

RAYMOND JAMES PRESENTS

# WORTHWHILE

Spring 2022

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

## Capturing everyday joy

Infuse your life with a  
delicious sense of  
hope and wonder  
p16

RAYMOND JAMES



As we welcome the warmer days of spring, we wanted to gift you the newest edition of Raymond James' long-running WorthWhile magazine.

We like to reserve this publication for those who'll appreciate its refined balance of lifestyle and financial content relevant to your life. In this issue, the Cover article explores ways to live out your dreams each and every day, even as you make progress toward your longer-term financial goals. The Family section reminds us of the all-important documents we all need to ensure our loved ones are well taken care of when the time comes. Explore the topics of alternative investments, avoiding tax-season scams and elegant gifts to inspire a sense of relaxation and enjoyment.

We hope you enjoy the complimentary magazine and perhaps find something worthy of sharing with a friend. We look forward to hearing your thoughts on this new issue or anything else you'd like to discuss. Please feel free to reach out anytime.



WorthWhile

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### Cover

#### Meaningful moments

A life well lived may mean eschewing someday for today. Living fully – and meaningfully – every day rather than waiting for retirement to capture the very essence of living. Here's a way to discover how you want to spend your time, energy and money. **p16**

### Investing

#### Alternative universe

In an effort to diversify further afield and find yield, you may have become curious about alternative investments. Some have a high barrier to entry, for good reason, but others may be something for you and your advisor to consider depending on your needs. Get to know a little more about the alternative universe. **p22**



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## Letter from the editor

### Finding joy

**T**he past few years likely emphasized the true value of time, in ways big and small. The [Cover](#) article explores how you can more thoughtfully spend your time, energy and money in ways that enhance your life in the here and now as well as for years to come.

As we approach tax season, keep an eye out for unscrupulous criminals hoping to capitalize on your stress in the form of cleverly disguised tax scams. The [Taxes article](#) on page 8 lends a bit of insight to help you fight fraud. And [Living Well](#) complements that by providing practical steps to protect your private personal information as well.

Within these pages, you'll also find [a fascinating look at stunning paddleboards, supply chain surprises, the housing market](#) and [the spectacular underground salt mines of Poland](#). [Good Life](#) is particularly interesting as it unveils ice breakers to help us get out of conversational ruts that may have developed over the past few years, say since March 2020. We trust you'll find something to pique your interest and perhaps share with someone you care about.

As always, we enjoy getting feedback from thoughtful readers like you. Cathy C., editor of High Tide St. Simons, noted that the Insight article on lobsters in the summer edition felt unbalanced without information about global warming, regulations, declining U.S. lobster catches, and the downstream effects of lobstering on endangered North Atlantic right whales. While Insight generally leans toward lighter topics, it's never our intention to ignore relevant counterpoints, and we thank Cathy for pointing them out.

Jo W. sent a kind note about the winter edition, which she read cover to cover. "I love the way you address the care of the whole person, such as 'Serious shut-eye' for ease in going to sleep, as well as altruistic practices in global shopping and giving back in general." The former NASA employee also enjoyed reading "An astronaut's guide to remote work" and learning more about The Tom and Mary James/Raymond James Financial Art Collection. Jo also repurposes the magazine's recyclable polybag to splatter-proof recipes while cooking. Spring seems like a great time to let you know that we continue to research options to make the magazine even more sustainable in the future.

Lastly, we must apologize to Shawn Barberis, J.D., president of More than Money 360, for neglecting to credit him within the winter Investing article on supporting a budding entrepreneur. He offered practical insight based on his experience serving high-net-worth families. We apologize for the oversight.

As we welcome spring, we continue to wish you and yours health, happiness and prosperity. As always, thank you for sharing your time and thoughts with us. We hope you find the experience, well, WorthWhile.



### 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](mailto: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.

## The evolving inflation outlook

by Scott J. Brown, Ph.D.  
Chief Economist, Raymond James Financial

**I**nflation picked up noticeably in the spring of 2021. However, much of the increase reflected “base effects” (a rebound in prices that had been depressed during the pandemic lockdowns of a year earlier) and restart pressures (supply chain bottlenecks as the economy reopened). Price increases were concentrated in a narrow band of goods and services. By autumn, price increases had begun to broaden across categories, a disturbing sign for Federal Reserve (Fed) policymakers. Rents, held down during most of the pandemic, have picked up sharply in many areas. Tight labor markets have fueled labor cost pressures, threatening to reinforce higher inflation in a wage-price spiral. The Fed may now have to raise rates more aggressively to keep inflation in check.

Higher inflation has been pinned largely on supply chain difficulties. The pandemic has affected the production and distribution of goods worldwide. However, stronger demand has added significantly to these strains. Goods are flowing. The number of inbound containers through Southern California ports was 13% higher in 4Q21 than it was in 4Q19. Part of consumer spending has shifted from services to goods, and this change has been longer-lasting than expected.

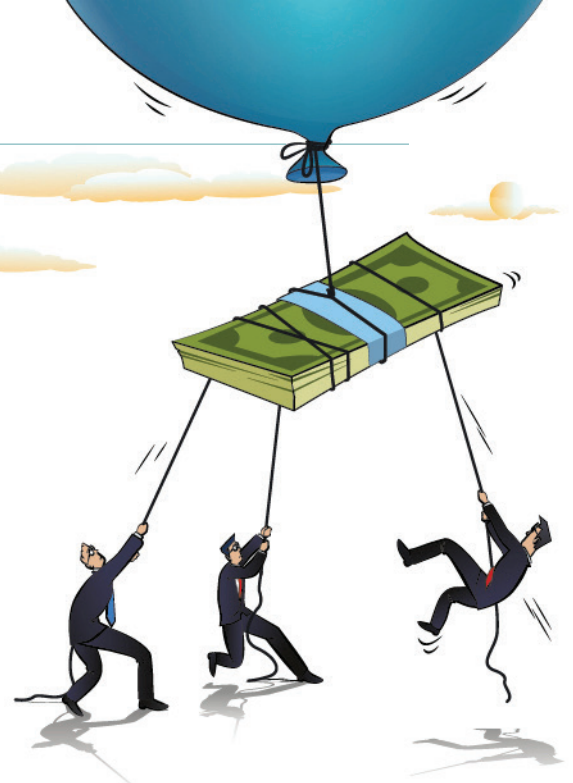
While there has been some relief, supply chain issues have continued into early 2022. A semi-conductor shortage has restrained motor vehicle production. In turn, prices of new and used vehicles have risen sharply.

### How labor fits in

Labor market conditions are tight. Job vacancies remain sharply elevated and firms note continued difficulties in hiring new workers and retaining current employees. For some industries, increased labor expenses will be passed along in higher prices, but for the most part, wages are not driving inflation in consumer prices. Yet, faster wage growth can reinforce higher price inflation, as we saw during the Great Inflation of the 1970s and early 1980s.

Labor costs are rising, but not as fast as inflation. A typical worker is likely to see a drop in real (inflation-adjusted) wages, which will dampen consumer spending growth to some extent.

The Fed has two legislated goals: stable prices and maximum sustainable employment. In past decades, the central bank would raise short-term interest rates to head off inflation before it picked up. Otherwise, it would have to raise rates even more to get inflation back under control. In 2020, the Fed revised its monetary policy



framework. It would retain its 2% long-term goal for inflation (as measured by the PCE Price Index), but following a period of inflation below 2%, it would allow inflation to move moderately above 2% for some time.

In the revised framework, the Fed made its employment goal broader and more inclusive. Low-income workers and communities of color typically fare the worst in a recession and recover more slowly in an expansion. However, the belief is that the Fed could best achieve its employment goal over the long run by keeping inflation low.

Inflation should decline in 2022, but it's unclear to what level. The TIPS spread (the difference between Treasury Inflation-Protected Securities and regular fixed-rate Treasuries) indicates that the market believes that while inflation may be elevated in the near term, the Fed will ultimately be successful in getting inflation back to the 2% long-term goal. **W**

There is no assurance any of the trends mentioned above will continue in the future.

Raymond James Chief Economist Scott J. Brown, Ph.D., serves on the economic advisory committees of the American Bankers Association and the Bond Market Association. // In addition to providing insight to Raymond James advisors and their clients, he is a frequent commentator on CNBC and other media outlets.



# WorthaLook

A compendium of fresh looks and new ideas



## A perfect balance

In Brian Hubel's woodwork, take note of Japanese influences in its artistic joinery and parabolic curves and their tangents. His Bogen bench, German for arc, brings simplicity and intrigue to any space. If the seat seems too tentative for the task, one only needs to find strength in its balance. Discover the shape of things at [brianhubel.com](http://brianhubel.com). Photo: Don Jones Photography



Photo courtesy: RH

## The greater outdoors

Amid the refined evolution of mankind's primal need to dinner party, the artistically designed Pavona Collection from RH Outdoor turns any back porch into a lanai – a space where adult friendship and linen pants feel at home. Rediscover the outdoors at [rhoutdoor.rh.com](http://rhoutdoor.rh.com).

