RAYMOND JAMES PRESENTS

WORTHWHILE

Fall 2022

A publication of thoughtful insight dedicated to the life well planned.

FIGHTING INFLATION

Investors have a few options to help stem the rising tide

p16

RAYMOND JAMES

It's our pleasure to share with you the fall edition of Raymond James' award-winning* WorthWhile magazine. We believe you'll appreciate the refined balance of lifestyle and financial content meant to offer insight as we navigate your sophisticated planning needs. The Cover article offers several ways for anyone to mitigate some of the impacts of inflation. Please reach out so we can discuss potential implications for your financial plan.

Investing offers a look at homebuying in an increasingly competitive market. Even if you're not looking to buy now, it may not hurt to have liquidity ready should an opportunity arise to help a loved one build equity or add to your real estate portfolio with a vacation property. The magazine also touches on helping, not enabling, loved ones facing addiction; the interplay of earned income and Social Security benefits; as well as states where a $500,000 nest egg could last the longest.

We hope you enjoy the complimentary magazine and find something worthwhile. We look forward to hearing your thoughts on this or anything else you'd like to discuss. Please feel free to reach out anytime.

*WorthWhile has won several silver and gold ADDY awards from the American Advertising Federation Tampa Bay for its content and design. Raymond James is not affiliated with the American Advertising Federation Tampa Bay.

WorthWhile

In this issue

Fall 2022

p25

p28

p7

Vol. 18, No. 2

Top stories

Family

Tough love is tough, but necessary

Many families, even affluent ones, fight quiet battles against a loved one's addiction. They may say things like "she walks to the beat of her own drum" or "he's figuring things out," when they really mean "we don't know what to do." No matter the euphemism, these well-meaning families need help supporting someone on the path to recovery without making the issue worse. p11

Cover

Battling inflation

With the central bankers of the Federal Reserve taking a firm stance against inflation, what, if anything, can investors do to help stem the rising tides? Turns out we all have a few options to rein in the impact of higher-than-expected prices – including retirees. p16

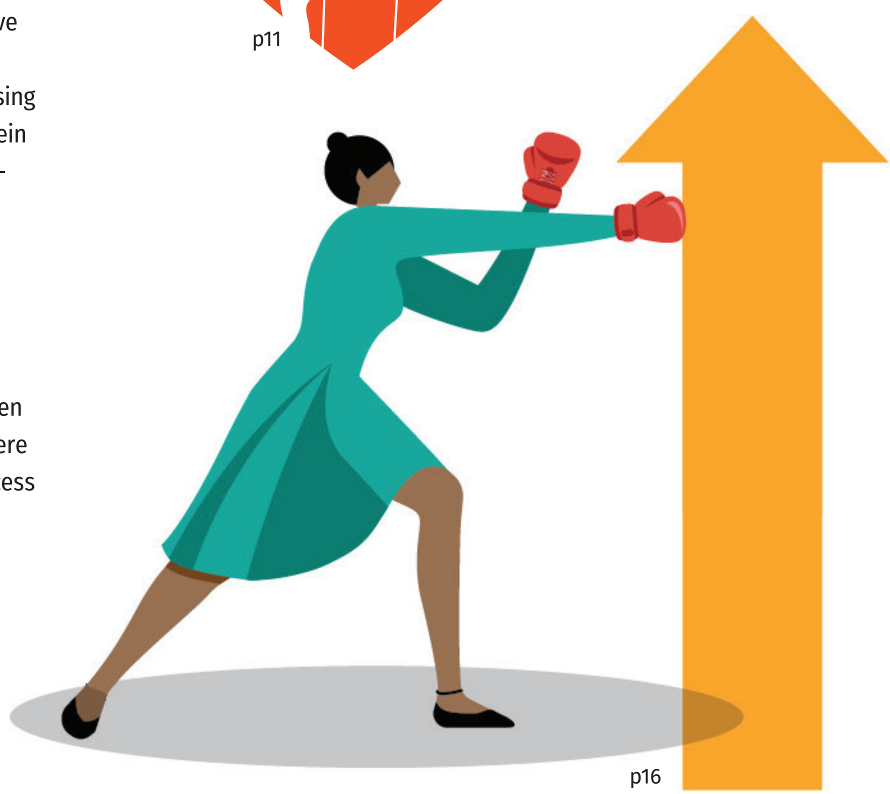
Investing

Harrowing house hunting

Rising interest rates and lower inventory are just some of the headwinds to think about when investing in property for yourself or others. Here are a few strategies to set yourself up for success in a competitive homebuying market. p22

p22

p11



p16

Letter from the editor

Stemming the rising tide of inflation

This quarter's Cover article tackles rising inflation, offering ways consumers and investors can stem the effects of rising costs. It takes a practical look at options within our control. Continuing to work is one option for would-be retirees, and the Income article addresses the impact of earned income on Social Security benefits. Unsurprisingly, the math is a bit convoluted, but if you're interested in an encore career, you may want to follow along.

Investing outlines a few ways homebuyers can ready themselves to take advantage of buying opportunities in a still-competitive market. And the Family article addresses some of the complexities faced by well-meaning families supporting loved ones battling addiction. It takes a thoughtful approach to helping those you care about along a path toward recovery, without enabling them or jeopardizing your own well-being, physically, mentally or financially.

Between these covers, you'll also find a look at flights of fancy or rather fancy-ish things that can fly in one way or another in our Worth a Look section; a path for high-income earners to save on taxes as they save for retirement; a few things to leave out of your official will; and a look at ways to live your legacy now, while you can. We hope you find something surprising inside as well as something worth sharing with family or friends.

The leaves aren't the only thing changing as we welcome fall. Former Chief Economist Scott Brown, Ph.D., is enjoying a well-deserved retirement. We thank him for his contributions to the Economy column in this magazine over the years. As always, we wish you and yours health, happiness and prosperity. We're thankful for your readership and thoughtful comments, quarter after quarter. See you in the winter!

Email us

WorthWhile wants to know what you think – about articles we've done, suggestions for subjects you'd like to see covered, or anything else on your mind. Please write us at **worthwhile@raymondjames.com**. Your email address will not be shared with anyone. We may condense or excerpt from letters depending on the space we have available.

Your legacy is so much more than what you leave behind; it's how you live each and every day. Use this list as a guide to create a lasting impact at home, in the workplace and throughout the community with the help of those you love and your trusted professional advisors.

YOUR FAMILY LEGACY

Cover your legal bases.
Establish your will, power of attorney, healthcare proxy, etc.

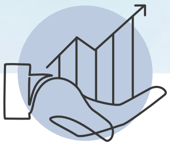
Prepare for the unexpected.
Review your insurance coverage so your loved ones are protected.

Keep up with life.
Discuss how new marriages, births, deaths, divorces or sudden windfalls affect your planning.

Make time now.
Enjoy quality moments with the people you love the most.

Schedule a family meeting.
Talk about "big" things, like your values, as well as simpler things.

YOUR CAREER LEGACY



Check in as you move up.
A higher salary is a great reason to take another look at your finances.

Concentrate the right way.
Address any concentration you may have in company stock.

Unify and simplify.
Consolidate retirement accounts from former employers.

Never stop learning.
Continue to grow as a leader and a person by taking online classes or seminars.

Address the future.
You'll retire eventually; start mentoring your successors sooner rather than later.

YOUR COMMUNITY LEGACY

Donate appreciated securities.
Maximize your gift to a great cause and create a tax break.

Give strategically in retirement.
Some IRA owners can donate to charity to reduce taxes.

Find what works for you.
Review your options for giving, such as trusts, endowments and more.

Inspire goodness in others.
Encourage your family to join in your charitable efforts.

Think about bunching.
Consider aggregating charitable gifts in a donor advised fund to save at tax time.

Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation. | Raymond James does not provide tax or legal services. Please discuss these matters with the appropriate professional.

Worth a Look

A compendium of fresh looks and new ideas

A timepiece that boldly went

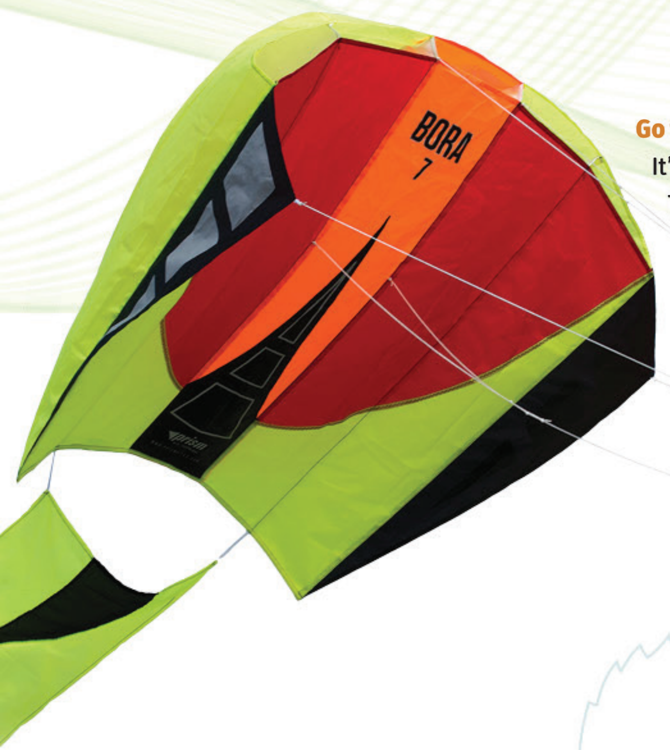
When Alan Shepard – the first American to push the envelope into space – climbed into the Freedom 7 atop a volatile silo of ethyl alcohol and liquid oxygen 50 years ago, the Breitling Navitimer Cosmonaute kept time for his journey into legend. Now, in honor of the half-century anniversary of Shepard's historic flight, this Swiss watch with the right stuff can again support others who dare defy gravity. Explore this limited-time release at breitling.com.

