

# NEWSLETTER

## Fiduciary Financial Planners and Investment Managers

Registered Investment Advisor - Member FINRA and SIPC

### Mortgage Rates on the Rise in Early 2022

According to FreddieMac, mortgage rates increased during the first week of 2022 to the highest level since May 2020. 30-year fixed-rate mortgages averaged 3.22% for the week ending January 6, 2022 – up from 3.11% a week earlier.

### Student Loan Forbearance Extended

Student loan borrowers received additional payment forbearance. The Biden administration announced in late December 2021 that it extended federal student loan forbearance out to May 1, 2022.

### Review Estate Planning and Insurance Policies

January is a great time to update your beneficiaries to reflect any recent life events and to schedule a time to review your existing insurance policies with your advisor.

### Goals for a New Year: Health and Happiness

2022 has already ushered in some big changes at Wealth Management Resources. Our longtime employee, **Janice Hebert**, retired at year-end and we wish her all the happiness and success in retirement! **Emily Wilkinson** has joined the team as an administrative assistant, and we are excited to have her supporting our financial planners and advisors.



Ms. Ella, Orvis, and Chara (belonging to Art and Linda Everly) wish everyone a Happy New Year!

We always take a moment to say “Thank You” to each and every one of our clients for their trust and confidence in allowing us to help you with your financial planning and investments this year and every year.

Wishing you a happy and healthy 2022!

- Arthur, Kevin, Scott, Alex, Patrick, Jeremy, Betsy, Emily and Marissa



## Tax Documents!

As tax season approaches, remember to confirm how you receive tax documents, (e.g., physical mail, e-mail, or downloaded from your online account). It's a good idea to wait until you've received your tax documents before meeting with your accountant.



## WMR donates to local charities in 2021

This holiday season, the WMR staff was again given the opportunity to name charitable organizations to receive donations. Organizations that received funds at year-end 2021 include: Amos House; Save the Bay; FARA Research Alliance; Brain Aneurysm Foundation; Community Christian School; American Red Cross; Shri Service Corps; Tunnel to Towers Foundation; Lifeway Mission International; Earth Ltd.

## Tips for Retirement Savers in 2022

1. Increase Contributions. Consider increasing your retirement plan contributions by any amount. 1% is a great goal to aim for, but increasing your contributions by any amount is beneficial to your savings goal – whether it's \$5 or \$100 a pay period. For 2022, eligible employees can defer and contribute up to \$20,500 into a 401K (and an additional \$6,500 if you are 50-years of age or older). IRA contribution limits for 2022 remain the same at \$6,000 (with a \$1,000 catch-up contribution if you are 50-years of age or older). As a reminder, you can make 2021 IRA contributions until you file your return or April 15, 2022.

2. Review and Understand Workplace Benefits. Understand all your workplace retirement plan features and workplace benefits (e.g., disability and life insurance). Plans and benefits will vary from employer to employer, but, for example, knowing whether your 401K has a ROTH component (and if you are contributing to it) is something to check and understand. Emailing your Human Resources Department is a good place to start. Your WMR team is always available to help review your workplace benefits with you.

3. Organization. Get organized and stay organized financially. Schedule time for organizing your financial paperwork (put a date on the calendar!), and consult with your WMR financial advisor on how to securely store important financial documents digitally. Moving your accounts to paperless statements and mailings is always a good idea to help stay organized and reduce clutter moving forward. Learning how to access your account and account documents online is a worthwhile goal in 2022!

## 2021 Markets Year in Review:\*

**Equities:** The U.S. stock market continued to post gains throughout 2021, with all segments participating, including large caps, small caps, growth and value. Factors contributing to the strong market performance included consistently favorable data pointing to ongoing economic recovery, strong corporate earnings, a low interest-rate environment, stimulus programs that provided consumers with cash, increasing job opportunities, and the availability of vaccines during 2021.

The S&P 500 advanced nearly 27% in 2021, the Nasdaq rose by more than 21.3%, and the Russell 2000 climbed 13.7%. The fourth quarter was particularly robust for large caps, with the S&P 500 climbing 10.7%. Energy ended 2021 48.0% higher, followed by real estate (43.0%), information technology (33.5%), and financials (33.0%).

**Bonds:** For the most part, long-term bonds underperformed, particularly on inflation concerns, low interest rates and economic growth. Ten-year Treasury yields ended the year at 1.51%, up 60 basis points, the biggest annual rise since 2013.

**Oil:** Crude Oil prices rose in 2021 as economic growth quickly increased global demand. Oil prices opened the year around \$48.50 per barrel but rose steadily for most of the year, reaching more than \$80.00 per barrel in October – a price not seen since 2014 – ultimately ending 2021 at about \$75.44 per barrel.

**FOMC/interest rates:** The Federal Reserve (the "Fed") maintained the target range for the federal funds rate at 0.00%-0.25% for the duration of 2021, while continuing to purchase securities on a monthly basis through November. Strong consumer demand and pandemic-related supply constraints forced the price of many goods higher, such that inflation hit a nearly 39-year high in November, with prices up 6.8% (as measured by the Consumer Price Index) from a year before. The Fed initially termed the rapid rise in prices "transitory," expecting that the factors driving inflation upward would subside. However, by November, the Fed acknowledged that factors contributing to inflationary pressures were more than "transitory" and agreed to begin tapering its asset purchases in December. The Fed also projected that it would increase interest rates as many as three times in 2022.

**Currencies:** The U.S. Dollar Index, which measures the USD against several other currencies, hit a high of \$102.99 in March. It closed at \$89.91 on December 31.

**International Markets:** Gross domestic product rose in several countries including the United Kingdom (6.9%), the Eurozone (5.2%), Germany (2.9%), Japan (1.6%), and China (7.7%). For 2021,

the STOXX Europe 600 Index rose 22.3%; the United Kingdom's FTSE advanced 14.3%; Japan's Nikkei 225 Index climbed 4.9%; and China's Shanghai Composite Index gained 4.8%.

**Housing:** Historically low mortgage rates helped propel the housing market, as both the number of residential sales and property values escalated in 2021.

**Manufacturing:** Industrial production rose 0.5% in November, advancing 5.3% since November 2020. Manufacturing increased 0.7% in November, reaching its highest level since January 2019. Over the past 12 months, manufacturing has increased 4.6%. November saw new orders for durable goods increase 2.5%, advancing for six out of the last seven months. New orders for durable goods rose 21.5% since November 2020.

\*The information presented in the "2021 Markets Year in Review" is provided by Broadridge Investor Communications Solutions, Inc. and edited for inclusion in this newsletter, and is not specific to any individual's personal circumstances. Please contact your WMR financial advisor with any questions about any content in the newsletter. These materials are provided for general informational and educational purposes only from publicly available information believed to be reliable – we cannot assure the accuracy or completeness of these materials and may change at any time without notice. Past performance is no guarantee of future returns.