### The water is calling

Inspired by West Coast surf culture, The Malibu by Beau Lake is a stand-up paddleboard in rosewood that fades into a dramatic sunburst reminiscent of mid-century Gibson guitars. Rather than return us to the past, The Malibu is a refreshing reminder of the natural beauty still present in the here and now. Float over to [beaulake.com](http://beaulake.com).



### A mouse like a fine wine

Like great-grandmother's crochet hooks, pop pop's box-end wrenches and dad's drafting table, your Pointer Instrument from Lunar Artefacts is a computer mouse created to persist. Its cover is stitched leather, its base is cast in brass and its internal components are top of the line but attainable. This is a mouse meant to gain a patina. Point forward at [lunarartefacts.com](http://lunarartefacts.com).



### Arts and Crafts in ceramic

From its start among the Ann Arbor Farmers Market stalls 30 years ago, Motawi Tileworks has since grown to elevate the craft of tile making and the structures it adorns – such as the Yale University Bass Library. Motawi also creates tiles purely for artistic expression, including this triptych inspired by modernist wild-life artist Charley Harper. Never tire of tile at [motawi.com](http://motawi.com).





# Filer beware!

*Five tips to fight fraud come tax time*

Tax season is rife with opportunists who use a multitude of nefarious tactics to get you to part with your money. Increasingly sophisticated, even the savviest tax filer might have trouble discerning a real IRS request from a fake one. Here are five ways to protect yourself this tax season.

## 1 Get your IRS online account set up

The No. 1 thing you can do to protect yourself is to sign up for an online IRS account. Your account will give you the clearest picture of balances owed, payment plans, tax records, past tax years, authorizations

### TIP

irs.gov is the official website for the IRS. If you get a communication from irs.com, irs.net, irs.org or any other website, you'll know immediately it is not a legitimate request.

from your accountant or tax preparer, any additional taxes on qualified plans or other tax-favored accounts, shared responsibility payments, and trust fund recovery penalties. You'll be required to go through an extensive process to verify your identity and create an Identity Protection PIN through the IRS secure site – an additional layer of protection for you against tax fraud and identity theft.

## 2 Don't answer

The IRS will never initiate contact with you through phone calls, texts, social media, direct messages or emails. It always contacts you by letter first if you owe money. The only exceptions may be if you are undergoing a criminal investigation or if you haven't filed at all. The IRS does not demand immediate payment or leave you prerecorded or threatening voicemail messages either. If you receive any kind of call like this, do not give out any information. Instead hang up and immediately report it to the Federal Trade Commission.

### TIP

Since criminals can now "spoof" IRS phone numbers, don't let the fact that it appears to be a legitimate IRS number sway you. If they demand payment or ask for identifying information, hang up.

## 3 Beware of ghosts

"Ghost" tax preparers have an easily identifiable hallmark – they don't sign the tax return they have prepared. They might also require you to pay them in cash, invent fake income or deductions, or try to direct refunds into their own account – not yours.

## 4 Look out for fake charities

Fraudsters posing as charities are a classic scam at tax season. They may ask you for identifying information and push the fact that you can reduce your tax burden by donating. However, any legitimate charity operating in the U.S. must have an Employer Identification Number it will happily provide to you. If you don't get one, don't donate.

### TIP

All tax preparers are required by federal law to have a preparer identification number they include with their signature on the tax return.

## 5 Be on guard

Fraudsters escalate activity around tax time, especially to seniors and non-native English speakers. Anything at all that seems strange or confusing and is asking for your personal identity information is a red flag. Don't be afraid to ask questions. Your advisor and tax pro may track the latest scams and have insight to share. Remember, it's not personal – it's just that tax scam time of year. **W**

Sources: forbes.com; IRS; cnbc.com; nerdwallet.com; reportfraud.ftc.gov







## Out-of-the-box alumni donations

*From a \$6.5 million cruise ship to a historic art collection, these alumni donations break the mold*

**M**any alumni proudly boast their alma maters' names and logos on sweatshirts, bumper stickers and even tattoos. However, universities rely on donations for everything from research and scholarships to new buildings, and many graduates are happy to give back. In fact, a quarter of alumni supported their alma maters in 2020, according to a study by the education technology company Anthology. Higher education giving totaled almost \$50 billion in 2020 and 2019, and Michael Bloomberg made headlines in 2018 when he donated \$1.8 billion to Johns Hopkins, his alma mater.

But while sustaining checks and endowments are tried-and-true ways to support a university, some gifts may land further afield. Here are a few.

### State-of-the-art support

The University of Sydney received one of its biggest bequests from an alumnus in 1961. John Power, a former doctor hailed as Australia's most prominent cubist, gifted a large collection of his own work – oil paintings, collages, chalk drawings and even double-sided glass works – to the university in his will. He also left the institution shares valued today at around \$15 million. John's donation, now worth a mighty \$34 million, helped advance contemporary art across his homeland and, eventually, seeded the establishment of the Museum of Contemporary Art on Sydney's Circular Quay.

### Three schools in the same boat

American inventor Luther H. Blount built more than 300 boats, including ferries, dinner boats and commercial trawlers. So it was only fitting that he express his gratitude to Rhode Island College, the Wentworth Institute of Technology and Roger Williams University – all of which had presented him with honorary doctorates – by collectively gifting them The Niagara Prince in 2006. The \$6.5 million, 175-foot cruise ship formed part of Luther's cruise lines. The plan was for the three New England schools to sell the ship and split the proceeds.

### Home is where the heart is

Living through the Great Depression made Grace Groner, a secretary for 43 years, an expert saver. Her frugal habits added up – she bought secondhand clothing, walked everywhere instead of buying a car and lived in a one-bedroom home. However, the source of her wealth came from a \$180 stock purchase she made in 1935 and continued reinvesting. When she passed away in 2010 at age 100, her alma mater, Illinois' Lake Forest College, received a \$7 million gift along with – perhaps even more interestingly – her home, which now houses scholarship winners who have benefited from Grace's donation. **W**

### Notable mentions

A large gold nugget believed to have sparked Australia's gold rush and a mummified baby crocodile from ancient Egypt are two of many peculiar donations gifted to the University of Sydney.

The Penn State College of Agricultural Sciences has also received several exceptional gifts, including insect collections, rare wood specimens and over a dozen stallions.

**A quarter of alumni supported their alma maters in 2020**

# Privacy please

## A PRACTICAL GUIDE TO OPTING OUT OF THE SITES THAT SELL YOUR PERSONAL INFORMATION

**T**he information available online about you and your loved ones might shock you. Search your name on [spokeo.com](http://spokeo.com) and you'll likely find a dossier that includes your cell phone number, address history and the names of your family members – all a criminal needs to attempt to steal your credit or pull off an imposter scam, such as pretending to be a relative in need of emergency cash.

The story of how all of these details about you get packaged and aired on the internet is a complex one, involving public records, the lengthy terms of service you signed for apps or services, and the largely unregulated realm of data brokers.

This multibillion-dollar industry has been in the news lately. For example, in December an investigation by The Markup revealed that the popular family safety app Life360 has been selling precise location data of 33 million users to dozens of brokers without privacy precautions.

At a hearing in December, members of the Senate Finance Committee sought guidance from privacy experts

about what these companies are able to collect on the average citizen. Things like location status can help them access even the most sensitive of data, such as inferring a person has a mental health issue by recent visits to a treatment center.

“Data brokers can track and sell your race, religion, gender, sexual orientation, income level, how you vote, what you buy, what you search online and where your kids and grandkids go to school,” Justin Sherman, a research fellow at Duke University’s Sanford School of Public Policy, testified before the committee.

In his research, he has found brokers that are “widely advertising data on hundreds of millions of Americans, their sensitive demographic information, political preferences and beliefs and whereabouts in real-time loca-

tions. Data brokers also advertise data on millions of Americans’ mental health conditions. Criminals already scam senior citizens using data broker data. They could similarly buy data on seniors with Alzheimer’s and dementia to steal away their life savings.”

### Scrub your info, stat

While we wait for stronger consumer protections to become law, there are practical steps you can take to cut down the amount of information hackers can find on the web and use to harass you and your family or steal confidential info. In many cases, you can contact a specific data broker online to request removal. However, there are dozens of data brokers, so it can be a time-consuming hassle to make each request (some of which need to be sent via snail mail or fax) and receive verification from each one. That’s why there are now a handful of companies offering data-brokerage removal as a paid service, with costs varying widely. One example is DeleteMe ([joindeleteme.com](http://joindeleteme.com)), which charges a yearly subscription fee to cover the basics.