The explorer's companion

If you're on a real journey, all you have to depend on is yourself – and your luggage. Whether your goal is to peer over the rim of a temperamental volcano or to brave the concourse at Newark, it pays to have a bag that won't let you down. The Centenary Carry-On by the renowned Globe-Trotter brand offers lightweight, rugged modern materials with bold colors and classical styling. When you're ready to get going, visit globe-trotter.com.

Ground bound wind riders

Ancient wisdom tells us that it is not possible to step into the same river twice, that change is a characteristic of life. Likewise, each viewing of one of Lyman Whitaker's kinetic sculptures is unique, dependent on the eddies and currents of a planet in motion. Whitaker, based in Utah, combines craftsmanship, materials and organic forms in an art form that celebrates the natural world. Chase the wind at reneetaylorgallery.com.



Go fly a kite

It's day six of your backpacking trip through the Mongolian steppe. The wind is roaring and the landscape remains awe-inducing, but your hiking partner's griping is grating like a timid bow across the strings of an ill-tuned *morin khuur*. When you intervene, you are told to go fly a kite. Luckily, you brought your frameless Bora 7 by Prism Kites. It's easy to pack and easy to fly, so this colorful airfoil never fails to lift one's spirits while abroad or down at the park. Catch the wind at prismkites.com.

The back-door Roth IRA

Could it be the key to unlocking greater tax savings?

Charitable donations and contributions to IRAs are well-worn entryways when it comes to offsetting taxable income, but as a high earner you may not realize that you can also take advantage of the tax diversification offered by Roth IRAs – even if you earn more than IRS contribution limits technically allow. Here's how.

> "A very little key will open a very heavy door."
>
> – *Charles Dickens*

Reviewing Roth

A Roth IRA allows taxpayers to set aside after-tax dollars for retirement without owing taxes on qualified withdrawals. Annual contributions cannot exceed the lesser of your earned income or IRS contribution thresholds. In general, you can contribute up to $6,000 to an IRA (traditional, Roth or a combination of both) in 2022. Add an extra $1,000 if you'll be 50 or older by the end of the year. However, contributions may be reduced or eliminated based on your modified adjusted gross income, or MAGI, for the year.

The nitty gritty on backdoor Roths

Despite MAGI limits, a high-income earner can convert a traditional IRA into a Roth IRA under specific conditions – sometimes known as a backdoor Roth. If you earn too much to do a normal Roth IRA contribution, you can make a nondeductible contribution to a traditional IRA (which anyone can do, no matter how much you earn), then convert that traditional IRA contribution to a Roth IRA.

However, this strategy only works when the taxpayer has not used any pretax dollars to fund their traditional IRAs. The reason? The IRS' pro-rata rule totals all your IRA balances and calculates a proportional amount of pretax and after-tax dollars to determine your tax liability on a conversion.

For example, suppose a taxpayer funded a $94,000 traditional IRA with pre-tax dollars, then contributed $6,000 after tax into a separate traditional IRA. An attempt to convert just the new IRA with the $6,000 after-tax contribution would prompt the IRS to prorate the $100,000 IRA total (94% pretax and 6% after-tax), meaning you'd owe taxes on 94% of the amount converted to the Roth.

Bottom line: To avoid the tax liability on a backdoor Roth conversion, you must have $0 pretax in any IRAs. You'll want an experienced advisor by your side to ensure your existing IRAs meet the guidelines and you do everything correctly when executing a conversion like this. Otherwise, the strategy may not be effective.

Talk with your trusted advisor and accountant to help determine your eligibility and best next steps. W

Sources: forbes.com; nerdwallet.com; investopedia.com; thestreet.com; kitces.com

Implementing a Roth conversion means paying more taxes now, which may not be beneficial if you are in a higher tax bracket today than you expect you will be in the future, or if you expect tax rates to decline. Also, Roth conversions increase your AGI in the year of conversion. This may affect other tax deductions, credits and related items, such as Medicare premiums. A Roth conversion also isn't beneficial if you need the distributions for immediate expenses. Many individuals may still rely on traditional IRA distributions for a component of their income. IRAs used for current income may not see the benefit of tax-free appreciation of the Roth IRA. When implementing a Roth conversion, consider paying taxes from an outside source, allowing all of the converted funds to grow as opposed to taking a withdrawal from the plan to pay taxes. Keep in mind, distributions from an IRA when the participant is under 59 1/2 may be subject to a 10% penalty. Also, consider your beneficiaries. If you intend to leave your traditional IRA to a charity, it may not make sense to pay additional taxes today for money that the charity wouldn't be taxed on upon receipt. Please speak with your advisor about whether a Roth conversion may be beneficial for you. In order for earnings to be tax-free, converted funds must be held in the Roth IRA for five years and distributions must occur after age 59 1/2 or as a result of death, disability or first-time home purchase of $10,000. A separate five-year period applies for each conversion.

Raymond James does not provide tax services. Please discuss these matters with the appropriate professional.

Federal filing status in 2022	Roth IRA contributions are reduced if MAGI is:	Roth IRA contributions are eliminated if MAGI exceeds:
Single or head of household	More than $129,000 but less than $144,000	$144,000
Married filing jointly or qualifying widow(er)	More than $204,000 but less than $214,000	$214,000

THREE THINGS YOU SHOULD DEFINITELY INCLUDE AND A FEW YOU SHOULDN'T

We all know that estate planning is important. But did you know there are some things you should leave out of your will? You'll want to make sure your legacy is well-documented, but the key here is avoiding potential conflicts for your executor to unravel on their own. Read on.

Be sure to include

Out-of-state property

Out-of-state property shouldn't also be out of sight, out of mind and out of your will. If you've got any real estate or tangible property in another state, name it in your will. Ancillary probate will occur in different states after a death. If a property is overlooked, that's two or more messy probate proceedings for your family to endure and pay for to determine what to do with that particular asset. As an alternate, you could place property – regardless of location – in a living trust to mitigate ancillary probate proceedings.

Collectibles

In your travels, you've collected rare coins from around the world. They hold a special place in your heart, but should they be in your will? Of course. First, find out who wants and values them. You're looking for a steward who will treasure your stamps, baseball cards, wine, antique books or vintage cameras as you did.

In addition to naming these items in your will, consider creating a manual of sorts to help a caretaker maintain your prized possessions. If the collection is particularly rare, share the contact information of trusted appraisers so your heirs can properly insure your generous gifts and understand the overall value. If applicable, make sure to set aside funds to help your heir pay estate taxes on their inheritance.

If you bestow beloved objects sooner rather than later, you may get greater reward seeing your loved ones enjoy the collection while you're living and can share the details of your discoveries. Just remember the tax man. If you think you'll be over federal estate tax limits, consider divvying out valuable collectibles over the course of several years. Some collections are best gifted intact, like coins and stamps, while antiques tend to be worth more individually rather than as a lot or set.

Digital wealth

If your estate documents were created before Facebook, you might want to take another look with your online life in mind. New laws give fiduciaries (like an estate executor, trustee or an agent under a power of attorney) the right to manage digital assets if they already have the right to manage tangible ones. Such laws vary from state to state. So how do you share your digital life when the estate planning rules are still evolving?

You and your attorneys have some options, and you likely have more digital assets than you'd think. A McAfee survey found that people believed their digital assets averaged just over $37,000.

We're talking things like:

- Frequent flyer miles and hotel points, often transferable
- Social media profiles
- Music, movies, e-books
- Cloud storage, including online "vaults" at financial institutions
- Health records
- Online photo, book, game and video collections
- Websites, domain names
- Emails

The key is leaving a trail of in-real-life clues. Your heirs will need permission and access to crack into your phone or cloud-based photo storage. You can do that by naming a legacy contact and/or providing a secure list of each account's username and password, relevant encryption keys and pertinent instructions separately since wills are public record. Instead, name the device the information is stored on and who'll be your digital executor in your will. Make sure your digital executor is savvy enough to know what to do with this information.

And two to leave out

In some cases, omitting certain property from your will could actually

Securing your digital legacy

- **Make an organized list** of your usernames, passwords, PINs and related accounts.
- **Store the list in a secure location,** such as a waterproof, fireproof home safe or in a safe deposit box that someone you trust can access.
- **Make sure the digital executor will know how to access the list** and is savvy enough to know what to do with this information.
- **Establish legacy contacts** for popular online platforms. Your decisions may be binding, similar to beneficiary designations. Here are a few to help you get started.
  - **Facebook Legacy Contact** (facebook.com/help > search legacy contact)
  - **Google Inactive Account Manager** (support.google.com > navigate to inactive account manager)
  - **Apple iCloud Legacy Contact** (settings > password & security > legacy contact

benefit your loved ones even more. Anything already within a trust or that has updated beneficiary designations need not be included. It'll muddy the waters. Jointly owned property should be left out as well. Your will isn't the right vehicle to gift something to a pet or place conditions on a gift either.

Instead, you want to outline personal wishes in a residuary clause or personal property memorandum that deals with everything you didn't specifically name in your will.

Your furry friends

Of course, we're not saying to forget your furry friends. But animals can be problematic in official wills for a few reasons. As much as you love your pets, wanting them to inherit assets can be tricky. Most states don't allow you to leave property directly to an animal.

However, you should specify someone who can care for these special animals when you no longer can. A state-declared heir may not be the right person if they don't have an affinity for the animal or the desire to care for one. So you'll want to identify a knowledgeable caregiver in your will and perhaps set aside funds to cover the cost of care. Like with the collections mentioned above, it would be gracious to include a detailed guide to help ensure good care for your animals.

Animals can be valuable in other ways as well, especially if they're rare, exotic or expensive like thoroughbred horses, so you may want to include those as bequests in your will. However, talk to an estate attorney before naming specific animals, lest you find yourself revising your will if an animal passes away or is sold or gifted to someone else. If you forget to make relevant updates, your executor may be obligated to fulfill your written wishes to the letter.

