



THE DOLLAR CHASE

JULY & AUGUST 2022 | WWW.PBFROUNTREE.COM | PBF@PBFROUNTREE.COM | (303) 238-5123



IT'S ALL ABOUT THE TIME YOU'RE IN THE STOCK MARKET

If you selected any single month randomly to invest in the S&P 500 during the 30 years ending 6/30/2022, you achieved a positive total return 67% of the time. If you extend your investment time horizon to just 1 year, you achieved a positive total return 83% of the time. If your time horizon was 5 years, you achieved a positive total return 84% of the time.

Message: it matters to be a longer-term investor. Your odds of having a positive return are greater and greater, especially in a diversified portfolio, not just one made up of the S&P 500.

The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value. (source: BTN Research)

OFFICE PERSONNEL TRIVIA--WHO'S WHO?

Don't Cheat--answers are on the back!

1. I had a pet **snake** Georgette I used to carry in my pocket. She got to be 5 foot long and I had to donate her after she got too big and bit me.
2. I am a **published** playwright.
3. I was born in **Denver**, but was adopted and grew up in Kansas.
4. My favorite show is **Cops**.

5. I have sky dived 3 times and have a second degree **black belt** in TaeKwonDo.

6. I have **lived** in Denver, Tucson and Scottsdale.

7. I won an **essay contest** in 6th grade that got me published in a book. Author/Illustrator flew me out to New York for the book signing and everything.

8. My favorite restaurant is **Casa Bonita**, for the fun, not the old food of course!

BITS & PIECES

BANKS - Through the first 4 months of 2022, no US bank had failed and required a financial bailout from the Federal Deposit Insurance Corporation (FDIC). There have been less than 10 banks that have failed in each of the last 7 calendar years, i.e., 2015-2021. 389 banks failed over the 3-year period 2009-2011 (source: FDIC).

MOVE ACCROSS THE LINE - California has the highest state marginal tax rate in the nation, with a 13.3% top rate kicking in at \$1.25 million of taxable income (joint return) at the state level. Neighboring state Nevada has no federal income tax, 1 of 7 US states with no state income tax (source: Tax Foundation).

HARD TO CATCH UP - A 30-year old who is investing \$500 at the beginning of every month in a tax-deferred 401(k) will accumulate \$588,032 by age 60 if the funds grow at +7% per year. If that individual was forced to suspend his/her monthly deferral for just 5 years from ages 35-39, he/she would have to earn +8.8% per year from ages 40-60 to accumulate \$588,032 by age 60.

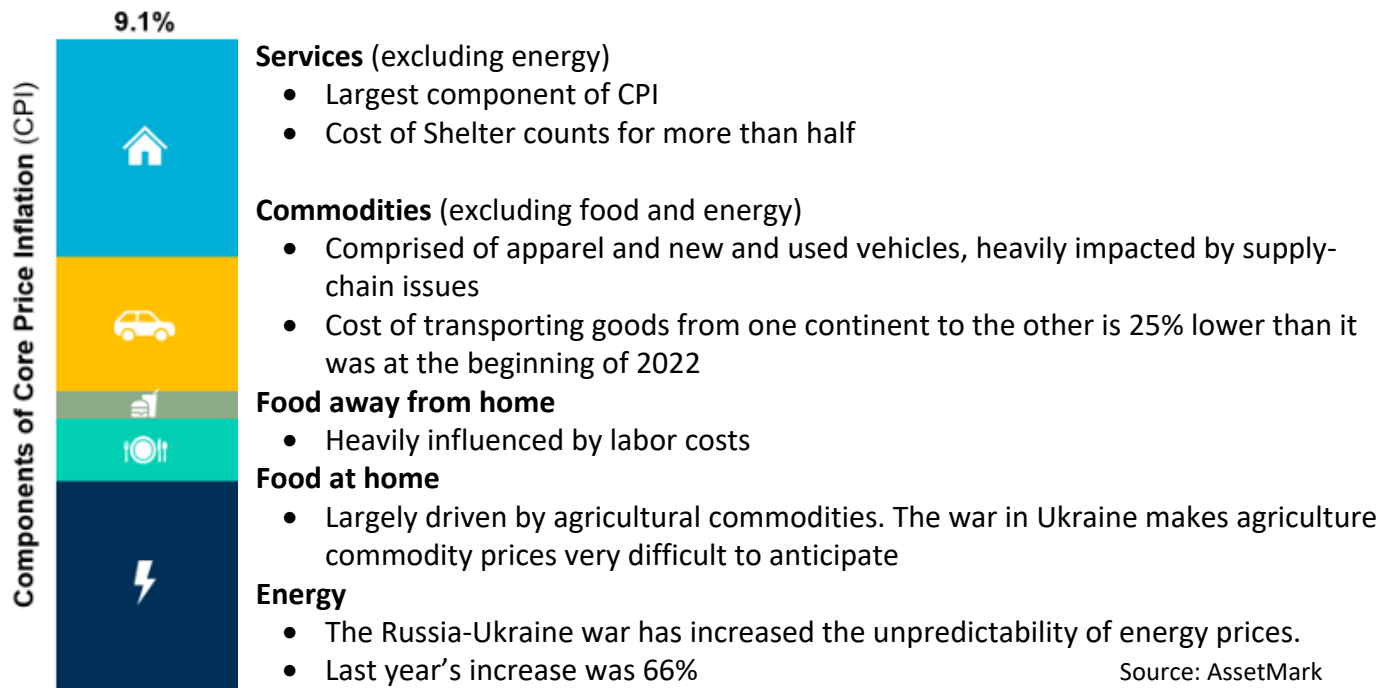
This mathematical calculation ignores the impact of taxes on the account which are due upon withdrawal, is for illustrative purposes only and is not intended to reflect any specific investment. Actual results will fluctuate with market conditions and will vary. (source: BTN Research)

INFLATION INFORMATION

- Inflation hit 9.1% in June—its highest level in four decades; the largest 12-month increase since November 1981
- The Fed raised interest rates another 0.75 basis points at the July 26-27 meeting
- A lower inflation rate does not require falling prices; it simply requires prices to not rise as fast as they did last year

Inflation is measured by the Consumer Price Index (CPI), which calculates the average monthly price that consumers pay for a basket of goods and services.

The key components that drove the increase in June:



THE PERSONAL BENEFIT FINANCIAL AND ROUNTREE & ASSOCIATES FAMILY

~ SHARLA, ERIC, RON, MELISSA, ED, REGINA, JILL, LYNAE, KAREN, KC, KELLY AND LAURIE ~

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