**The information available online about you and your loved ones might shock you**

If you're interested in the DIY route, Yael Grauer of Consumer Reports has created a comprehensive guide. Search "how to delete your information from people-search sites" on Google to find it. See the list nearby for a few of the biggest sites to help you get started. Former FBI cybercrime investigator Michael Bazzell has written a book, "Extreme Privacy," that privacy experts also recommend.

## Home is where the data is

If you're a tech fan with a tricked-out smart home, consider how connected fridges and speakers might be collecting your data. In a nation with few laws to prevent the sale of this information to third parties, your device settings could come back to haunt you. Here, we offer a few tips regarding Amazon's popular voice assistant, Alexa.

### Turn off Alexa recordings

In the app, go to **Settings > Alexa Privacy > Manage Your Alexa Data > Choose How Long to Save Voice Recordings**, then choose **Don't Save Recordings**.

### Or enable "Alexa, delete what I just said"


Amazon claims that if you turn off Alexa recordings, the device won't work as well. It recently released a feature that allows you to erase the data connected to your most recent request. To turn this feature on via your Alexa app, go to **Settings > Alexa Privacy > Review Voice History**, and toggle **Enable Deletion by Voice**.

## Handle a breach like a pro

If you've been notified of a breach of your sensitive information – especially Social Security numbers, passwords, passport numbers, credit card security codes and financial account numbers – it's time to take action. Change your passwords on affected accounts, then notify financial institutions and follow their instructions. You can also reach out to credit-reporting bureaus and have them put a fraud alert on your name.

If you or someone you love has been the victim of an internet crime, reach out to the FBI Internet Crime Complaint Center (IC3.gov) to file a complaint. You can also sign up for consumer alerts.

## The right to shield yourself

If you're kicking yourself right now for accepting those terms of service and allowing your data to be collected, give yourself some grace. Even if you consented, you have a legal right to protect your information. As more states enact consumer privacy laws and more members of Congress call for action, there is hope for stronger consumer safeguards on the horizon. 

As more states enact consumer privacy laws ... there is hope for stronger consumer safeguards on the horizon

## Buh-bye, brokers

Contact these websites to remove your data.



[instantcheckmate.com](https://instantcheckmate.com)

[infotracer.com](https://infotracer.com)

[familytreenow.com](https://familytreenow.com)

[pipl.com](https://pipl.com)

[peekyou.com](https://peekyou.com)

[mylife.com](https://mylife.com)

[fastpeoplesearch.com](https://fastpeoplesearch.com)

[beenverified.com](https://beenverified.com)

[acxiom.com](https://acxiom.com)

[whitepages.com](https://whitepages.com)

[spokeo.com](https://spokeo.com)

[intelius.com](https://intelius.com)

[truepeoplesearch.com](https://truepeoplesearch.com)





## Provide the answers

*Make your important files findable for your loved ones after ... you know.*

**F**or some families, it's a gift beyond measure. A grace that enables them to face the unthinkable with all the pragmatic things in place. Shoshana Berger, author of "A Beginner's Guide to the End: Practical Advice for Living Life and Facing Death," shared the story of siblings discovering their mother's file with everything they'd need to carry on the business of her afterlife. Account numbers. Pending transactions and other details of her affairs. Berger calls it the "when I die" file.

"This was not a Buddhist master's awareness of death," the son said. "It was a Jewish mother's love for her children."

Your final documents can include recipes, wishes, your eulogy and obituary, but for practical purposes it really should include the financial and organizational road maps for those who are responsible to settle your affairs.

Depending on the source, about half of Americans know they should have a will but don't. And a National Library of Medicine study found that in 2017 only a third of us had completed end-of-life forms that outline our wishes for comfort and care during that final transition. Not surprising, maybe, since the process can be confusing and perhaps distressing when considering our own mortality. What may be surprising is the fact that the unpredictable pandemic

may have shifted Americans' attitudes toward codifying our wishes in a very practical sense. A survey conducted by The Harris Poll found that the COVID-19 pandemic prompted another third of Americans, who hadn't made progress, to start important conversations about end-of-life plans and preferences. Although the study revealed only 19% of adults over 50 have the three most essential documents in place (a will, a healthcare directive/living will and a designated power of attorney), at least we collectively have a stronger desire to get our medical and financial affairs in order.

HIPAA permission allows an information exchange only, not permission for someone to make decisions for you. Every adult should have one. Even parents aren't privy to medical information once a child turns 18.



So, it seems, despite living through a once-in-a-century pandemic, our interest in actually completing the task still wavers. However, top of the list of benefits is peace of mind – saving cost, time and heartache. Doing the work to have everything in place means medical professionals will be guided by your voice, your loved ones won't have to bear the burden of guessing what you would want, and you'll know that your heirs will receive the accounts and assets that you intended for them. It may not make it easier to say goodbye but should make the aftermath a lot easier.

Another beautiful potential benefit, perhaps even the most important one? Quelling the potential for intra-family strife during an already stressful time. Proper planning could help protect sibling and family relationships, which can get ugly when it comes to medical and financial matters. Experts recommend making your wishes clear and communicating them well before your passing, particularly if you're part of a blended family.

Dr. VJ Periyakoil, associate professor of medicine at Stanford and director of the Stanford Palliative Care Education & Training Program, told Vox that it's also really important for medical teams to understand a patient's values. To preserve patients' voices, Periyakoil and her team have created the Letter Project, with free and simple forms to help you clearly communicate your wishes to loved ones as well as health-care specialists. The letters come in eight languages and offer structured guidance to think through timely and, sometimes, emotionally charged issues.



In addition to any letters you may write as part of the Letter Project or your own process with your financial team, you'll also want to put some stronger safeguards in place. Ask your medical and financial professionals if you need any or all of these documents. Don't be intimidated. You don't have to codify everything at once, and many are fairly straightforward. The more emotional tasks like writing letters of love or an ethical will, which outlines your values, may actually be the hardest.

#### TIP

Consider adding a list of accounts and their relevant usernames and passwords (particularly for your computer and cell phone) to cover your digital estate. Your advisor can help you store them securely, perhaps using specialized software like Vault or a service like Everplans.

**Financial power of attorney.** Durable powers of attorney give someone permission to make decisions on your behalf – anything from communicating with your cable company to dealing with banking, real estate, business and legal matters.

**POLST forms** outline physician orders for life-sustaining treatment for those with serious conditions, indicating things like whether you'd like CPR, mechanical ventilation, feeding tubes or ICU treatment. Here's where you'd ask your doctor to record a do not resuscitate (DNR) order. Because the POLST is signed by a doctor, it tends to carry more weight than an advance directive.

**Medical power of attorney.** Sometimes called a living will or advance directive, this outlines medical treatments you want and those you don't and authorizes a proxy to make decisions for you. Make sure this person has the necessary **HIPAA authorization** that allows your medical team to share information.

The financial version, called a contact authorization or trusted contact form, authorizes a third party, say a financial advisor or attorney, to communicate with a designated person regarding health status, including mental capacity.

**A last will and testament.**

**Beneficiary forms.** For insurance policies, retirement accounts and some other assets, the beneficiary form prevails over the will. So whoever is named will receive those assets unless the form has been updated. It's not uncommon for an ex-spouse to still be listed as a beneficiary and that can get messy.

**A declaration of guardian** appoints someone to look after your minor children.

**A trust.** In many states, a living trust can be used to transfer assets and personal property in an orderly and more private manner than a will and can even stipulate special provisions such as age-based distribution so young adults don't inherit all at once. It also can help avoid a costly and stressful probate court process and may offer substantial tax benefits.



### THE WHERE AND HOW

In some ways, a year-plus of time to reflect may have helped us better understand our estate planning to-do list, our wants and wishes, and may have moved us to take the opportunity to put it all down on paper, so to speak. Nowadays, many estate planning documents are stored digitally so relevant parties can better access them – with your permis-

sion, of course. More than 20 states even allow for online notarization with certain rules for witnesses. However, some elder care attorneys recommend revisiting the documents in person once it's safe to do so in your area.

If you need help getting started, first get organized.

Discover what you already have. For example, you may already have a healthcare proxy. From there, make an appointment with an attorney who specializes in estate or elder care law to review what you have and help you fill any gaps. Include your financial advisor to ensure you've made a plan for all relevant assets.

You may want to also make an advanced care planning appointment with your doctor. Often this can be done remotely (two 30-minute appointments are covered by Medicare, as is advanced planning for a cognitively impaired patient). Other insurance may cover this service as well. Be sure to ask so you'll know what your financial liability may be.

## Your toolkit

In addition to your financial advisor, who'll likely have experience in this arena, you can find some thoughtful resources online.