> Remember, the goal of estate planning is to align your heirs with your intentions

That's the snag of being too specific in a will. If your prized Arabian Miss Piggy Derbywinner gets sold and is still named in your will after you pass, it's possible the estate would have to track the horse down and repurchase it in order to fulfill your wishes. As you may expect, specialized vehicles have cropped up to help us navigate fuzzy estate planning for our furry friends. That now includes pet trusts, even one specifically for horses. Such a trust can be created during the lifetime of the owner or created under your will after your death.

Let trusts do their thing

As mentioned before, specialized estate planning vehicles and beneficiary designations can stand on their own without being reinforced in a will. Trusts, for example, supersede a will, leaving the nitty gritty out of the public probate process. But there is a caveat here: You might want to stipulate whether heirs can borrow against the value of assets in the trust. Remember, the goal of estate planning is to align your heirs with your intentions. A specialized attorney can help you navigate the documentation in the most tax-advantaged way possible.

Sources: heidiwebb.com; kiplinger.com; nextavenue.org; trustandwill.com; kjk.com; hodgsonruss.com; kiplinger.com/article/retirement; worthpoint.com; mcafee.com; washingtonpost.com

Family

The intersection of AFFLUENCE and ADDICTION

Children of wealth are at higher risk of addiction – money can either help or hinder the path to recovery

There was a time when addiction was seen primarily as a malady of lower-income families, driven by environmental stressors unique to poverty. In recent decades, however, as the scientific understanding of addiction has grown, so too has evidence that scions of wealth are similarly considered "at risk" for substance use disorders in early adulthood.

There are many factors – both nature and nurture – that can contribute to addiction, and it can exact a heavy toll on someone's health, ambitions and the trust of their family. It can also cause lasting financial damage for both the afflicted individual and their loved ones, which can hinder attempts at recovery or lead to relapse. And because of the taboo surrounding addiction, many families face these problems in silence and without support.

If your loved one is struggling with addiction, seek out professional guidance. A substance use counselor can help you and the rest of your family create a unified front to encourage your loved one to get help. It also gives you stronger support through the difficult decisions you will face.

As part of the recovery plan, you should speak with your financial advisor, in coordination with your counselor, to identify the tools that can promote recovery over enablement, particularly as you navigate the difficult area of financial support for addicted adult loved ones.

Well-to-do and struggling

Children of affluent families are 2 to 3 times more likely to be diagnosed with an addiction by age 26 than the national average, according to research by Arizona State University psychology professor Suniya Luthar. Similarly, they are 1 1/2 to 2 1/2 times more likely to experience symptoms of anxiety and depression, she said in an interview with "Speaking of Psychology," a podcast by the American Psychological Association.

"There is not a single unitary factor that will explain all of this. It is a problem that derives from multiple levels," she said. But a major one, she suspects, is the societal pressure to achieve higher and higher peaks of success. She says this is reinforced at every level of our culture, causing people to lose balance in their personal values.

"If your sense of self-worth gets tied into how much you can accomplish, two things happen. One is, if you don't accomplish, you feel small, inadequate, lousy, what have you. And the other is, you live in a state of fear of not achieving," she said. This provides fertile ground for mental illness and unhealthy substance use.

Whatever the cause, Luthar said it is unfair to pin the blame solely on parents or schools, as social commentators are often eager to do. And pragmatic drug use counselors encourage families to avoid blame seeking, instead focusing their efforts on supporting their addicted loved ones.

Protecting or enabling?

People with addictions are apt to lie, but no matter how apparent the lie, a child's need is a powerful thing. A rent check here, money for groceries there – even if a parent expects their adult child will not use the money for its intended purpose, guilt and hope can make a closed wallet a heavy burden.

However, the prevailing guidance among addiction treatment professionals is that freedom from consequence prevents addicts from finding the road to recovery. Parents are then forced to ask themselves: Am I being supportive, or am I enabling this addiction?

"Setting boundaries with an adult child can sometimes be the best thing to do, even when it is hard to say, 'I am here to listen and here's what I can offer, but I also think you will feel better about yourself if you get some professional help (and/or attend 12-step meetings) and figure this out on your own,'" wrote Jeffrey Bernstein, a psychologist and author, for Psychology Today.

Circumstances and the advice of your professional addiction counselor can help determine where those boundaries should be placed. To aid in this, there are also products that can support these boundaries while establishing room for trust, notably the True Link prepaid debit card. It offers customizable spending limits, alerts, blacklists and expenditure tracking. The card was designed to avoid giving cash to people with addictions – which can be dangerous – while providing some spending independence.

Treatment options

U.S. residents can find professional help through the Substance Abuse and Mental Health Services Administration, SAMHSA, by visiting findtreatment.samhsa.gov. Most health insurance plans provide some addiction and mental health benefits. With or without insurance, the cost of support varies greatly, even among similar types, from no-cost peer support organizations

– including 12-step programs – to all-inclusive rehab centers costing upward of $80,000 a month (see nearby graphic).

Most communities have a number of free or subsidized charitable resources available to addicts seeking support in recovery. Your child may also qualify for Medicaid, which may cover addiction recovery services depending on their state of residence. Local support groups can be good resources for pointing you in the right direction.

Trust options

Trusts are often part of a well-ordered estate plan, designed to pass along a grantor's assets while sparing their family the difficulties of probate. Trusts can also be used to provide support to family members while the grantor is alive.

In this way, a trust with a third-party trustee can be a useful tool to support a loved one's recovery while removing the parent or sibling from the position of financial gatekeeper. The trust should spell out how the trustee, usually a paid professional, will make payments to support the beneficiary's treatment, meet basic needs or provide money based on the beneficiary meeting certain incentives.

A special-purpose trust is similar in many ways to trusts designed to support family members with mental disorders or major health issues that limit their independence, but with its own unique complexities. The design of the trust should be informed by the expertise of a trust attorney, addiction specialist and financial advisor. Without meaning to, it's possible the existence of such a trust – even if it isn't providing living income – can jeopardize the beneficiary's access to important social services like Medicaid and Social Security Disability Income.

Your well-being matters

It's normal that the road to recovery includes several fits and starts. Ideally, the time between each relapse will increase until permanent sobriety is achieved. Through that, families need to expect that there will be good days and bad, and should remember that being true to the treatment plan is the best thing they can do for their child.

"It's natural to feel worried about your child when they are struggling with a debilitating disease like addiction," according to Mountainside Treatment Center. "Letting your fears consume you, however, will stand in the way of your own happiness and peace of mind. Get back to focusing on your hobbies and your passions. Over time, continuing to put your loved one's needs above your own will become exhausting and ultimately harm your mental health."

As a parent, you may feel like you're willing to burn down everything you've built if it would help your child, but one of the most difficult parts of loving someone with an addiction is recognizing that you can't fix their problems for them. You can help, you can guide, you can love – but, ultimately, it's up to them.

The financial cost of addiction

An addiction can be ruinous to one's long-term financial position, which in turn can create additional stresses that make relapses more likely. Here's a look at the potential financial fallout:

30-day drug detox	Three-month outpatient	30-day intensive outpatient	Residential programs
$7,200 to $20,400	$1,450 to $10,000	$3,100 to $10,000	$5,100 to $80,000

82% said their loved one suffered financial harm on account of their substance use

48% said their loved one drained savings and retirement accounts

43% reported additional medical or legal expenses

42% said their loved one sold assets to gain access to cash

11% said their loved one filed for bankruptcy

Sources: drugabusestatistics.org; truelinkfinancial.com

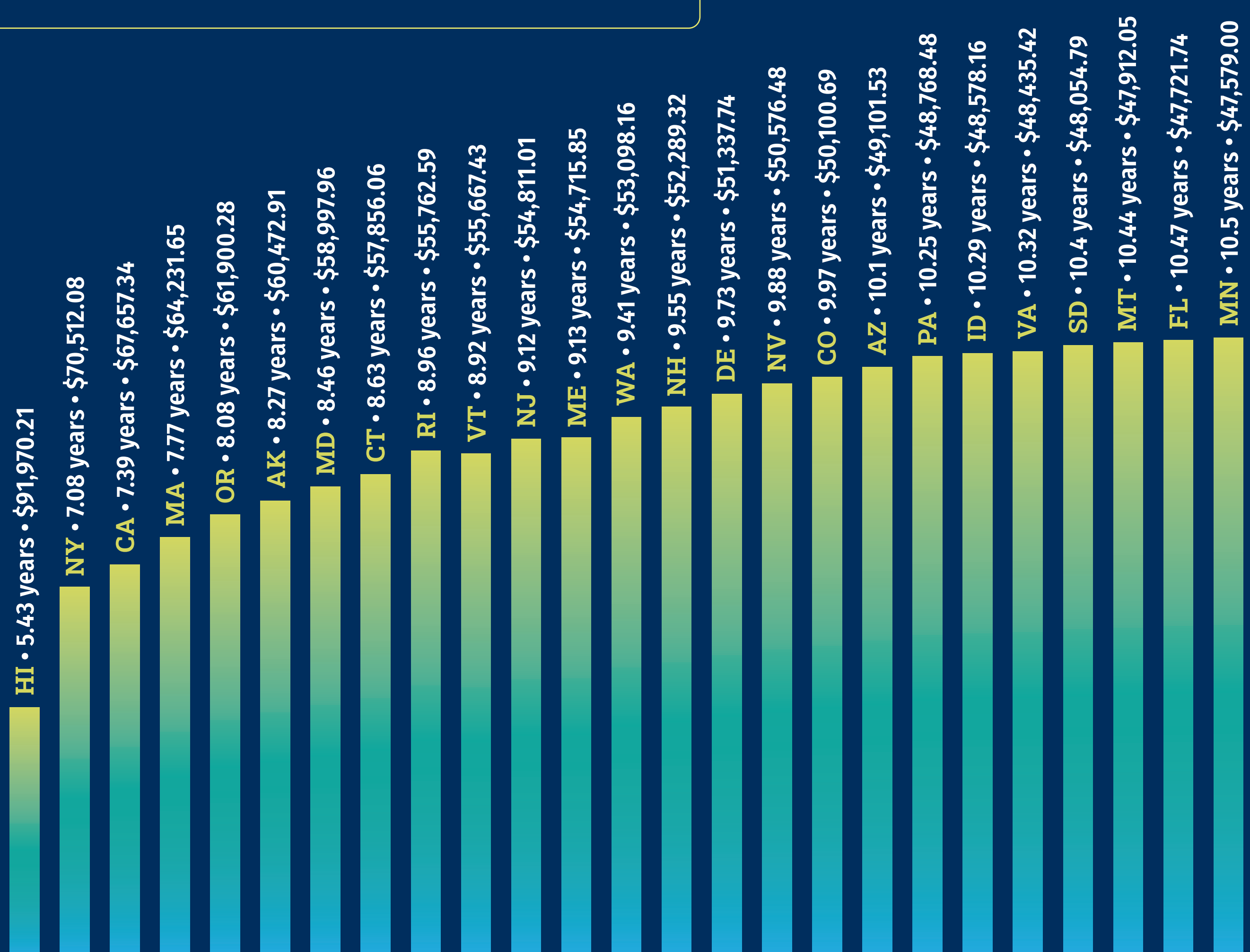
Sources: apa.org; livescience.com; psychologytoday.com; abcnews.go.com; mountainside.com; truelinkfinancial.com; kiplinger.com; royallifecenters.com

