm

Preparing Your Finances For 2022

December is the perfect time to identify some financial newyear's resolutions for the year 2022 that, while simple, may have a profound effect on your financial strategy and your ability to properly prepare yourself to enjoy your preferred retirement lifestyle.

You should look at the new year as a good time to turn thepage on some of your past financial hiccups and strategy mistakes and start with a blank slate.

Build a budget

As is likely no surprise, the first resolution is to build abudget and stick to it.
It all starts with breaking down your income, expenses, and various assets. Does your income comfortably outpace yourexpenses? If not, changes may be in order.

Building a budget for the first time, or refining your currentbudget, is a good reason to meet with your financial servicesprofessional. And if you don't already have one? Building a budget is a good reason to get one.

And don't forget that a financial services professional will be able to show you how the budgeting you do today couldmake your life easier tomorrow. Ask yourself this: If you knew a couple of modest sacrifices in your 30s, 40s, or 50s would mean you could retire when and how you wanted, would you make those sacrifices?

Saving is essential

The next important financial new year's resolution for 2022 is to save something every month, even if it's not a significant amount of money. Let's say you're able to save
$100 a month. You may say to yourself, "what's a measly $100 a month going to do for me?" But I'd encourage you to think about the bigger picture. $100 a month is $1,200 ayear. And $100 a month over five years is $6,000.

And $100 a month right now doesn't mean $100 a monthforever. Maybe you'll end up with a pay raise or maybe an asset will pay off, either of which would allow you to increase how much you're saving. The point is to simply start saving some amount every month.

You should also note that some people have good luck withsites that take the spare change on each of your debit card and credit card purchases and funnels that money into a separate savings account. A lot of people may be genuinelysurprised at how quickly all that spare change transforms into a fairly significant pile of money.

Don't forget to pay yourself

The next prudent financial new year's resolution for 2022 is to pay yourself first. Admittedly, this concept sounds a little confusing. But look at it this way: paying yourself firstmeans paying your future self.

The easiest way to pay yourself first is to contribute to a retirement savings tool like a 401(k).
Earmarking moneyfor a retirement account is particularly important if youremployer offers a financial match.

Remember, if you pay everything and everyone else first, the chances are pretty good you won't pay your future self anything at all.

Setting aside 10 percent of your monthly income for futureneeds like retirement is a common savings goal. That sounds like a lot, but if your employer offers a match of
up to four percent of your annual income, you'll then onlyneed to kick in six percent of your income to hit that 10 percent figure.

Much like budgeting, coming up with a clear and workablesavings strategy is a great reason to work closely with a financial services professional.

Shop around for insurance

Analyzing your current insurance plans may be a smart addition to your list of financial new year's resolutions. Thisalso may be another step that you want to take with the assistance of your financial services professional.

In addition to closely examining your current health insurance during your open enrollment period, you may want to make sure both your homeowners' insurance and auto insurance products are meeting your needs at a price that you think is reasonable. Remember, there's no harm inshopping around for good homeowners' and auto insuranceat a better price.

https://money.usnews.com/money/personal-finance/saving-and-budgeting/slideshows/financial-new-years-resolutions