



# TOWNSEND NEWSLETTER

## 2022 FALL EDITION



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### QUARTERLY COMMENTARY - Jeff Townsend, CRPC®

Welcome to fall! I hope everyone had a good summer.

The recent United States Employment numbers exceeded expectations by about 5%. The newest gains brought the estimated total of jobs created over the first eight months of this year to a little over 3.5 million.

The latest job report didn't change the Federal Reserve's decision to continue raising interest rates. The Federal Reserve has vowed to remain aggressive until inflation comes down. Late August Chairman Jerome Powell delivered a speech indicating that more data will be needed for the central bank to alter its course. This decision has brought new worries on Wall Street that we're in for a hard landing, however there's no way to really know at this time.

Corporate outlook is somewhat cloudy at this time. Numerous companies have warned about declining earnings and a slowing economy. Share prices are based heavily on earning projections which can put pressure on the market.

A meaningful stock market rally, which began mid-June, has been derailed after reaching 4,300 on the S&P 500 Index, where we've experienced a sharp pullback. As we thought, the rally we experienced was a bear market rally. There is no way to predict when we'll be in a meaningful bull market, but we know it will happen.

For those who have ever attended one of our retirement presentations has heard me say that emotions and not understanding how the market works are an investors worst enemy.

(Continued on pg. 3)

# NEWSWORTHY ITEMS

**At a cost** – Health insurance subsidies that was introduced by the 2010 Affordable Care Act is expected to cost taxpayers \$64 billion over the next 10 years for 13 million insureds (source: *Senate*).

**We think that inflation is high here** – Consumer inflation in Turkey on a trailing 1-year basis as of 6/30/2022 was up 78.6% (source: *Turkish Statistical Institute*).

**This will change in the future** – 91% of the 128 million households in the U.S own at least one vehicle. Electric vehicles (EV) make up just 2 million of the 250 million vehicles in our country today (source: *Census Bureau*).

**The sandwich generation** – Almost 1/4 of adults in the U.S. are part of the sandwich generation (age 40-59). Members of this club have a parent aged 65 or older and are either raising a child younger than 18 or providing financial support to an adult child (source: *Pew Research Center*). *As for many of our clients I see them providing financial support to adult children as well as their parents. Not a good recipe for a successful retirement.*

**Social Security retirement benefits losing purchasing power** – Despite a higher-than-average cost-of-living increase this year, Social Security retirement benefits have lost 40% of its buying power since 2000 due to inflation (source: *The Senior Citizens League*). *This number would be even higher if Medicare premiums were included.*

**Has housing prices peaked** – After reaching an all-time U.S. high of \$457,000 in April 2022, the median sales price of new homes sold in June 2022 have fallen to \$402,400, its lowest level since June 2021 (source: *Census Bureau*).

**Big bucks** – The 2022-2023 PGA golf season began on Thursday 9/15/2022 and runs through Sunday 8/27/2023, made up of 47 events that will pay out a record \$428.6 million, not including the new LIV league (source: *PGA*).

As economist Benjamin Graham once said, "The investor's chief problem and even his worst enemy is likely to be himself." My number one tip is don't panic during a market decline. It has paid to stay invested during troubled times. If you were to look at all the major market declines in the last 100 years, you'd find that within five years following those declines the markets were up from 178% to 367%. Since March of 2009 the market has more than quadrupled!

When you look at companies that you're invested in you'd find they are some of the most soundly financed, best managed, most profitable, and most innovative companies serving America and the world. These companies focus on the long-term improvement of their business. They seek to increase their earnings and their dividends over time by expanding and enhancing their products and services while managing to keep their prices competitive.

One of the biggest mistakes most investors make is to focus on the market minute to minute, day to day, month to month and quarter to quarter rather than the long run. It's not uncommon for investors to panic with any type of decline (with the help of the media). As someone who is investing for what may be three decades and who may be hoping to create a legacy for their children and grandchildren you will want to keep your focus on the long term (10 years or longer).