**AARP** offers free, printable healthcare proxies by state ([aarp.org/caregiving/financial-legal/free-printable-advance-directives](http://aarp.org/caregiving/financial-legal/free-printable-advance-directives)).

**POLST.org** offers forms for about half the states. Your doctor may also have the relevant document available.

**Compassion and Choices** ([compassionandchoices.org](http://compassionandchoices.org)) offers an Advanced Planning Guide and Toolkit.


**Stanford Letter Project** ([med.stanford.edu/letter.html](http://med.stanford.edu/letter.html)) gives you formal guidance and letter templates, available in several languages, to help you tell your loved ones, friends and physicians about who and what matters most to you.

## Take pictures of relevant forms and securely share them with your designee

Once gathered, store all relevant paperwork in one place. Some prefer a binder in a safe deposit box, but another secure way may be an online vault that allows you to grant differing levels of access to those you trust most. Just make sure your family members and righthand professionals know where to find these important documents and how to access them. Whatever you choose for storage, also include essentials like checkbooks, insurance policies, keys to the safe deposit box, identification, mortgages and deeds, as well as property titles for residences, vehicles and boats.



### THE WHO

Last, but certainly not least, make time to share your decisions with those they'll affect. Talk to your loved ones about your healthcare and financial plans and preferences, where important documents live and how to access them. Your advisor can help you set up regular family meetings to address who inherits what and why, as well as other details. Of course, the most important thing is to take the time to tell your family just how much you love them. 

Raymond James is not affiliated with any organizations mentioned. Raymond James does not provide legal services. Please discuss these matters with the appropriate professional.



# Supply chain pain

*In the wake of bottlenecks, strange side effects linger*

Americans rarely thought about the global supply chain before 2020. Now it's an ever-present pain point, with memes showing ships lined up at port (or stuck in the Suez Canal) as retailers try "pop-up" cargo yards and drones to get things moving. A shortage of one key thing – say, computer chips – leads to widespread shortages of new vehicles, appliances and electronics.

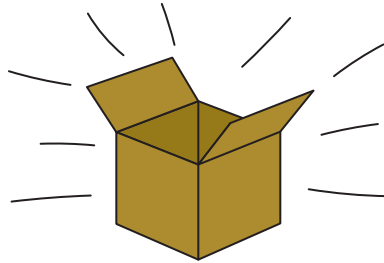
The classic "just in time" business model that emphasizes lean inventory and workforce often gets the blame. The reality is that a perfect storm of factors, from factory shut-downs to a dwindling number of truck drivers, has created chaos that continues to echo. Here, we examine the butterfly effect of tangled logistics.

# 342

The number of times "supply chain" was uttered during S&P 500 firms' earnings calls in the fall – a 10-year peak, according to FactSet.



The Port of Los Angeles switched to **around-the-clock operations** in the last three months of 2021 to clear the cargo backlog. This port and nearby Port of Long Beach handle roughly 40% of shipping headed into the country.

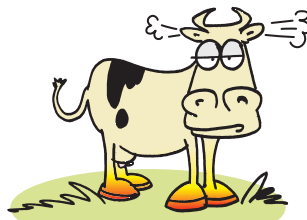


## Beige gold

A new nickname for cardboard amid surging demand and prices, due largely to flourishing e-commerce sales. Cardboard maker DS Smith, whose largest customer is Amazon, reported an 80% jump in first-half profit in December 2021.

The record-high trucker shortfall, according to a November report. By some estimates, a wave of retirements could double that by 2030.

# -80,000

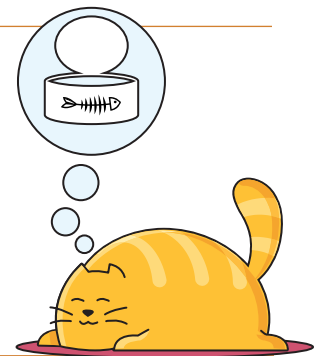


## Uncomfortable cows

Seemingly unrelated products impact each other. Take lumber and milk. Floods and labor shortages have cut lumber production, leading to less sawdust, which farmers use to make cow beds. Tired cows produce less milk. Cue the USDA predicting lower dairy supply and rising prices in 2022.

## Fewer fancy feasts

Pet food shortages appeared in early 2021 and will likely stretch through early 2022. Demand has clawed its way up as millions of new pets have joined U.S. households. An aluminum can shortage isn't helping.



## Costly containers

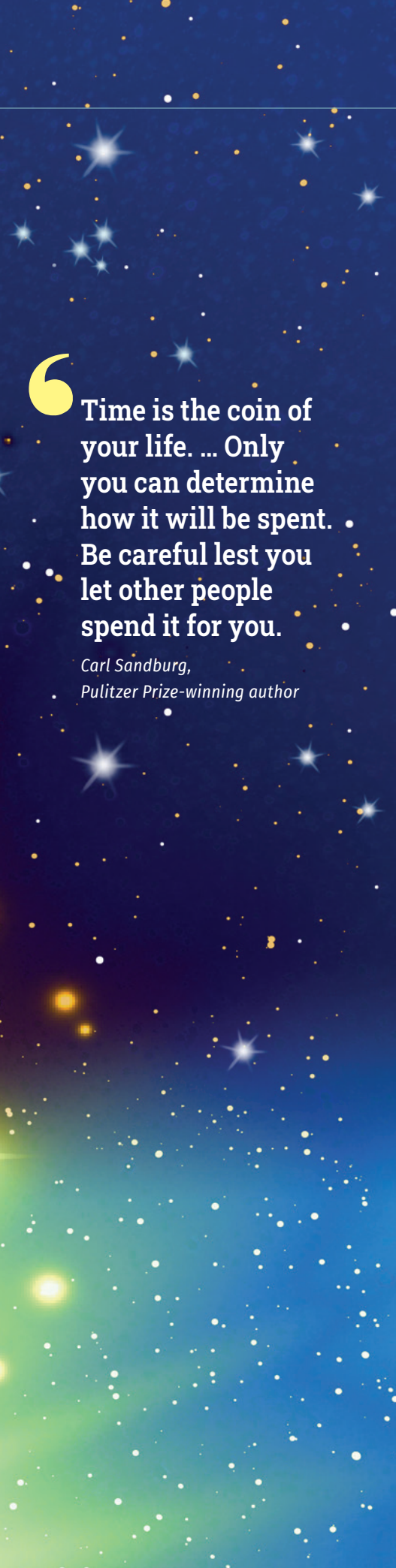
# 10X

The demand for the big metal boxes used in shipping is wreaking havoc. In November, the cost to ship a 40-foot container from Asia to the U.S. hit \$15,000, compared with \$1,500 before the pandemic.

# Meaningful moments







**“Time is the coin of your life. ... Only you can determine how it will be spent. Be careful lest you let other people spend it for you.**

*Carl Sandburg,  
Pulitzer Prize-winning author*

## FILL YOUR LIFE WITH EXPERIENCES TO SAVOR

There are some things money can't buy. Faith, resiliency, inner peace, quality time with loved ones and contentment are all purchased with a different, limited, currency: time. It's precisely these things that our spirits cannot afford to live without – family, friends, travel, rest, peace, health and joy are essential to a life well lived and, while they can be enhanced with material wealth, the last couple of years likely have reinforced the out-sized value of temporal currency. Even when we are fortunate enough to afford the finer things in life, we quickly learn there may be other measures of true prosperity that go along with it.

While money can't buy happiness, per se, it can allow us experiences that lead to greater contentment. A Gallup study found that most Americans believe making between \$150,000 and \$300,000 would make them rich enough to cover most of their wants and needs. And research from Purdue University and the University of Virginia based on a global Gallup World Poll shows that money can help support emotional well-being, a happiness of sorts, up

to a certain point. Researchers concluded that happiness eventually plateaus despite rising income, suggesting that higher incomes also come with higher demands on time, heavier workloads and greater responsibilities, which contribute to a sense of dissatisfaction. Your family's particular threshold may differ, but the point is that having “enough,” whatever that amount is, means you can enjoy life fully, caring for your emotional and physical well-being as well as that of those you love most.

It's a matter of thoughtful planning to allow hard-earned wealth to open opportunities for ourselves, our family and our philanthropic endeavors, after all the essentials are taken care of. In fact, experiences tend to elicit gratitude more than, say, purchasing something just to keep up with the Joneses. Experiences, instead, foster an appreciation of what you *do* have and the people you get to share it all with.

If financial concerns have been alleviated, you have room to make meaningful memories, with no lingering regret about the money spent.

So how do we plan for this kind of success: time well spent? How do we invest early and reap regular dividends? The answer may be surprisingly similar to financial investing: set short- and long-term goals, allocate assets wisely, diversify your portfolio, take advantage of compounding, and adjust as life changes.