Where a $500K nest egg lasts the longest

The old adage not to spend your money in one place, while well-intentioned, may have overlooked the fact that some places might be just right when it comes to spending your retirement dollars. Something to consider as inflation nibbles away at spending power. So while climate, lifestyle, healthcare and proximity to loved ones remain top factors when planning for the longest coffee break ever, how long and far your money will go factors in too. Take $500,000, for example. In which states would it stretch the furthest? A study by gobankingrates.com attempts to give us the answer using average annual spending data for people ages 65 and older, including housing, groceries, utilities, transportation and healthcare.

Top performers

Taking into account average spending data for people ages 65 and older, including housing, groceries, utilities, transportation and healthcare, these three states rise to the top.

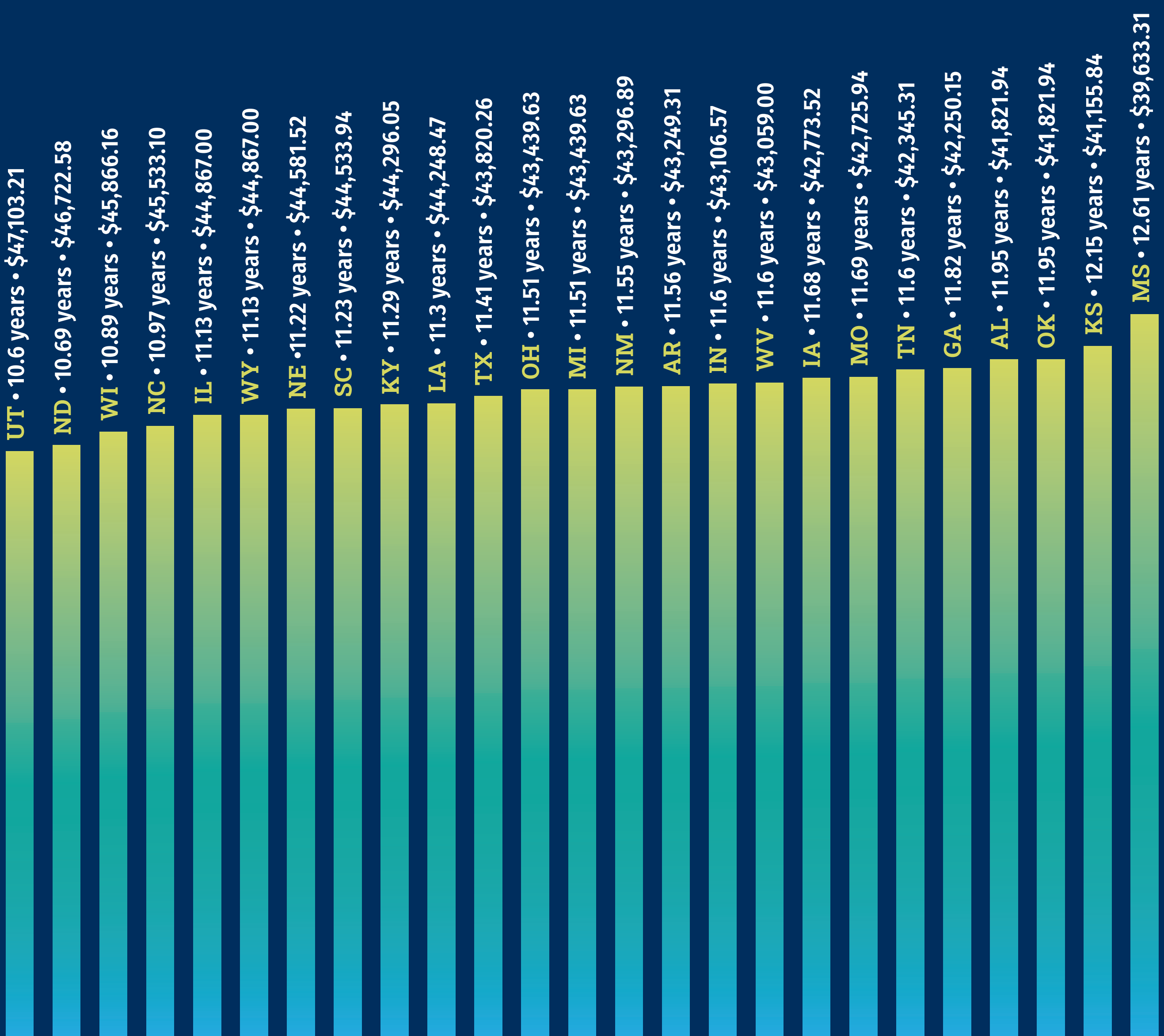


Sources: aginggreatly.com; coolkidfacts.com; cypressws.com; due.com; gobankingrates.com; happytowander.com; hoffman

Affordable cost of living along with four-season living, a blend of rural and urban flavors, and arguably the best barbecue in the world.

Social Security retirement benefits are exempted in full. A $10,000 deduction is allowed for other retirement income. The state is also home to over 50 universities and colleges, with several offering classes for seniors and retirees.

No estate or inheritance taxes. Income from pensions, Social Security, 401(k)s, IRAs, 403(b)s, SEP-IRAs, and 457(b)s is tax-exempt. And with southern hospitality at its finest, your retirement years are sure to be happy and sociable ones.



homeinspection.com; leisurecare.com; newhomesource.com; pippinbrothers.com; retirefabulously.com; state.1keydata.com

FIGHT BACK

Inflation explained and what you can do about it when it’s higher than expected

Inflation has risen to levels that many parts of the developed world haven't seen for 40 years. In fact, the Consumer Price Index (CPI) has been higher than the Federal Reserve's (Fed's) 2% goal for over a year. That means most households are paying an extra $430 a month for the same goods and services we got this time last year, according to Moody's Analytics. And we may have to deal with it for a little while longer. Why? Because we live in a complicated, connected global economy.

Check out the domino effect of the pandemic. The pandemic > factories and businesses shuttered > the CARES Act released about $2 trillion into the economy to keep business alive > people stayed home and saved money > consumer balance sheets grew > demand increased > shipping routes backed up > supply chain bottlenecks > Great Resignation > increased wages to compete for workers to meet demand > another $1.5 trillion in stimulus > prices go up.

Bottom line: Limited supply of goods and services + increased money supply in the economy + a shortage of workers + increased demand = higher prices.

Some of these issues may be easing as the global economy opens up, including declining backlogs, shorter delivery times and higher inventory levels compared to pre-COVID-19 levels. International freight costs are also coming off recent peaks.

A very abbreviated history of U.S. inflation

A little bit of inflation can be a sign of a healthy, growing economy as consumer demand pushes prices slightly higher. Suppliers then try to keep up with what consumers and businesses want to buy. This, in turn, increases demand for labor, which should lead to higher wages. Workers who make more buy more.

The Fed likes to see inflation around 2%, and the central bankers watch two key measures known as headline and core inflation. Headline inflation is based on a basket of goods and services bought by the "average" American family called the CPI – it includes gas and cheeseburgers. That's the number that hit 9.1% year over year at the June reading. The Core Personal Consumption Expenditures (PCE) price index strips out volatile food and energy prices. The Fed believes the PCE provides a more accurate picture of long-term inflationary trends. For example, does this sound familiar? Oil prices soar on fears of supply disruption.

That happened in the summer of 2008, well before the Russia-Ukraine war, with the price of oil hitting $145 a barrel in conjunction with rising tensions in the Middle East. However, after tensions subsided, a barrel of oil was $34 by year's end. That same summer, headline inflation hit 4.5%. But in 2009, headline inflation had fallen, and the media was chockful of stories about deflation and the dangers that falling prices posed to the economy.

We've had other periods of inflation – most dramatically, perhaps, when wages and prices snowballed due to prolonged accommodative economic policy in the early 1970s, decimating purchasing power. This prompted Congress to give the Fed a dual mandate in 1977: Maximize employment and keep prices stable (control inflation). Then-Fed Chair Paul Volcker increased interest rates to 20% in an extreme attempt to stem the tide, but the "Volcker Shock" meant the country endured a painful recession and significant unemployment before finally righting the ship. Those who remember that period may be wary now. However, keep in mind this also created opportunities for investors, some who purchased 30-year noncallable bonds backed by the government at high interest rates. Also, today's economy is very different, and many economists believe central bankers are now better equipped to respond to inflation. Like then, wages are generally rising, which could help more consumers keep pace.