Here's something that you may find interesting, while the average return of the S&P 500 Index has been over 10% annually in the last 96 years only seven of those years ended up anywhere between 8% and 12%. During those years the S&P 500 Index saw returns in any given year from a plus 54% to a negative 43%. You can focus on the earnings, dividends, and value of superior businesses over time, which is in line with your lifetime financial goals, or you can focus on short-term to mid-term craziness of the stock market. The choice is yours, but we hope that you're thinking long term with the help from your advisor.

We've received several calls from clients asking if they should be going to cash. By now you can probably guess what we told them. If you guessed no, you are correct. Many of our clients including myself are buying, not selling. If you don't have extra cash to invest that's ok but know that the dividends from your existing investments are buying more shares. Another item worth noting is if you are taking withdrawals, we are supporting those withdrawals from cash within your portfolio.

**Conclusion:** Expect the market to remain in a trading range for a few more months. We all know that market volatility can be very frustrating, however it can produce opportunities for those who are patient. We urge you to embrace volatility!

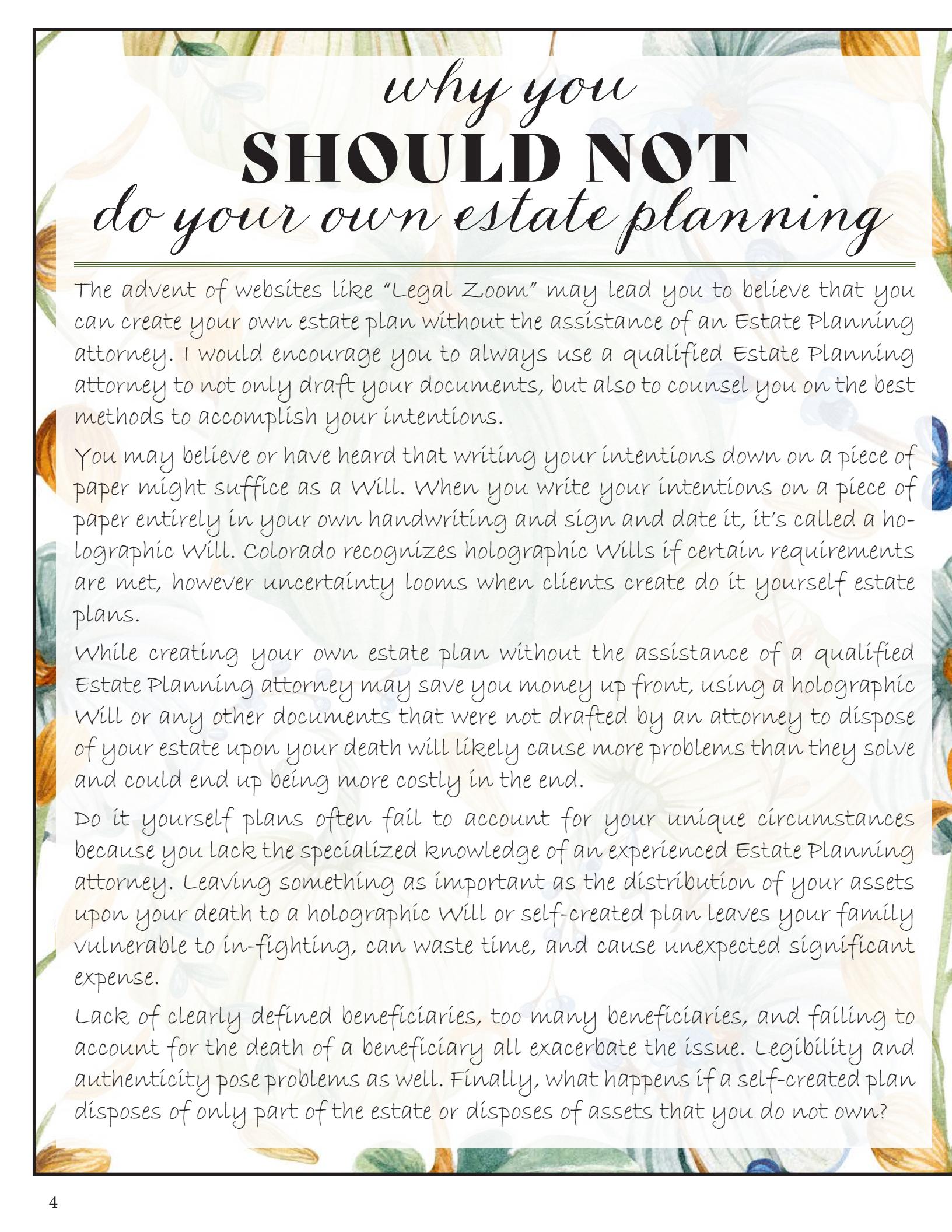
We continue to be goal-focused, planning-driven, long-term investment advisors. We are here to help our clients to have a successful retirement in which they'll be able to have a lifestyle sustaining income that keeps up with inflation while growing their capital and leave legacies to those they love.