**Experiences foster an appreciation of what you have and the people you get to share it all with**

### Start with your goals

Financial planning is intrinsically linked to leading a fulfilling and intentional life. The Physician Philosopher uses three Kinder questions, created by George Kinder, a CERTIFIED FINANCIAL PLANNER™ professional and the creator of the Kinder Institute, to help get to the idea of what we want to do once our financial needs are taken care of. Feeling financially secure means we can plan for the life we want to live. In the here and now.

To get to the heart of the matter, turn inward. Consider your answers to these three Kinder questions, and ask those you love to chime in too.

#### QUESTION 1

### WHAT MATTERS MOST

Imagine you are financially secure, that you have enough money to take care of your needs now and in the future. How would you live your life? What would you do with the money? Would you change anything? Don't hold back when you answer. Describe a life that is completely, richly yours.

#### QUESTION 2

### THE CLOCK SPEEDS UP

Your doctor gives you just five to 10 years to live. You won't ever feel sick, but you'll also have no notice of the moment of death. What would you do in the time you have left? Would you change your life and how? The good life shouldn't be reserved for someday.

*Take note: This isn't an argument for hedonism and mindless spending. This introspective exercise is meant to*

*help you focus on how you truly want to spend your time, energy and, yes, money. And encourage you to do so today, while you can.*

#### QUESTION 3

### TODAY'S THE DAY

This time, your doctor shocks you with the news that you have only one day left to live. Notice what feelings arise as you confront mortality. Ask yourself: What dreams will be left unfulfilled? What do I wish I had done? Did I miss anything?

Your answers will help you create the opposite of a traditional bucket list that focuses on activities meant to be achieved at some nebulous point in the future but before we shuffle off this mortal coil. Instead, consider creating a new kind of list that gives you a delicious sense of hope and adventure, replete with activities that season your life now, dreams you can achieve and check off throughout the next year or decade, as you live your life fully instead of putting the things you desire most on the backburner.

This is a list of challenges you hope to overcome, dreams you wish to seize, experiences that will make epic stories at the next dinner party. There may not yet be a popular name for it – one advisor refers to it as her Live it List™; another calls it retiring

while you work; and live, laugh, love signs adorn many kitchen walls, tritely encouraging a life of fulfillment and contentment. If you're an explorer at heart, yours may be a "get lost" list. Others may simply call it a wish list for life. Really, it's a not-too-late list. One we should be adding to even as we check things off.

### Diversify

The before-I-die goals may seem too lofty or fall to the wayside as life happens, which it will. Bodies age. Careful plans go awry. And moods change. The point of this exercise is to imbue a sense of adventure into every day and suck the very marrow from life (with apologies to Thoreau). Lest your list become unwieldy, you can break it down into categories that make sense for you in your personal, professional and philanthropic lives.

Before you move some of your attainable dreams and desires to the top of your to-do list, the front burner if you will, think about what you want to achieve in all aspects of your life – health, family, career, community – to maximize the returns on a life well spent. Start with some mindful contemplation, asking yourself, "What is my next professional goal? Who are the people I most value spending time with? When and where do I feel the most fulfilled? What new health habit would best increase my quality of my life?"

Not sure which area you want to focus on first? Try this "living your legacy" quiz at [raymondjames.com/living-your-legacy](http://raymondjames.com/living-your-legacy) to help you pinpoint areas of desired growth. Still need a little clarity? Professional life coaching sites like

**If you could wave a magic wand and master one skill, what would it be?**



amava.com offer myriad courses and individual coaching sessions to help you clarify what is of greatest importance for your short-term time investing goals. And sites like [learningtogive.org](http://learningtogive.org) can also help you narrow in on philanthropic endeavors you hope to pursue, providing a wide array of educational and professional planning support to help you and your advisor create a scholarship, fund innovative research or open that community center.

Meditating on each aspect of your life helps you compound the interest earned, developing a more comprehensive sense of accomplishment over time. For more introspective inquiries, head to [inc.com](http://inc.com) and read “31 Questions to Ask Yourself Before Setting Next Year’s Goals” by Robin Camarote, founder of Work Life Lab. She challenges readers to dive deeply into questions like, “What three things am I curious to know more about? If I could wave a magic wand and master one skill, what would it be? Why? Who is one person I could help right now? How? What would it ‘cost’ me? What would I gain?”

Once you have decided on goals big and small, be sure to write them down. Instead of broad strokes, color in the details. So “visit Fiji” might become “escape to an all-inclusive resort for two weeks with Sylvia, snorkeling the reefs around Beqa Island.” Taking the time to set more detailed and trackable goals statistically leads to greater performance. According to Positive Psychology, goal setting is a measurable and efficacious science to success. Like with your financial goals, active participation is elemental to progress. Emily vanSonnenberg, a researcher in

## YOUR GREATEST HITS



Taking inventory of the unique things you’ve already experienced can be just as validating as a list of things you still want to do. Some call this a reverse bucket list, but it’s really an exercise in mindfulness and gratitude, capturing a sense of contentment as well as a bounty of stories to share around the dinner table. Research shows that revisiting positive or meaningful experiences counteracts emotions like loneliness, boredom and anxiety.

A 2015 study published in *The Journal of Positive Psychology* found that those who detailed three good things from the past 48 hours

every day for a week had an easier time accessing positive memories, enhancing overall well-being.

The first few items on your reverse bucket list might readily come to mind, but if you need a reminder, take a nostalgic scroll through your social media feeds for examples uniquely your own. Some may be as simple as making a new friend or as large as buying the perfect vacation home. And some may have been hard in the moment but served as inspiration in hindsight, like leaving a toxic relationship. The point isn’t to brag, but to remind yourself just how far you’ve really come.

Source: [theperennialgen.com](http://theperennialgen.com)

**“In the end, it’s not the years in your life that count. It’s the life in your years.”**

– Anonymous

positive psychology and happiness coach, studied the importance of staying focused on your objectives. Over time, vanSonnenberg found that keeping a detailed record of goals and planning accordingly led to more productivity and higher self-contentment than what was experienced by others who did not track progress.

### Allocate assets wisely

What you hope to achieve shouldn’t be kept a secret; share these ideas with your loved ones and your finan-

cial advisor, who can help take on the practical step of actually allocating resources toward your desired endeavors without overspending. After all, these things bring so much more joy than paying bills, but the latter is absolutely necessary. As is having enough of a financial cushion to feel confident and secure should unexpected expenses occur, and they almost certainly will.

How you go about creating buckets for different goals is up to you, your partner and your financial professionals, but the gist of it is that you must cover your needs and obligations (taxes, anyone?), establish a solid rainy-day fund, and allocate enough to secure the larger pillars of your financial life, like a well-funded retirement. The rest can go toward living a life punctuated by meaningful experiences – your advisor might call

this discretionary income. You still want to live below your means, otherwise you'll have so-called "bad" debt darkening the corners of what could have been your best life and you may end up falling short on your retirement needs. (For more insight on how borrowing can help you strategically plot progress toward your goals, please see Income on page 26).

**"The purpose of life, after all, is to live it, to taste experience to the utmost, to reach out eagerly and without fear for newer and richer experience."**

– Eleanor Roosevelt

Ben Franklin cautioned readers not to idly waste time, reducing their earning potential. After all, time is money. We're certainly not contradicting the founding father. We're saying that with the help of good planning and smart investing, both literally and figuratively, you may be able to spend your time and money throughout your life in ways that are truly fulfilling and valuable. Healthy, wealthy and wise, remember? Your advisor can help you take a practical approach to allocating assets in appropriate investment vehicles to help you make progress toward your short-, mid- and long-term goals and live a lifetime of purpose and passion.

### Reinvest your gains

Anytime you check something off your "list for successful living," replace it with something else. In this way, you are always reinvesting your gains. Namely, you always have something to look forward to and an intentional navigation point to direct the flow of your time here on Earth. The true measure of wealth may just be time well spent.

In the end, your priorities should align with your plan for life, reflecting what you truly care about, the habits you value and the people you love. Generally, there's a universal truth to what we value as humans. Rarely do people toward the end of their lives wish they had earned more or worked longer. Fulfillment instead centers on investing time with loved ones and in experiences that lift the spirit as well as gaining the quiet confidence that those left behind will be taken care of. **W**

## A LIST WORTH KEEPING

As you start your list(s), keep these do's and don'ts in mind.



### Do

Do include what truly motivates you to live your best life. Take your time crafting your list. Inspiration can come from anywhere.

Do borrow freely from others. They may offer a fresh idea that wasn't even on your radar.

Do leave room for the unexpected. If a spontaneous opportunity crops up that isn't on the list, chase it if you can.

### Don't

Don't forget the details. The overwhelming sensation of a polar plunge or the sweet delight of gelato melting on your tongue. Allow your wish list to indulge all your senses.

Don't focus on just one area of your life. A life well lived is also well rounded.