> While the Federal Reserve has a few tactics to temper demand and subdue inflation, it takes time for monetary policy to make a noticeable impact

While the Fed has a few tactics to temper demand and subdue inflation, it takes time for monetary policy to make a noticeable impact. The Fed can't control supply chains or how much stimulus was pumped into bank accounts, but it can control interest rates. Increasing rates and reducing liquidity slows the overall economy. Of course, these tactics come with risks, often prompting volatility in both the bond and equity markets. If all goes according to the central bankers' plan, inflation should subside as a healthy labor market, consumer demand and wage growth find their balance.

Five ways retirees can stand their ground

So what can you do in the meantime? Retirees, especially, may be concerned about how to stretch their fixed incomes. Yes, Social Security rose 5.9% this year, the largest cost-of-living adjustment (COLA) in decades. Social Security annually adjusts upward based on cost of living, one of the few stable retirement income sources that does so. A great benefit as more and more retirees must rely on personal savings and variable market growth rather than annuitized pensions to supplement their income streams.

But those checks likely won't go as far as inflation pushes prices higher on grocery store shelves and at gasoline pumps. And that's not the only snag for retirees who face increases in Medicare Part B premiums, which are deducted from Social Security. Monthly rates are now between $179 and $578 depending on marital status and income. So, while Social Security's payments rose by 5.9%, Medicare Part B premiums climbed 14%, according to research from the Center for Retirement Research at Boston College. The absolute dollar amount may not be significant over the course of a year, roughly an extra $260 or so, but that increase could get compounded as the disparity between premiums and income widens. "It's not nearly fast enough to keep up with what inflation would be," Patrick Hubbard, research associate at the Center for Retirement Research, told CNBC.

For example, in 30 years, the average total Social Security benefit could hypothetically grow 89% to $3,600, according to the Center for Retirement Research's calculations. However, healthcare costs tend to rise twice as fast as overall inflation. According to the 2021 Retirement Healthcare Costs Data Report, lifetime health costs for couples who retired in 2021 can range widely – from $156,208 to $1,022,997. In addition, most retirees (56%) have to pay taxes on some portion of their Social Security benefits, and that percentage is expected to rise over the next 10 years.

Retirees specifically can consider a combination of options to help boost their purchasing power.

EXPLORE YOUR OPTIONS

We already knew that Medicare doesn't cover all out-of-pocket costs, such as dental, vision and long-term care. So hopefully you've explored coverage options, like a Medicare Advantage Plan (or Part C) or a Medicare supplement, to ensure you're covered for the most likely scenarios – and you revisit your assumptions every open enrollment period.

LIVE LONG AND PROSPEROUSLY

Since we hope to live long, happy, healthy lives, it's prudent to consider long-term care insurance sooner rather than later since we're statistically likely to need it. Many of the newer options offer flexible riders that can be customized to your needs. Your advisor can help you navigate the choices with an insurance broker.

MAXIMIZE YOUR SOCIAL SECURITY STRATEGY

Remember when we said that a big advantage of Social Security is the built-in COLA adjustments? That can serve as a nice safety net when you no longer have a regular paycheck. It may not fully compensate for inflation, but those COLA increases can get you closer to your goals.

Your best defense is maximizing this all important income source through claiming strategies that consider your own benefit entitlement as well as your spouse's. You and your advisor will want to weigh the tradeoffs of waiting to claim and your potential longevity. Remember that you don't have to take Social Security just because you've retired. If you can live without the income until age 70, then you will ensure the maximum payment for yourself and lock in the maximum spousal benefit too. Just be sure you have enough other income to keep you going and that your health is good enough that you're likely to benefit from the wait.

GO BACK TO WORK

Consider returning to work. With so much movement in the labor force these days, chances are high that a company is looking for your particular talent and that they're offering remote or flexible positions. Staffing shortages have pushed up wages and increased price pressures. You can stave off boredom and inflation by heading back to the office, which could have the added benefit of boosting the economy's growth prospects. If you haven't yet retired, ask your advisor to run some hypothetical scenarios that look at retiring at various ages so you can gauge your comfort with retiring a little later than expected.

CUT BACK

Of course, cutting back on discretionary items – in other words, revisiting your budget – is also an option. Retirees have long used the 4% rule as a baseline to determine safe spending limits once they leave the workforce, but Bill Bengen, who is credited with developing that guideline, suggested to The Wall Street Journal that it may be time to temporarily rethink that number until we can determine the broader impact of volatile market conditions and higher inflation. Highly diversified portfolios statistically could support a 4.7% withdrawal rate, so Bengen suggests new retirees may want to start a little lower, around 4.4%, writes Anne Tergesen.

And **five ways** anyone can fight inflation

Everyone else has options too. While we can't stop inflation, we can plan for potential pitfalls. And – this is important – you have an advisor to help you along the way. Some ideas:

QUICK, DON'T DO SOMETHING

It's tempting to get more aggressive to cover potential gaps, but hasty investment decisions influenced by headlines could undo years of strategic financial planning. You already know this, but it bears repeating: Don't add more risk than you're comfortable with in the quest for exaggerated growth. We know that a diversified portfolio gives investors the best chance of increasing purchasing power over the longer term.

Then and now ...

Over the past five years, the national average of everyday items has crept up. Take a look at the changes.

	June 2017	June 2022	Change
Gas (gal)	$2.34	$5.06	116%
Eggs (doz)	1.33	2.71	104%
Milk (gal)	3.21	4.15	29%
Bread (lb)	1.34	1.69	26%
Chicken (lb)	1.50	1.83	22%
Stamps (first class)	0.49	0.60	22%
Electricity (kWh)	0.14	0.16	14%
Bananas (lb)	0.57	0.64	12%
Tomatoes (lb)	1.87	1.84	-2%

Source: Bureau of Labor Statistics, CPI data, June 2017 to June 2022

Lifetime health costs for couples who retired in 2021 can range widely – from $156,208 to $1,022,997

FIND NEW BALANCE

Regularly rebalancing your portfolio takes the emotions out of investing. What happens is a beautiful thing – you end up selling assets that have appreciated and buying assets that are discounted. For example, let's say your allocation is typically 60% stocks and 40% bonds. If stocks go down 20% like they did this year and bonds remain unchanged, you'd end up with a 55% stock and 45% bond allocation. When you rebalance, you realign to a 60/40 allocation by selling some bonds and buying stocks at low prices. You're buying low, selling high and staying in line with your preferred risk profile.

SHOP FOR YIELD

With the Fed controlling the short end of the yield curve by setting the federal funds rate and influencing the long end of the curve with their balance sheet runoff, prudent investors may want to look for higher yielding fixed income opportunities. While the Fed keeps raising rates, it's good to keep duration low because a bond's price volatility is correlated to its duration. For example, a 1% increase in interest rates typically causes a bond portfolio with a duration of four years to decrease by 4%. Longer duration funds experience larger decreases. Of course, many things can affect this, such as market influences and leverage within the fund, so it makes sense to discuss any potential changes with your advisor.

What if?

Depending on your situation, inflation can hit a bit different. Take a look.

Borrowers

If you owe money at a fixed rate, it should be easier to pay back debt using cheaper dollars. Those with variable rate plans may end up paying more.

Savers

Those with low-interest-bearing savings accounts earn minimal interest that can't come close to matching the pace of inflation, and they're losing purchasing power. Talk to your advisor about only keeping what you need for emergencies in an account like this and deploying cash in potentially more productive investments.

Equity investors

Inflation can sometimes spook equity markets, while real assets tend to fare better. Inflation can eat away at profit margins for companies that can't easily pass on increased costs to consumers. Companies that can pass on higher prices tend to maintain profitability, boost value and increase their stock prices. Bottom line: Well-diversified investors generally experience steady gains that are likely to outpace inflation over time.

Bond investors

Bonds and bond funds have been known to provide ballast in times of volatility and inflation. They key is to have them in your portfolio already.

MAX OUT THAT HEALTH SAVINGS ACCOUNT (HSA)

While you're still working, consider maximizing contributions to your HSA, which are pretax – plus, withdrawals for qualified medical expenses are tax-free. The annual limit for 2022 is $3,650 for individuals and $7,300 for a family. HSA contributions never expire, so you can sock these savings away to use in your golden years. A bonus? For those 55 and older, you can elect to add $1,000 annually as a catch-up contribution. Years of contributions do add up and can lessen the blow of medical expenses later in life.

ADD A LOW-COST SAFETY NET

If you're still uneasy about keeping pace with inflation, consider a line of credit. Doing so leaves invested funds working toward your larger financial plan, while an open line of credit with securities as collateral can be leveraged in case of an emergency. If you're considering a home equity line of credit, keep in mind that homes are typically retirees' largest assets, so you may want to secure a home equity loan while you still have qualifying income from your professional endeavors. Many don't charge interest until you use the funds, so it might make sense to apply before you officially retire just in case.