Thank you for being our client. It's a privilege to serve you.



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Please advise us if you have not been receiving account statements (at least quarterly) from the account custodian.



# *why you* **SHOULD NOT** *do your own estate planning*

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The advent of websites like "Legal Zoom" may lead you to believe that you can create your own estate plan without the assistance of an Estate Planning attorney. I would encourage you to always use a qualified Estate Planning attorney to not only draft your documents, but also to counsel you on the best methods to accomplish your intentions.

You may believe or have heard that writing your intentions down on a piece of paper might suffice as a Will. When you write your intentions on a piece of paper entirely in your own handwriting and sign and date it, it's called a holographic will. Colorado recognizes holographic Wills if certain requirements are met, however uncertainty looms when clients create do it yourself estate plans.

While creating your own estate plan without the assistance of a qualified Estate Planning attorney may save you money up front, using a holographic Will or any other documents that were not drafted by an attorney to dispose of your estate upon your death will likely cause more problems than they solve and could end up being more costly in the end.

Do it yourself plans often fail to account for your unique circumstances because you lack the specialized knowledge of an experienced Estate Planning attorney. Leaving something as important as the distribution of your assets upon your death to a holographic Will or self-created plan leaves your family vulnerable to in-fighting, can waste time, and cause unexpected significant expense.

Lack of clearly defined beneficiaries, too many beneficiaries, and failing to account for the death of a beneficiary all exacerbate the issue. Legibility and authenticity pose problems as well. Finally, what happens if a self-created plan disposes of only part of the estate or disposes of assets that you do not own?

Holographic Wills and self-created documents complicate, rather than simplify, an estate. It's important to speak with a qualified Estate Planning attorney regarding your estate plan and your unique circumstances. Many Estate Planning attorneys recommend the use of Revocable Living Trusts as Will substitutes to avoid probate and to provide asset protection for your beneficiary's. It is a misconception that the value of your estate determines whether or not a trust is warranted. What your goals are, how you want to pass your assets on, and how you hold title to your assets is a better indicator of what estate planning tools will benefit you the most.

Our goal at Townsend is to assist you with both your retirement planning and your estate planning. You have done a great job of accumulating your wealth, and we want to help guide you to make sure that wealth is distributed in the manner you wish at the time of your death.

Our complimentary estate planning service for clients does just that. I am the Legacy Planner on staff who will meet with you, review any existing estate planning documents you have and educate you on how your assets pass at death. We look at your distinct situation, review your assets and I will explain how they pass at death. We then discuss how to pass your assets on in the method you wish at your death. If you decide you want to implement any of the things we discuss, then we have our Estate Planning attorney come to the office to meet with you and talk about how to put your plan in place and what the cost will be. You can then decide whether you wish to engage the attorney. It's that simple! Don't leave your family in a lurch by not taking the time now to think through what you want to happen to your wealth when you pass.

I look forward to helping you implement your estate planning goals.  
Call our office 303.452.5986 to schedule an appointment with me!

Sallie Diamond

Sallie Diamond  
Legacy Planner

# CLIENT CORNER

fill-a-backpack  
with  
A Precious Child



Screaming Eagles  
Red feather Lakes

Brave Young  
Hearts  
Westminster  
Public Schools



Townsend Nite Owls



## Townsend Golf Tournament

### Rollin Oldies RV Club



### Adventure Club Rambler Ranch

# Caylie's Connections

HAPPY FALL! I DON'T KNOW ABOUT YOU BUT I'M READY FOR SOME COOLER WEATHER. HERE ARE SOME ADVENTURES TO GET YOU MOVING THIS FALL. EACH ONE OF THESE ARE ON OUR LIST TO EXPERIENCE WITH OUR GRANDSON ELI.