Don't settle on someday. Include activities that you can do today, this week, this month or this year.

Sleep under the  
Northern Lights

Walk the  
Freedom Trail

Drink  
champagne  
in Champagne



Dance the  
waltz

Watch a  
total solar  
eclipse

Climb a  
mountain

## Making memories

"They say a person needs just three things to be truly happy in this world: someone to love, something to do and something to hope for," according to Tom Bodett. If you need some inspiration for things to do, consider these.

See the  
pyramids

Foster retired  
greyhounds

Travel to each  
continent

Spend more  
time with your  
loved ones

Make crème  
brûlée

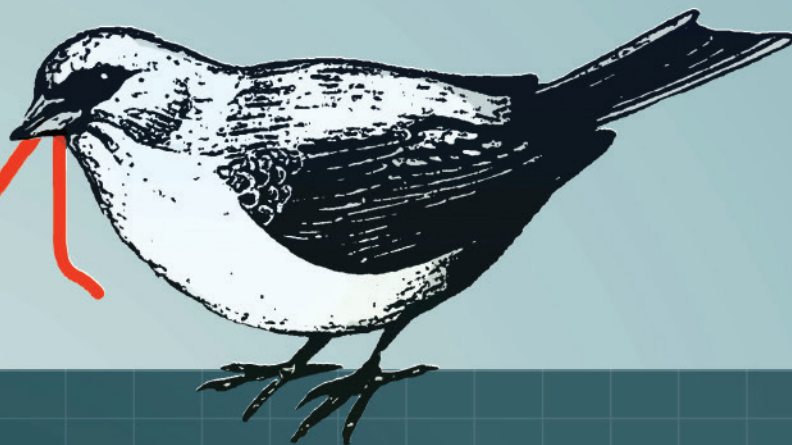
Build a house  
with Habitat  
for Humanity

Ride horses  
in the ocean



# DEMYSTIFYING ALTERNATIVES

*In the search for yield, interest in nontraditional assets has grown*



**W**ith investment-grade yields currently lower than inflation and interest rate increases on the horizon, people are looking for an option other than bonds. While they're not for everyone and carry some trade-offs, alternative investments are an area of growing interest for those curious about venturing further afield. It helps to have a trusted guide, like your advisor, by your side.

Most individual investors lack access to private equity, private debt and other types of alternatives. For example, some types of alternative investments require million-dollar initial investments and tie up money for several years. The majority are only open to "accredited" or "qualified" investors – generally wealthy individuals who meet income and net worth requirements as defined by law, meaning they have the resources to stomach a potential loss. In general, you can qualify as an accredited investor by having a net worth that exceeds \$1 million, excluding your primary residence.

However, changes are afoot. In the fall, the Securities and Exchange Commission's Asset Management Advisory Committee approved a recommendation to expand access to private investments, noting in a report that select types yielded better returns than those in the public markets over periods of three years or more and can diversify holdings.

## Underground to mainstream

The 13 million accredited investor households in the U.S. have not shied away from nontraditional assets of late, with "alt" investments flourishing in 2021, according to data from Robert A. Stanger & Co. Investors poured \$80 billion into retail alternative investments from January to November 2021, compared with \$10.8 billion for all of 2020. Much of that went to non-traded real estate investment trusts and interval funds.

Because interval funds are SEC-registered, some investing professionals don't regard them as alternative investments. However, the

underlying investments in each fund are the key to making that determination. Managers of these funds can invest in illiquid assets, including private companies, farmland, timberland and private debt, to scratch the surface. As a tradeoff for accepting a lower level of liquidity (redemptions may only be allowed periodically and in limited quantities), investors anticipate, but may not receive, higher returns than in the public markets – what's called the "illiquidity premium."

Though they have advantages, alts have some drawbacks. Many have high minimum investments and fee structures compared to traditional mutual funds. They are also less liquid, locking up capital for a predetermined amount of time to allow managers to take a long-term view in creating value. Finally, there are tax issues to consider. The taxation of alternative investment gains varies significantly, so consulting with a tax professional on the potential tax consequences is a smart move.

If after reading this you're more comfortable with a well-diversified portfolio

of stocks and bonds, know that there is nothing wrong with that. A financial plan diversified through traditional investments is appropriate for many. But in this market environment, it doesn't hurt to expand your knowledge about the choices available, whether you're seeking higher yields or diversification.

### NON-TRADED REAL ESTATE INVESTMENT TRUSTS

Real estate is the original alternative asset, with academic analysis showing that it can serve as an inflation hedge. Non-traded real estate also tends to have low correlation to equities and bonds, which helps diversification.

That explains some of the recent popularity of non-traded real estate investment trusts (REITs). These generally own income-generating real estate, such as office buildings, warehouses, shopping centers, apartments or hotels, making them a popular option for those seeking income. Non-traded REITs aren't listed on a public exchange and are valued based on the value of the underlying investments, and not public market sentiment.

#### Typical characteristics of alternative investments

- Low correlations with traditional assets
- Participation in less efficient marketplaces
- Higher fees than traditional investment products
- Wider ranges of returns among peers

However, it's important to read the fine print. Fees, especially upfront charges, can be high in comparison with traditional investments. Liquidity is another consideration. Non-traded REITs have monthly liquidity compared to the continuous liquidity of a publicly traded REIT, and will only redeem up to 5% of the fund's value per quarter. While this may not be an issue when there is liquidity in the market, an investor could have their redemption prorated in severely stressed markets.

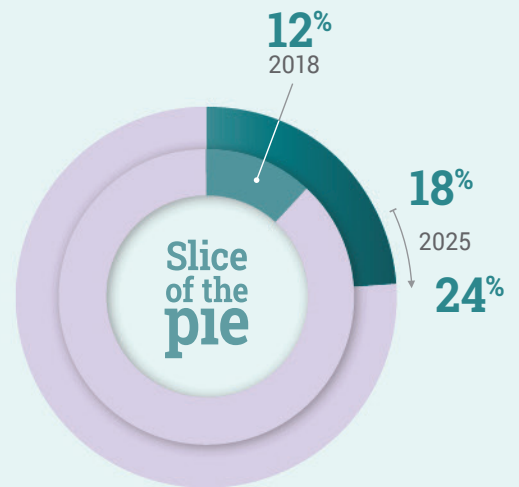
### PRIVATE CREDIT FUNDS

Private credit, also known as private debt or non-bank lending, is an asset class made up of currently higher yielding, illiquid investment opportunities in various areas of the debt structure of corporations or real assets. This asset class has grown since the Great Recession, when banks lost their appetite for lending to small or riskier borrowers. Private credit funds tend to offer a higher yield as they are investing in less liquid credits. The funds tend to offer monthly or quarterly redemptions, or in some instances, no redemptions at all, which allows them to stay fully invested and potentially take advantage of market dislocations when they arise.

Private credit funds can hold everything from senior to distressed debt, so risk and returns vary. Lenders

**\$80 billion**

Inflows for retail alternative investments, January to November 2021



Alternative investments are expected to grow to nearly a quarter of investable assets worldwide by 2025, according to a recent Chartered Alternative Investment Analyst Association member survey. In 2018, they made up 12%.

Source: The Next Decade of Alternative Investments, Chartered Alternative Investment Analyst Association

**13.6 million**

Number of accredited investor households in the U.S., roughly 10% of all U.S. households

## Most individual investors lack access to private equity, private debt and other types of alternatives

generally intend to hold debt to maturity. One of the largest private credit sectors is direct lending that removes intermediaries, such as banks, allowing investors and asset managers to offer capital to businesses and entrepreneurs. It tends to be popular among those seeking income generation and

preservation of capital as these loans tend to be first lien.

Substantial due diligence is critical in this area of investing. Because the lending is to non-rated entities, it can be challenging to determine credit risk. Then there is the complexity around fees to consider. These funds differ widely in fees, risk exposure and credit quality.

### A guided approach

In the ever-evolving markets, there is always something new to discover, including ways that qualified investors can potentially add value to their portfolios. Though you should be mindful

of the tradeoffs in this corner of the investment universe, you never know when having an understanding of the alternative investments space might come in handy. If you are curious about whether this approach may be suitable for your investment strategy, reach out to your advisor. They can provide you with insight and advice on how to potentially capitalize on the opportunities available. [W](#)

Sources: DI Wire; The Wall Street Journal; S&P Global; Securities and Exchange Commission; U.S. News & World Report; Investopedia; 2021 EY Global Wealth Research Report; caia.org; Robert A. Stanger & Co.; Federal Reserve

29%

Number of *high*-net-worth clients around the globe holding alternative investments

81%

Number of *ultra*-high-net-worth clients around the globe holding alternative investments

\$32 billion

Inflows for non-traded REITs through November 2021, triple the 2020 total

## Surging demand for muni bonds

The hunt for yield and trillion-dollar government stimulus drove robust demand for municipal bonds in 2021. Long-term muni bond sales topped \$450 billion last year, similar to the record-setting numbers seen in 2020. This robust demand, however, is not great news for prospective investors who want to earn federally tax-free interest, as it helped drive the yield on the S&P Municipal Bond Index this summer to below 1% for the first time since 1998. Bond yields rise as prices fall, and vice versa.