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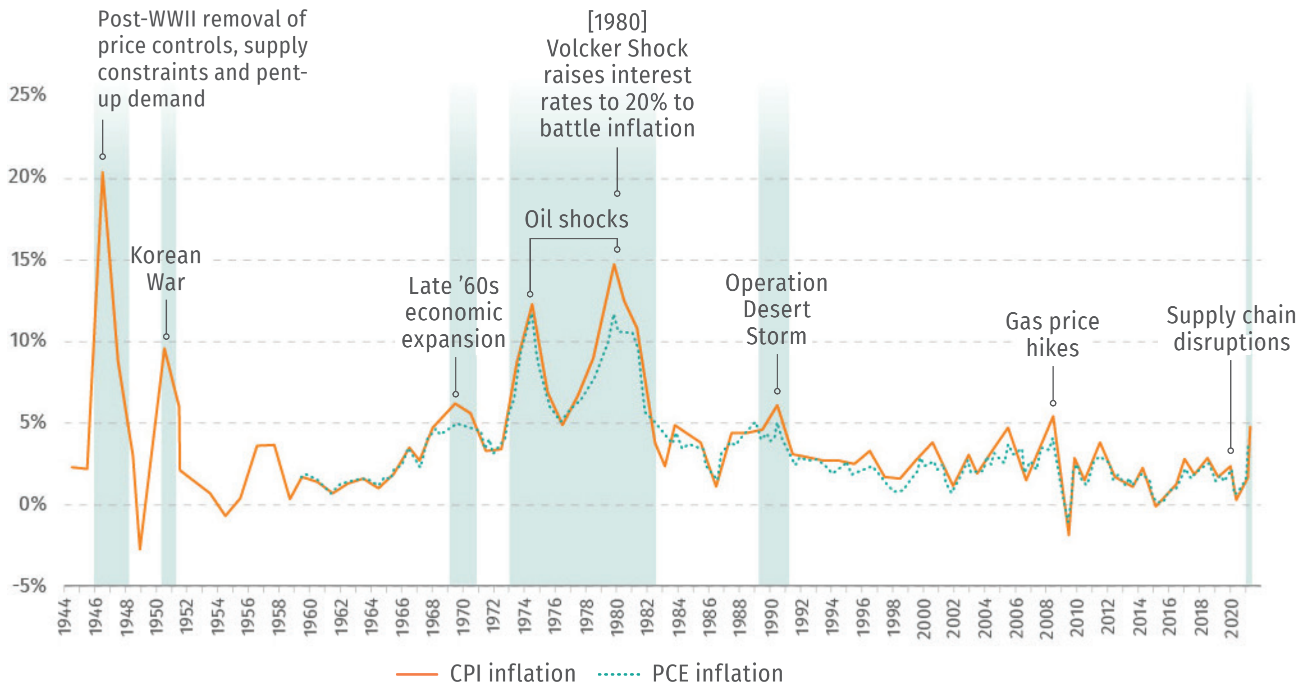
As always: Be candid with your advisor. The value of having an advisor at your side is to help guide you through the considerations and tradeoffs you should think through. They know your specific situation and can partner with you to adjust as needed.

We've seen this before

Since World War II, Americans have seen inflation peaks at least seven times.



Sources: whitehouse.gov and cnbc.com

Sources: vanguard.com; wsj.com; Raymond James research; hvsfinancial.com; medicare.gov; shrm.org; jackson.com; cnbc.com; usnews.com; realassets.ipe.com; kiplinger.com; thestreet.com; thebalance.com; nerdwallet.com; forbes.com; businessinsider.com; investopedia.com; firstsentierinvestors.com.au; ipe.com; yale.edu; wsj.com; abcnews.go.com; nytimes.com; vox.com; quickanddirtytips.com/money-finance; meetcleo.com

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THE HOMEBUYER'S DILEMMA

Rising interest rates and lower inventory are just some of the headwinds to think about when investing in property for yourself or others

Real estate has long been one of the foundational pieces for an investment portfolio. Whether it's the home you live in, a vacation home or maybe even a rental, homebuying can offer solid returns and diversify your portfolio. Helping children or grandchildren buy a home can also make sense under certain circumstances – and particularly now when they may need assistance in a tight, competitive housing market. Downsizing into a smaller home or apartment may be a strategy you're considering as well. But with rising interest rates, increased market volatility and lower inventory, buying a home in any situation now requires more thoughtful preparation.

How to go about it will be as individual as you are. What are your long-term goals and retirement plans? Are you still working? Do you want to consider downsizing your own home or perhaps help a child or grandchild out with a new home? Want to take on landlord or Airbnb responsibilities? Whatever your goals, here are a few different ways to go about adding a home to your portfolio.

Buying a home for yourself

Interest rates are rising – but some of the sticker shock comes from previously unheard of mortgage rates as low as 2.7% in 2020 and 2021. It's important to remember that mortgage rates weren't always this low. In fact, they were as high as 14% in the mid-'80s and as high as 10.6% in the mid-'90s. Even with relatively higher recent interest rates, buying a home can still be a savvy investment.

ARMs

Adjustable rate mortgages, known as ARMs, carried a bit of stigma in the United States because they were heavily associated with the subprime mortgage crisis in 2008 – more than 90% of the subprime loans turned out to be ARMs. However, with interest rates rising, there's renewed interest in ARMs, which can offer the possibility of lower monthly payments or a larger homebuying budget overall. Your advisor can help you review terms and make a plan on payments.

ARMs are typically offered in three-, five-, seven- or 10-year increments, where the initial interest rate is set. After that set amount of time, the rate adjusts as set by your bank. Most adjust-

— Choose a strategy —

Offer a monetary gift

Straightforward vehicle

Taxed as a gift if it exceeds the federal gift tax annual exclusion, up to $16,000 individual/$32,000 couple for 2022

Need to provide a "gift letter" to lender specifying the amount and transfer date to verify the payment isn't actually a loan

You'll incur tax consequences if you exceed your yearly gift minimum able mortgages feature a 2% cap on annual adjustments and a 6% cap for the loan's full term. You'll also need to qualify not just for the initial time period interest, but the initial interest plus a certain amount of percentage points, often up to five. Reading the fine print carefully here and making a plan for the adjustments is crucial. Lenders differ in how much they adjust and when, so be sure to have a full understanding of your lender's terms when you sign.

How an ARM could help

Using an ARM strategically can be a boon to your homebuying. If you know you're planning to move within the initial time period of the low interest rate, or plan to refinance in that initial period, an ARM can bring you more purchasing power upfront. However, you may end up with a higher interest rate than a 30-year fixed after the initial period, which is something to watch and budget for. Those who prefer a set-it-and-forget approach with fixed payments each month would, understandably, prefer a fixed-rate mortgage.

Buying a home for others

For younger generations, buying a home is becoming increasingly difficult. Younger homebuyers face all the same factors but may not have the ability to come up with a down payment or the earning power to qualify for a mortgage. That's where parents and grandparents can step in. With caution. Here's what we mean.

Before you open the door

Before you agree to aid a loved one to purchase a home, consider how your decision will affect your own long-term financial plan. Make sure that whatever support you offer won't interrupt your own goals for the near or distant future, especially your path toward an ideal retirement. You may need to have difficult or emotional conversations prepurchase about why they need your help, what expectations both parties have, and how long-term costs like maintenance, repairs and utilities will be paid. The nearby guide should help.

There are myriad ways you can help the next generation in homebuying, and each comes with its own set of parameters. Here are a few to consider, from gifting to lending. With established credit, you may be able to get a better lending rate than a first-time borrower. Your advisor can help you weigh your options.

Provide a loan or private mortgage	Loan backed by eligible securities	Become the landlord	Be a co-borrower
Requires careful and detailed documentation Delicate negotiation of family dynamics and relationships Must formalize the loan with contract and schedule of monthly payments and interest as well as any penalties Adds to their debt burden just like any other debt	Flexible and offers ready liquidity should a real estate opportunity crop up Securities held in a brokerage account serve as collateral against a loan or line of credit, usually at favorable rates You'll take some risk and could lose your investments if there's a default or market fluctuations You can still obtain a mortgage afterward if desired through a technical refinance	You purchase the home with a mortgage or cash and become the landlord, adding to your liabilities or liquidating assets to do so Can help to build equity for your children or grandchildren Consider setting aside rent in a separate account to help tenants buy the home later. (Again, just be sure you're not putting your own financial needs at risk by carrying a loan longer than you truly can.) Requires careful consideration of all potential long-term outcomes	You'll be putting your own credit on the line and your credit could be impacted if payments are not made on a timely basis A last-resort option Could still require a high down payment

The upside of downsizing

Many would-be retirees think about downsizing. This can free up cash to be reinvested or used to pursue specific retirement goals, like traveling. It can also reduce monthly maintenance costs that a larger house and grounds might require. With work from home more normalized than ever post-COVID-19, many are thinking about making this move.

However, with limited inventory, the amount of property "bang" buyers can now get for their money is shrinking. Which means downsizing could actually bear similar costs to buying larger homes just a few short years ago, unless you're planning on moving from a house to a rental apartment or condo, in which case you'd save on maintenance and upkeep. But even those properties can require monthly fees that might mitigate those savings.

For homeowners looking to trade in a larger home for a smaller one, there may be advantages to staying put – especially when it comes to spending time with family. The pandemic saw many families in multigenerational living arrangements, or younger members of the family who had previously moved out welcomed home. Keep in mind that reducing your square footage might put an end to this kind of flexibility.

Moving costs are another factor to take into consideration. With inflation up to 9%, everything involved in moving – from the boxes to the movers themselves – is at a premium. You may also need to downsize furniture, which is an additional expense.

If you do plan to downsize, look carefully at property taxes, buying, crime and other trends where you plan to move and think about your long-term strategy. Do you plan to stay in your new home for the rest of your life? Or do you plan on staying only a short time? Could you rent somewhere short term, and then purchase a new house when rates settle and inventory loosens up?

Collegiate thinking

For many parents and grandparents, the price of rent for an apartment or house nearby campus is as expensive as a mortgage would be. For that reason, some choose to buy a house or apartment that their children or grandchildren can live in while they go to school. This could be especially advantageous if siblings will attend the same or nearby schools at the same time.