Anderson Farms is a family-owned farm located in Erie. It's home to the first corn maze in Colorado. Come experience fall with a combine slide, wooden train, tire mountain, corn maze, pumpkin cannon, wagon ride to the pumpkin patch and much more.

[www.andersonfarms.com](http://www.andersonfarms.com)

Fritzler Farm Park located in LaSalle is another destination for rides, slides, peddle go carts, pig races, pumpkin patch and corn mazes. [https://www.fritzlerfarmpark.com/](http://www.fritzlerfarmpark.com/)

Do you love wildlife and would enjoy for an outdoor escape not too far from home?

Located in Arvada, Two Ponds National Wildlife Refuge home to more than 120 species of birds, coyotes, red fox, beaver, turtles, deer and more.

[https://www.fws.gov/refuge/two-ponds](http://www.fws.gov/refuge/two-ponds)

Are you looking for a fun day at the waterpark without the sun, snow or other elements getting in the way? Located in Greeley, the Family FunPlex is billed as "Northern Colorado's greatest indoor waterpark". They feature giant play structures, a zero-depth pool for littles, water slide, a lazy river and a water basketball hoop.

[https://greeleyrec.com/aquatics-facilities/family-funplex-indoor-waterpark/](http://greeleyrec.com/aquatics-facilities/family-funplex-indoor-waterpark/)

Colorado is home to a unique Willie Wonka-esque ice cream shop that is sure to make you feel like a kid again. The Inventing Room creates concoctions including Colorado Peach Rice Pudding with Pistachio Ice Cream, Peanut Butter Mousse with Grape Jelly Cotton Candy and even a S'mores Ice Cream Sandwich. You may also want to try Really Cold Cheetos, Cinnamon Chocolate Nitro Popcorn and Lemon Head Space Foam. Let me know which one you try! <https://inventing-room.com>

Wings Over the Rockies features a most memorable Fly-In Breakfast the first Saturday of the month. Featuring planes, pilots and breakfast you can enjoy breakfast from a local food truck, watch aircraft fly in and explore interactive exhibits and simulators. <https://wingsmuseum.org/visit/locations/exploration-of-flight>

Have you ever taken a ride on a mountain coaster? Jeff and I took a fun ride on the Copper Mountain Coaster and there's also one in Breckenridge. Open year round, both coasters offer fun for the whole family (at least 3 and 38" tall). I highly recommend pre-purchasing your tickets!

<https://www.coppercolorado.com/things-to-do/activities-amenities/coaster>

<https://www.breckenridge.com/explore-the-resort/activities-and-events/summer-activities/gold-runner-coaster.aspx#/Hours>

BE SURE TO SHARE YOUR FAVORITES WITH ME!

# BEESELEY BIKE BUILD

The worst happened, and then it passed. We lost Officer Gordon Beesley tragically on June 21<sup>st</sup> of 2021. A constant reminder that “safety” isn’t a certainty – but when rooted in faith, alongside the courage of community we can continue to combat evil and move forward.

Thank you to our volunteers for carving time out of their day to support our mission in honoring the legacy of fallen Officer Gordon Beesley. You created an everlasting memory for a second-grade student (plus a potential sibling), you blessed their parent(s) with an unforgettable experience and you helped establish a vision for their future.

Townsend clients are a gift to this community and we are forever grateful.





# 2022 RETIREMENT REPORT - FALL ISSUE

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**Renee Michel x 223**

**Nellie Townsend x 202**

**For Performance Results,  
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**Jonathan Amick x 243**

**Tiffany Brown x 209**

**For Scheduling Appointments:**

**Corinne Wykulka x 24**

**Trish Frankel x 203**

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**We're open Monday through Thursday 7:30a.m. - 5:00p.m. and Fridays 8:00a.m. - noon.**

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