For qualified purchaser investors, there are options available beyond owning munis directly or through mutual funds. These investors also have the opportunity to invest in muni bonds through limited partnerships, the structure of choice for most alternative investments. The limited partnership structure allows the manager to remain fully invested, use a modest amount of leverage, hedge against interest rate risk, be opportunistic when there are

sell-offs in the market and invest in areas of the market an investor may not have access to through a mutual fund, such as taxable muni bonds and closed-end funds. However, these funds provide little or no liquidity and have restrictive eligibility requirements.

If you're interested in exploring this area of the investment universe, your advisor can be a valuable sounding board.

Past performance may not be indicative of future results. Diversification does not guarantee a profit nor protect against loss. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, or state or local taxes. Profits and losses on federally tax-exempt bonds may be subject to capital gains tax treatment.

Alternative investments involve specific risks that may be greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. You should consider the special risks with alternative investments including limited liquidity, tax considerations, incentive fee structures, potentially speculative investment strategies, and different regulatory and reporting requirements. You should only invest in these strategies if you do not require a liquid investment and can bear the risk of substantial losses. There can be no assurance that any investment will meet its performance objectives or that substantial losses will be avoided.





## Keep your cool in a hot housing market

2021 was an intense time to buy a home in the U.S. Prices notched an 18.5% year-over-year gain in August, and as of press time existing home sales were on track for their strongest performance since 2006, according to the National Association of Realtors. Low mortgage rates are one factor. Another is the fear of missing out. “I think it is some kind of irrational exuberance,” Nobel Prize-winning economist Robert Shiller told Yahoo Finance. He’s the co-creator of the Case-Shiller Index, which tracks changes in U.S. home prices. Here, we examine three biases that may be swaying homebuyers’ thinking, and how to counteract them.

### ANCHORING BIAS

#### **Anchored in algorithm**

Anchoring bias causes us to attach excessive significance to the first piece of information we’re given. That means the list price of a home can weigh heavy, regardless of whether it’s realistic. For example, Zillow’s now-defunct iBuyer unit used an algorithm that systematically overbid on homes – and now some of these homes have been relisted at inflated prices. If a home’s list price seems too high, search property records or iBuyer listings to explore whether home price predictions gone haywire are at play. Selling a home? Seek expert perspective to price competitively.

### RUSH-TO-SOLVE BIAS

#### **Bewildered by a blistering sales pace**

We often idealize making decisions quickly and confidently. That’s the rush-to-solve bias. With houses on the market for a median of one week before going under contract, buyers are at a disadvantage without time to slow down and think rationally. It helps to tour properties the moment they hit the market and to have your finances in order, ready to make an offer.

### OVERCONFIDENCE BIAS

#### **Overconfident in where prices are going**

Many homebuyers justify paying inflated prices by calling it an investment. People who owned property during the Great Recession might have a different perspective. Back then, homes with negative equity – when you owe more than your home’s market value – peaked at 26% of properties in the fourth quarter of 2009, based on a CoreLogic analysis. In 2021, the nationwide negative equity share was a tiny 2.3%, the lowest on record since CoreLogic started tracking it. That inspires confidence, but it shouldn’t lead you to conclude your home’s value will march predictably higher. That’s overconfidence bias talking.

# \$65,000

The hefty sum Zillow paid over the median home price for properties in Phoenix this September, according to an analysis by Mike DelPrete, a real-estate tech strategist at the University of Colorado Boulder.



## Can debt help make money?

*Your portfolio can be the key to managing cash and maintaining flexibility*

**T**ruths that seem universal often fray at the edges, particularly when talking about money.

Take for example the popular and often helpful advice from writers of bestselling personal finance books. One common tenet is to aggressively pay down debt and then live without it. This is great advice for many, but not everyone, highlighting how our unique situations make a major difference. To that point:

- **For spenders**, people who have difficulty delaying gratification, this advice can be a useful and rewarding core discipline. Extreme spenders easily fall into credit card debt traps that drag at their financial situations.
- **For those on the extreme saver side of the spectrum**, this advice can instead cost potential opportunities. Not all debt is made of the same stuff, and risk should be thoughtfully explored before committing to major financial strategies.
- **For those with stratospheric net worth**, paying down debt immediately could prevent them from using strategies that keep their assets

intact and able to grow while providing liquidity – simple income or the flexibility to react to potential investment opportunities. For them, debt is often an inexpensive way to manage access to cash.

And even for people who may not be able to leverage a Dalí painting hanging in their foyers, debt can be a useful tool to keep their wealth engines running if it comes cheaply enough relative to other opportunities, keeps their assets working for them and, above all, if the risks are understood and tolerable. And that's the key. Truly understanding if debt can help you take a balanced approach to liquidity without disrupting your investment or retirement plans or your lifestyle.

This is where your financial plan – one tailored to your unique circumstances including assets and liabilities – can open up a world of opportunity. Very wealthy people still get mortgages, even on multiple properties, and extremely wealthy families are sometimes able to avoid capital gains taxes, take no traditional income and continue to enjoy a luxurious lifestyle.

### Examining the details

A simple quiz illustrates what we mean:

You are a responsible, financially comfortable investor who has just inherited \$100,000. Your goal is to maximize the benefit. For instructive purposes, let's ignore the uncertainties of the market and the complexities of taxes. What should you do with it?

- A) You pay off the \$100,000 balance on your mortgage, which has a 3% fixed interest rate.
- B) You invest it into your portfolio, which hypothetically averages 6% gains each year.\*
- C) You create a rainy-day fund in a savings account earning negligible interest.

In a world without risk, the clear answer is B: Your portfolio has an open-ended invitation to compound onto itself. As for the other options, the mortgage has a known, fixed cost that isn't particularly egregious. Paying it off early may be an emotionally fulfilling accomplishment, but it potentially comes at a major opportunity cost. And a savings account would currently erode in the headwinds of inflation.

*\*This hypothetical example is not indicative of any security's performance. Expenses have not been included in the example and will affect performance.*

## Three types of collateralized debt

Asset-backed loans can provide income while enabling the underlying asset to continue growing.

### Securities based loan

A bank holds stocks, bonds or similar assets as collateral to make a loan.

### Securities based line of credit

A bank holds financial securities in collateral against a line of credit, like a collateralized credit card.

### Structured lending

A general term for lending with customized terms and nontraditional assets as collateral, such as art, a car collection or real estate.

There can be a strong case to make for Option A for many investors, particularly ahead of retirement. For established investors, Option C might not be an ideal answer except to manage specific risks – and there are other options for maintaining cash on hand that we're about to explore.

But even in the real world, where there is market risk, good and bad years, and taxes, Option B remains a reasonable decision for many investors. And, judiciously leveraged, a strong portfolio can meet other obligations, like the demand for a rainy-day fund.

### Investment income without capital gains

A topical question these days is how the nation's wealthiest individuals pay relatively little in tax in comparison to their fortunes. The short answer

is that they don't take a traditional income and most of their wealth is in highly appreciated assets – like shares in the company they founded. They don't need to sell stocks, which would trigger capital gains taxes. Instead, they can take loans against their shares.

Simply, the cost of borrowing can be lower than the cost of selling an asset when you have collateral. For the top tier of wealthy people, they may be able to extend these obligations for the entirety of their lives, or at least until they see tax laws as being favorable to paying off the loans. Eventually, they can leave their assets to their beneficiaries, resetting the capital gains counter, and thus making selling them cheap again – though their beneficiaries would probably be wise to follow their example.

Securities based lending, securities based lines of credit, home equity lines of credit and structured lending are options for leveraging assets without selling them. These loans tend to have relatively low interest rates because they are collateralized. There is a major caveat, however: If the value of the underlying stocks, bonds or other assets no longer meet the value of the outstanding loan, the bank will request additional securities as collateral – or start selling.

**The cost of borrowing can be lower than the cost of selling an asset when you have collateral**

That means a market downturn can create some additional challenges. For the ultra-wealthy who have the means to use collateralized lending to meet all of their income needs, this is less of a concern, but for everyone else, knowing how to use these tools can unlock opportunities to keep their wealth-generating assets untouched.

### A special wrench for your financial toolbox

Even highly organized financial plans will have to weather surprises, on occasion. This is where securities based lending can make a difference for more typical investors, particularly when they see large, one-time expenses, like an abnormally large tax bill. Rather than sell assets to meet the immediate need, a collateralized loan can, in effect, blend the expense into their regular income stream.