This arrangement can work many different ways. Some have their children or grandchildren pay them rent, which they apply to the mortgage, and then transfer ownership of the property at graduation. Some hold on to the property and continue to rent it to students after their children or grandchildren have graduated and incorporate the rental property into their total portfolio. Be sure to factor in normal, ongoing repair and maintenance costs and insurance as you do your feasibility calculations. There are also the costs and time associated with finding good tenants – including background checks and screenings. If you want to be more hands off or are a long distance from the home, a property manager can be a good way to go. But, keep in mind, they will take a percentage of profits, and you will still be on the hook for any direct repairs that need to be made.

It's an approach that requires lots of consideration, clear arrangements with your family tenants and a long-term strategy before starting to shop the market. Talk through your strategy with your advisor and accountant to determine what financing vehicles are available and what potential tax advantages would accompany this approach.

Whatever route you choose, look at your long-term plans and goals, do research on the real estate market where you plan to buy, talk to potential lenders and discuss with trusted advisors to make a plan.

TIP

If you're still working, get a second mortgage or a line of credit before you leave your job. This will put you in a stronger position should you choose to purchase when retired.

Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Investing involves risk and you may incur a profit or loss regardless of strategy selected. The forgoing is not a recommendation to buy or sell any individual security or any combination of securities. Be sure to contact a qualified professional regarding your particular situation before making any investment or withdrawal decision.

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Sources: usbank.com; forbes.com; consumerfinance.gov; freddiemac.com; themortgagereports.com; wikipedia.org; seekingalpha.com; freddiemac.com; nar.realtor; forbes.com; cnbc.com

Encore careers

Opening up the possibilities in retirement

Retirement is no longer set aside exclusively for rest and relaxation. Instead, research shows that the majority of retirees view retirement as a new chapter of life. This, coupled with the fact that we know purpose in retirement leads to healthier, happier and longer lives, might mean encore careers are an ideal solution. In fact, recent U.S. labor market data found 1.5 million retirees have reentered the workforce in the past year alone.

Of course, one of the benefits of having an encore career is that you'll have regular income you can count on in retirement. But, typically, there are other reasons retirees seek out a new career path later in life. Purpose is one of them. Trying a career they've always been interested in or pursuing a passion, as well as fulfilling a longing to give back by working with a nonprofit, are frequently cited reasons.

If you're considering an encore career, there are a few things to think about. How can you prepare and educate yourself for a new career? Are there options you're already well-suited for that you shouldn't overlook? How will the extra income work with retirement benefits, like Social Security?

What is an encore career?

An encore career is a second vocation beginning in the latter half of one's life, according to Investopedia

Staying curious

Pursuing a new career path can certainly be exciting, but if you've spent your entire life working in accounting and now you want to give teaching a try, you may want to do formal training to give your confidence a boost. Fortunately, every state offers some version of free or subsidized programs for experienced professionals embarking on a new career path in their later years. The offerings differ among colleges as well, but most waive tuition fees and some even allow you to take up to three classes a semester.

The availability of these courses is thanks to a partnership with the Osher Lifelong Learning Institute, which provides grants to universities and colleges across the U.S. If your area does not have a local institution that participates, Osher offers online classes as well. You can get a full list of participating institutions here: osherfoundation.org/olli_list.html.

Even if your desire to learn isn't related to your encore career, now's the time to get curious about Greek mythology or acrylic painting, whatever you fancy in any given semester. The benefits of being a lifelong learner are hard to overlook. Studies indicate they could include increased physical and mental health, such as reduced chronic health conditions and lower rates of depression and anxiety. Studies also show intellectual stimulation reduces memory issues.

Discovering your next move

There are a host of encore career opportunities that you're already perfectly positioned for with the experience and knowledge you've gained through your life and career. First, it's important to remember this is supposed to be an enjoyable endeavor. You've spent your life supporting your family and saving for retirement, so pursue something that prioritizes your fulfillment.

As you transition out of full-time work and into an encore career, explore these possibilities for finding something that fits:

Try consulting in the field you previously worked in. Your current organization may offer you a role that's an easy shift.

Look for paid opportunities with nonprofits you're passionate about. There may be positions at organizations you're already involved with where you can make a greater impact.

Reach out to your network for part-time or temporary opportunities. They may have recommendations and experiences to share.

Start your own small business to serve a community need. You could enjoy the flexibility of making your own decisions, commitments and working hours. Plus, you may derive great satisfaction from providing a much-needed service (either locally or online).

Managing income in retirement

No matter what type of encore career you're pursuing, one of the big questions is what the income means for your retirement benefits, namely Social Security. First to consider is whether or not to delay Social Security filing because of the additional income. For 2 in 3 retirees, Social Security is more than 50% of their retirement income but benefits only replace about 40% of their previous income on average. Your age, retirement budget and assets will play a part, but it's important to note that being able to defer Social Security generally means a monthly accrual rate that increases your benefit 8% annually. This increase starts at full retirement age (FRA) and is maximized at age 70.

Social Security rules can be complex and not everyone's situation is the same, but an encore career might mean the ability to wait on filing for benefits, enabling you to receive larger payments once you do file. You won't want to wait past 70, since your monthly benefit will no longer increase. But if your FRA was 66 and you defer until 70, that means receiving 132% of what you would have if you filed four years earlier.

Another element is understanding earnings limits imposed by the Social Security Administration (SSA) for those working while receiving Social Security benefits. This earnings test affects all Social Security recipients who collect a benefit prior to their FRA. Furthermore, it only applies to earned income or compensation from employment.

The main thing to know is that the earnings limit only applies if you start benefits **before** your FRA and continue to work. There is one limit that is applied toward earned income in the years before your FRA, and a different limit is applied in the year you reach FRA.

Age	Earnings limits for 2022
Under FRA for the full year	$1 of benefits withheld for every $2 in earnings above $19,560
Year you reach FRA	$1 of benefits withheld for every $3 in earnings above $51,960
Month of FRA and beyond	No earnings test

Don't worry, you'll get that money back. The SSA will do the math for you and include the funds as additional payments once the earnings test no longer applies.

After FRA, earned income is not counted toward the earnings test; you could earn a million dollars and still receive your full Social Security benefit.

NOTE: If you make enough income, Social Security could end up withholding all of your benefits that year, so you're better off delaying benefits until the earnings test isn't a factor. Your advisor can help you do the math before you make a filing decision.

TIP: For a quick check on how work income could affect your specific benefits, use the Retirement Earnings Test Calculator at ssa.gov/OACT/COLA/RTeffect.html.

On the other hand

An added benefit of an encore career is that it can potentially increase your Social Security benefit. That's because Social Security reviews your earnings each year and recalculates your benefit. If your current year's earnings are higher than a previous year's earnings, it will replace that lower year. Or, if you don't have 35 years of earnings, your current year will be added to the pooled average and used as part of the annual benefit calculation.

There are also income tax considerations to be mindful of as you transition into retirement. Pay close attention to your marginal tax bracket year to year, especially if you're deferring Social Security. As you're dialing back at work and expect to be in a lower tax bracket next year, you may want to consider postponing income and accelerating deductions if deferring some income would lessen your tax burden this year. If it's possible, you may want to consider withholding a bonus, for example, until next year when you'll be in a lower bracket. Additionally, consider accelerating deductions however you can, like making philanthropic donations and prepaying property taxes, to get a larger tax benefit while your income is still higher.

Making it work for you

Retirement can offer the flexibility for you to discover a formula that works for you, your family and your finances. With life's experiences on your side, the opportunities to find what is fulfilling at this stage of life are plentiful – and the additional income can help your retirement savings live on too. Social Security guidelines are complex, especially when it comes to supplementing them with earned income, but an advisor can partner with you to help you make decisions that will help your retirement dreams come to fruition.

Sources: aarp.org; thepennyhoarder.com; osherfoundation.org; indeed.com; anthemhomecare.com; agewave.com; aarp.org; washingtonpost.com; empower.com; forbes.com; moneygeek.com

According to an Age Wave study, more than one-third of retirees in the U.S. and Canada say that managing money in retirement is even more confusing than saving for it

Wow factor

Oh, the places you've been. Having seen so much already, what could spark that sense of wonder again? We were hoping you'd ask. These vacation rentals are weird, wonderful and one of a kind. Book one of them for a stay and you'll realize that no matter how many adventures you've had, there's always more to experience.

Fans of Dr. Seuss will undoubtedly feel the whimsy of childhood once again within this masterpiece of architecture. Photo courtesy of Lodgewell; photography by Sabrina Bean

The Bloomhouse by Lodgewell – Austin, Texas

Fans of Dr. Seuss will undoubtedly feel the whimsy of childhood once again within this fantastical dwelling. The Bloomhouse is an escape from reality. Its twisting walls and spiraling facades create a livable sculpture that abandons all sense of normalcy.

This house has a rich and fascinating history, originating in the '70s from two architecture students and nearly becoming lost before a 2017 renovation. There is not a single straight line or corner in the entire structure, reflecting the builders' intent to blend shelter with nature. It's the perfect place for people who are experiencing a mental block in their lives. Thinking outside the box is easier when you're not stuck inside one.

Vermont Castle – Orleans, Vermont

Experience the majestic feeling of a Germanic castle on the Rhine without leaving the U.S. This rental can house up to eight, but don't let that keep you from ascending as the sole ruler of your royal roost. Fully furnished and filled with regal accents like a grand piano and globe bar, you'll feel right at home.

Nestled in a gorgeous setting, you'll want to enjoy the outdoors as much as the castle itself. The 20 acres of grounds, including a patio overlooking a trout-stocked pond, are best explored in late spring and summer. If you visit during the winter, you might feel more inclined to skate across your private ice rink or enjoy the estate's fire pit.

Taos Mesa Studio Earthship – Taos, New Mexico

Want to spend some time living completely off the grid without sacrificing the comforts you're accustomed to? With the support of modern amenities, this desert retreat fully embraces living off the land.

Located in the high desert mesa just outside of Taos, this getaway was hand-built by the owner to provide a unique and unforgettable option to those seeking sustainability with a sense of adventure for their vacation. Technology integrated into the house collects rainwater, generates electricity and maintains a comfortable, year-round temperature of 72 degrees without using any fuel.

In case you're feeling hesitant, this "Earthship" is only a few minutes down the road from civilization, so you're never far from supplies.

Hector Cave House – Oia, Greece

Your friends won't picture this when you tell them you spent your vacation cave-dwelling. The phrase "luxury cave" sounds like an oxymoron, but that's exactly what you'll find carved into the Mediterranean coastline. While the cave was used as a wine cellar when it was created more than 250 years ago, it's now a stunning and intimate bring-your-own-wine getaway – perfect for solo trips or couples.

Able to host up to five guests, the Hector Cave House offers some of the most breathtaking visuals you'll find anywhere. From your perch atop a private patio, you'll be able to see the views of Santorini, including the volcano, caldera cliff and Thirassia Island. Combining the quaintness of tiny-house living with a world-class view, you're unlikely to forget your stay here. Tiny living never felt bigger.

Windmill – Netherlands

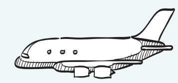
Located only 30 minutes outside Amsterdam, this historic 1874 windmill has been converted into an enchanting countryside rental fitted with three bedrooms, a bathroom, a kitchen and a living room. Consider visiting during the summer to enjoy a canoe ride in the scenic river nearby. If you take a brief 10-minute stroll to the town of Abcoude during your stay, be sure to explore the local cheese farm and castle. Demonstrations of the windmill are also available upon request. Almost 150 years later, it's still fully functional.

Raymond James is not affiliated with the above organizations.

Changing landscape

Making up for lost time is sending the travel industry soaring

If you're like most Americans, you have some sort of travel plans marked on your calendar. What's being called "revenge" travel (in other words, making up for lost time when travel restrictions and postponed events were the norm) has become a trending topic on social media to describe dream vacations, extended family reunions and revisits to old favorites. According to Amex's 2022 Global Travel Trends Report, 72% of respondents plan to spend more money on domestic travel this year than they have in previous years, and 64% plan to spend more money on international travel. How else has the landscape changed?



COVID-19 still a concern

Which means travel restrictions are constantly changing, particularly internationally. So, before boarding, check travel.state.gov for the latest rules and regulations worldwide.

Pro tip: Have an updated vaccine card on hand or in a widely accepted app in addition to the usual travel documents, like a passport.

Nearcations counteract inflation concerns

According to Outdoorsy, nearly 3 in 5 plan to vacation closer to home to combat rising costs and in lieu of skipping an expedition altogether.

Camping, er, glamping continues to grow

The pandemic gave rise to people getting in touch with their inner Bear Grylls. But the trend is elevating into luxury status. Glamping accommodations are in high demand from sites like Tentrr, Under Canvas and more.

Lingering a little longer

More than half of American travelers said they are willing to go on longer trips this year since they can work virtually, digital nomad style.

Insurance provides reassurance

Sales of travel insurance plans with trip cancellation coverage increased 255% year over year, according to Squaremouth, with cancel for any reason (CFAR) coverage up 147%.

Multigenerational trips have meaning

The reprioritization of values that came from the pandemic has placed more time with loved ones at the top of the list. The Global Travel Trends Report found 58% of those surveyed expressed more interest in multigenerational family trips than ever before.

Do as the locals do

Authenticity and local experiences are flourishing. The travel industry hinges on the experience economy – and people are seeking out locals to show them the way. Airbnb's experiences offering and companies like Withlocals allow local guides to offer tours and experiences for tourists visiting their hometowns.

Sources: travelnoire.com; bloomberg.com; americanexpress.com; cnn.com; forbes.com; grandviewresearch.com; igms.com

Ever since he was 6 years old, Native American life has "fired" painter Paul Pletka's imagination.

Paul was born in San Diego in 1946 and grew up surrounded by a variety of indigenous cultures that inspire his brilliantly expressive paintings. He kept that spirit with him when he moved to Colorado, and "Nota-A" was influenced by tribes that inhabit the areas surrounding his hometown of Grand Junction.

"I remember visiting a Ute museum early on in my painting career," said Paul. "Knowing that we both called the area home was of great interest to me."

The figure portrayed represents a member of the Ute people, and the painting's title means Ute in the Navajo language. You may wonder about the flag draped prominently over his shoulders. Paul told WorthWhile that it was common for tribes to display them for political purposes, recalling a photograph of a Dakota chief with a man in the background similarly draped with an American flag. "It was a popular practice for tribesmen to carry an American flag or bunting in the mid-to-late 1800s," Paul reflected.

"Nota-A" by Paul Pletka Oil on Canvas - 1974, 47" x 53 ½"

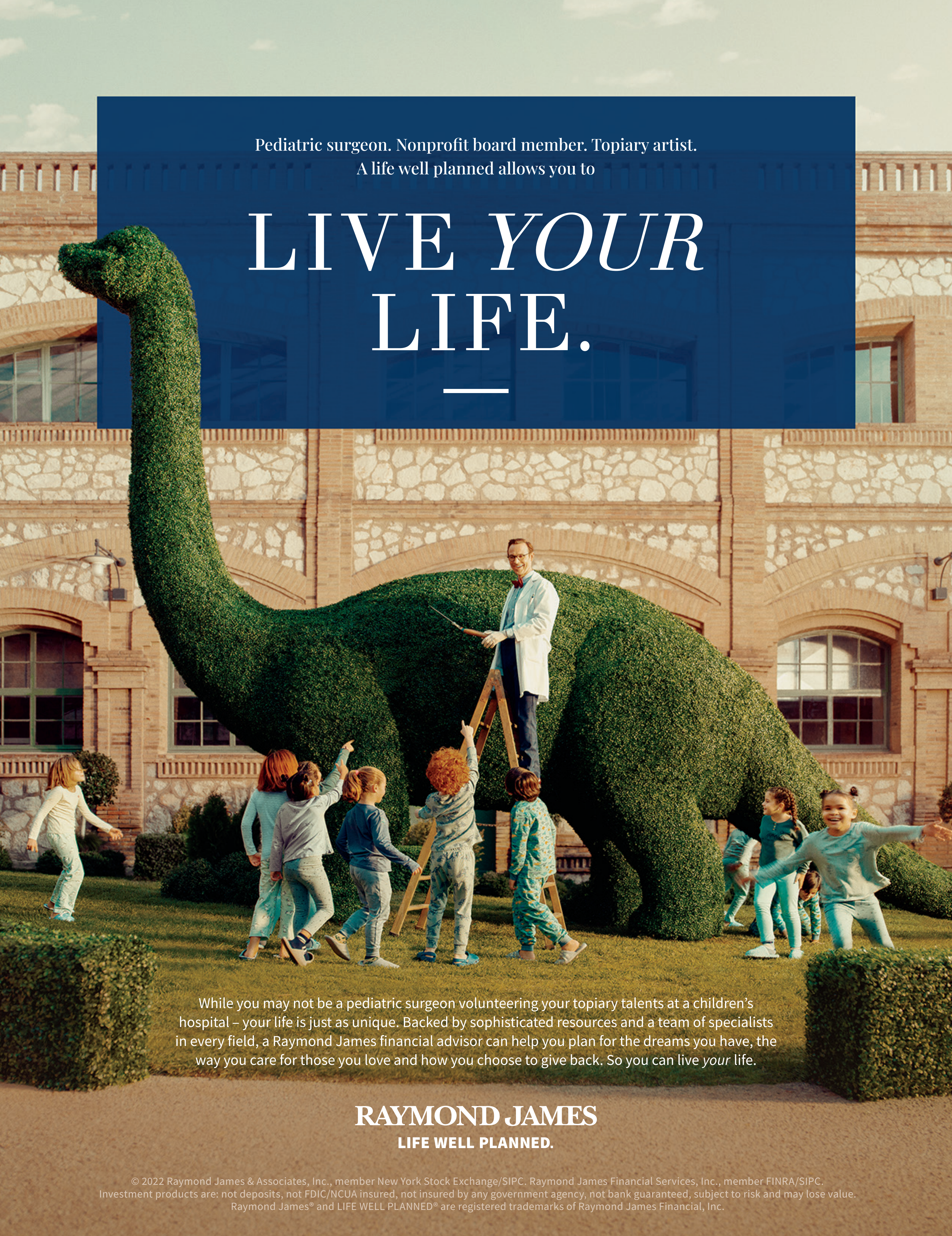
Paul himself posed for this painting after a friend mentioned his resemblance to Charles Buck, the head of the Southern Ute Agency just south of Durango. "As a lark, I decided to use myself as a starting point for the painting," he said.

The process began with a photograph. Using his own likeness for scale and posture, he adorned his silhouette with masterful brushstrokes until a Ute tribesman stood where his own outline once did. "I always start with the face and head," Paul said. "If I get those right, the painting goes well." Like most of Paul's paintings, it centers on indigenous dress, featuring careful attention to historical accuracy through a spiritual lens.

Paul's work is featured in over 40 different galleries across the United States, including both private and public collections in Missouri, Georgia, Illinois, Florida and Washington, D.C. The James Museum of Western & Wildlife Art in St. Petersburg, Florida, displays "Red Talkers," created in 1978 after a four-year hiatus following the completion of "Nota-A." W

The Tom and Mary James/Raymond James Financial Art Collection

One of Florida's largest private art collections, The Tom and Mary James/Raymond James Financial Art Collection is housed at the Raymond James Financial headquarters in St. Petersburg, Florida. The collection includes paintings, drawings, sculptures, graphics and mixed media. A portion of the collection resides at The James Museum of Western & Wildlife Art (visit thejamesmuseum.org). The museum represents the culmination of Tom and Mary's more than 50 years of collecting culturally significant pieces and is a gift to the community.



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