These lending products can also enable investors to make additional investments – by buying a business, for example.

At the intersection of taxes, investments, family budgets, surprises and everything else, figuring out when it's best to strategically borrow or when to just pay cash can be a complicated question. Luckily, this isn't a unique question, and your financial advisor may have tools to help.

But the underlying idea of using your portfolio for relatively low-interest borrowing ties into another piece of age-old financial advice: Make your money work for you. With a collateralized loan, in a way you're just giving it a second job. **W**

Sources: The Wall Street Journal; forbes.com; advisorhub.com; fool.com; marketwatch.com



These lending products may not be suitable for all clients. They may involve a high degree of risk including unintended tax consequences and the possible need to sell your holdings, which may lead to a significant impact on long-term investment goals. Market conditions can magnify any potential for loss. If the market turns against the client, he or she may be required to quickly deposit additional securities and/or cash in the account(s) or pay down the loan to avoid liquidation. Further information is available from your financial advisor.





# A subterranean spectacle

*Experience an otherworldly  
adventure deep beneath Poland.*



**W**ith its ancient cities, fairytale castles, Gothic churches and diversified geography, Poland has inspired wanderlust among countless travelers. But what if we told you one of the country's most unforgettable spectacles lies underground?

The Wieliczka Salt Mine, begun in the 13th century and located less than 10 miles from the historic city of Krakow, descends almost 450 feet into the earth. A UNESCO World Heritage Site since 1978, the mine houses nine levels and 152 miles of passageways brimming with countless natural wonders and manmade marvels – from saline lakes to elaborate salt-carved chapels and chandeliers. Its walls have hosted royalty, international leaders, a windsurfer who was propelled across still saltwater, a bungee jumper who took a subterranean plunge, and even a Guinness World Records achievement for underground ballooning in 2000.

*This page: The chambers of St. Kinga's Chapel feature a "tile" floor carved from a uniform salt mass, illuminated by intricate salt crystal chandeliers.*



### Diving into a buried treasure

A typical visit to the Wieliczka Salt Mine begins in the Paderewski Shaft, where you'll be met with an array of chambers, including the heart of the mine: St. Kinga's Chapel. Complete with intricate woodwork, ornate chandeliers made of salt crystals, and devotional carvings – including one of Leonardo da Vinci's "Last Supper" – this centuries-old chamber honors the patron saint of miners. Legend says the mine miraculously appeared when St. Kinga asked for her wedding dowry in salt.

Off the upper gallery of the chapel, travelers choose between the Miners' Route, offering a technical history of mining, and the more scenic Tourist Route, which takes you more than 800 steps down (an elevator makes the return journey so you don't have to climb all those steps) and covers nearly two miles of winding galleries and caverns. Astoundingly, the salt labyrinth is so massive that only about 2% is open to the public.

### Traversing the Tourist Route

Your underground adventure is set to be a feast for the senses. You'll begin the Tourist Route nearly 70 yards deep at the mine's first level. Take a deep breath, taste the salt lingering on your lips and feel the silence surrounding you as you immerse yourself in a 700-year treasure.


Along the route, you'll find stunning saline lakes and over 20 chambers surrounded by salt in shades of gray, black, white, green and honey. You'll also see the St. Anthony and Holy Cross chapels, all featuring beautiful altars and freestanding salt and wooden sculptures of religious, historical and mythical figures created by miners over the past 300 years. Keep your eyes peeled and you'll even catch a statue of Snow White's seven dwarves hauling salt from the site. In other chambers, you'll explore methods of extracting salt over the centuries through dioramas, along with digging tools and salt transportation devices that double as decor.

Nestled among the Tourist Route is the Stanislaw Staszic Chamber. With soaring 118-foot ceilings, the cavern is among the mine's largest and reached a world record when one balloonist managed to float seven feet off the floor, 410 feet underground.

The route concludes on the third level, where you can satisfy your hunger in the Karczma Górnicza restaurant, buy souvenirs, send a postcard using the underground post services, or explore a multimedia exposition and the first underground 5D cinema, which combines 3D technology with the seat movements of 4D cinema and adds exciting special effects such as smoke and water droplets. You can even visit a submerged health resort that has capitalized on the mine's allergen- and pollution-free air to pioneer a treatment called subterranean therapy said to alleviate respiratory problems. Those who aren't ready to reenter the world above can stay overnight, as long as they don't have children younger than age 4.

Tours come in a variety of languages, including English. They start at 10 a.m. and last until 5 p.m. on weekends and 3 p.m. on weekdays. Should you embark on this subterranean escapade, expect to have between 20 and 30 people in your tour and to stay for upward of three hours. (Tip: Count on it being around 64 degrees Fahrenheit.)

### The roots of the mine

Looking at its colorful history, it's clear the Wieliczka Salt Mine is more than a crystalline spectacle. It is a cultural trove and one of the world's oldest continually operating mines, having produced table salt from the 1200s until 2007. It's a place where love and labor and art have collided for centuries. And while the mine has ceased production, hundreds of miners work each day to preserve the popular attraction, helping ensure it survives for generations to come and immortalizing a crucial part of Polish history with it. 



**“Packing the Superstitions” by Bill Anton**

Oil on board – 2008, 50" x 30"

**W**hen you see a Bill Anton painting on display, you’re viewing just a sliver of the work. Because along with extensive location and small-scale oil sketches, reference photographs and more, he imparts more than four decades of outdoor experience onto each canvas.

It goes back to when Bill was just 20 years old. Already skilled at drawing and passionate about the American West, he came across a Western art exhibit and instantly felt a calling. “Up until then I had no idea I could combine my two favorite things and make a living,” he says. Bill committed to painting full time, encouraged by his mentors to paint from real life.

Thus, *en plein air* (outdoors) painting became the artist’s next passion, and


he speaks ardently about creating a natural look. “Everything starts with light and how it describes the world as it shifts; nothing can replace spending time outside,” he tells WorthWhile. Even when he does paint in his studio, he uses a blend of natural, incandescent and color-corrected fluorescent light to best mimic the environment of his subjects.

For “Packing the Superstitions,” Bill visited the incredibly rugged Superstition Mountains east of Phoenix. The idea was to capture a bold figure in high relief against a stormy backdrop. Emmett Sturgill, a longtime cowboy and friend of Bill’s, played the figure on the cactus-choked decline.

As Emmett and the horses traversed the rocks, Bill studied the light and sketched details from various van-

tage points. He later created several oil sketches to be sure he had enough information to execute the idea. Once satisfied, he leveraged the sketches and his keen memory to bring the epic moment to life.

Describing the painting, Bill mentions how the light bounces from the ground up to the belly of the light palomino horse. How the atmosphere drops back behind the figure as the sun slices through the clouds. And how he always looks for good movement on a horse and rider. Then he reflects again on his approach. “I think only 10% to 15% of what I do ever gets seen.”

To learn more, visit [billantonstudio.com](http://billantonstudio.com). 

#### **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](http://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.



### Next topic, please

*For being complex social creatures, it's easy for us to become broken records*

We've probably all experienced the conversational black hole that opens up at the first mention of ... that thing with which we've all been dealing. It can demand careful self-discipline, but avoiding this *sermo non grata* may make your next chance to connect that much richer. If you're finding your conversational chops a little rusty, these tips from sociologists and professional talkers may help.

#### Don't shy away from deep topics.

Our natural impulse is to maintain our defenses except with our closest relationships, but sociological studies suggest people feel content when they have meaningful conversations with strangers despite initial hesitancy. Surface level chats rarely leave an impact. Conversations about the big questions of life, the universe and everything, however, tend to stick.

#### Be a generous teammate.

A conversation should be a back and forth, similar to the collaborative volleyball game children play, "keep the balloon in the air." Avoid going down garden paths with your stories, or dipping into tangents. It's always tedious to play with a ball hog. If you catch yourself doing it, cut yourself off and pass back to your teammate.

#### Talk about the weather. For real.

Small talk is a time-tested, if somewhat dull, way to break awkward social moments – like when you're suddenly left alone with your spouse's cousin's spouse at a wedding reception. Small talk can also find common ground from which real conversation can grow. He may have started as Silvia's husband, but by evening's end, he could be your new fishing pal Ricky.

#### Be observant. Be specific. Be genuine.

For old acquaintances, draw questions from shared experiences, your last conversation or something you gleaned from their social media updates. For new ones, ask about a statement piece of jewelry they're wearing, if they'd recommend buying a car like theirs or if they know any good dog parks in the area. The important thing is to make it about them.

#### If they need to talk about COVID, they may really need to talk about COVID.

It's easy to fall into our own tight social bubbles and forget that pandemic experiences have been far from universal, even among economic peers. If your conversation partner steers the discussion to the pandemic, they may need the catharsis.



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