

November  
2021

# IAG Insight

Serving the clients of IAG Wealth Partners, LLC

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## IAG Wealth Partners, LLC includes thirteen experienced professionals:

Lori A. Watt, CFP®

Susan C. Kühlenbeck

Scott D. Heins, CFP®

William E. Otto, CEPA

Christopher W. Mitchell, CFP®

Anne C. Sapienza, CRPC®

Thomas L. Peterson

Michael L. Kutz, CRPC®

Rusty J. Peterson, ChFC, CLU, CRPC®

Debra B. Melvin, MBA, CDFA™

Jayne L. Heineck

Michael J. Koerner

Jesse M. Sindorf, CFP®

## What Happens If . . .

One of the largest and most frequently overlooked risks to your family's physical and financial well-being is what happens if you are no longer able to take care of yourself.

Absolutely no one enjoys thinking of themselves as weak. Everybody assumes they will be strong throughout their lifetimes, despite abundant evidence that a majority of people are not.

So, what happens if (when) you need additional assistance? Are you expecting your spouse to provide additional care? Does he or she have the physical or mental stamina to care for you without harming themselves?

Or do you expect your children to take you into their home or commit to keeping you safe in your own home? Do they have the resources and time to do that?

IAG will be closed the following days during the holiday season:

Thursday, 11/25

Friday, 11/26

Friday, 12/24

Friday, 12/31 after 3:00 pm

Asking these questions can help you overcome the denial that almost every person has about this risk.

Now is the time to coordinate a more reasonable plan for what happens if:

- Evaluate long-term care insurance before you don't qualify.
- Locate local organizations that can assist you in finding the care you need.
- Most importantly, talk with your family about your "what happens if" plan so they know their role.

## Upcoming Events

### Power Break: Outlook 2022 (RSVP required)

Our Power Break will be held in-person at our Waukesha office on Tuesday, 12/14, at 7:30 am and 4:00 pm. We will hold a virtual session on Wednesday, 12/15, at 4:00 pm. **You must RSVP by Friday, December 10** to attend in person or receive an e-mail invitation to join our virtual Power Break. Please RSVP [here](#).

### Christmas Wine & Cheer (RSVP required)

Please join us from 4:00 pm to 7:00 pm on Thursday, December 9, for our Christmas Wine & Cheer event. **You must RSVP by Monday, November 29** to attend. RSVP [here](#).





**2021  
ends on  
December 10**

## 2021 Deadlines

Now is the time to re-view your 2021 checklist.

LPL Financial will process all service requests submitted after **December 10** on a best efforts basis, so it pays to get your year-end transactions started today.

### 2021 RMDs

Have you fulfilled all of your Required Minimum Distributions (RMDs) for 2021? It pays to double-check rather than pay a 50% penalty.

### 2021 QCDs

Would you like to donate directly from your

IRA to a charity for tax efficiency? Using a Qualified Charitable Distribution (QCD) can help reduce your income taxes even if you do not itemize your deductions.

Note that you must be at least age 70.5 to use a QCD and your donation is limited to \$100,000 per year per taxpayer.

### 2021 Contributions

Would you like to have a potential tax deduction while avoiding capital gains taxes?

Talk to your tax profes-

sional about donating appreciated investment assets that you have owned for at least one year.

### 2022 retirement plan contributions

Contribution limits for employer retirement plans will increase in 2022. Your 401(k)/403(b) limits will increase to \$20,500 (or \$27,000 if age 50 by the end of 2022), so be sure to adjust your contributions at the very beginning of the year to maximize your benefits next year.

## Inside the Beltway

Congress could deliver some market volatility-inducing headlines between now and the end of the year.

With the passage of the bipartisan infrastructure bill, the only items that remain on the docket this year include a partisan \$1,850,000,000,000 (as of this writing) spending bill, increasing the limit on our national debt before early December, and funding the federal government for this fiscal year which started on September 30.

Negotiations on the \$1.85 trillion are ongoing

and may include higher taxes for investors and companies and tax breaks for high income taxpayers who pay significant state and local taxes.

Congressional leadership is also likely planning to slip a debt limit suspension into this giant bill at the last minute. If they don't, they risk a government default if a separate bill fails to pass.

Our national debt now

totals \$28,908,769,065,782.06 as of this writing.

At its November meeting, the Federal Reserve took its first steps in reducing their current economic stimulus measures.



Previously the Fed was purchasing \$120 billion of Treasury bonds and mortgages every month to keep interest rates low.

Starting in November they plan to reduce this

amount by \$15 billion each month. This puts them on track to eliminate these purchases by June 2022.

While the Fed continues to state that the end of this program does not mean they will begin to raise their overnight target interest rate, bond traders are currently pricing in the Fed's first rate hike in June 2022.

The Fed's next step likely depends more on the rise or fall of inflationary pressures in the coming months than on the falling unemployment rate.

## Inflation

Inflation is caused by too much money chasing too few goods.

We now live at the confluence of pandemic-induced extensive government generosity and disrupted supply chains — a recipe for inflation.

We began preparing our clients' portfolios for this possibility by initiating an allocation to inflation-related investments in April 2020 and slightly increasing that allocation in January 2021.

Now we are left to wonder how long this bout of above average infla-

tion will last.

Supply chain kinks will likely be worked out eventually, but excess money can be very difficult to extract from the economy.

It requires less government spending, higher taxes, and/or higher interest rates — none of which are very popular with voters.

After trying for years to increase inflation to its target average 2% annual rate the Fed now finds itself hoping that inflation stabilizes and begins to recede in the coming months.

We see a risk that they may have underreacted in the initial stages of inflation rising due to overconfidence in their abilities to control it with policy changes.

This also creates the additional risk they may overreact in the future if inflation remains high above their target.

Barring our country's leaders taking unpopular steps to start taming it, we think we will be living with above average inflation for the short-term.

Taming inflation requires steps that will be unpopular with voters.

## Feeding America

Every year for the past 10 years IAG employees showcase their culinary skills by serving their coworkers lunch on Mondays in October and November.

Employees then make contributions to organi-

zations that provide food to families.

This year we raised \$5,000 (including a grant from the IAG Charitable Foundation) for [Feeding America Eastern Wisconsin](#).

Cumulatively we have raised a total of \$22,540 through these lunches. This is in addition to the over \$25,000 that our clients donated (and IAG matched) during the pandemic onset in April 2020.



## Pheasant Phest

IAG was the Raffle Sponsor for the 15th annual Pheasant Phest held on November 9 at Milford Hills Hunt Club.

This event raises money for the United Special Sportsman Alliance ([www.childswish.org](http://www.childswish.org)).

This nonprofit wish-granting organization provides hunting and fishing experiences for seriously ill and disabled children and veterans.

Bill Otto and several other IAG clients participated in the event.



## IAG Grapevine

Events, celebrations, or interesting stories about your IAG team:

**Mary Paul** was inducted into the Captain John Holmes chapter of the Daughters of the American Revolution.

**Jesse Sindorf** and his family welcomed a new Labradoodle, Poppy.

**Dulce Fisher** and her family moved into their first home in October.

**Mike Kellen** and his family travelled to Las Vegas to visit family in October

**Debra Melvin** and her

family went to Disneyland in September.

**Anne Sapienza's** grandmother celebrated her 99th birthday.

**Bill Otto** and **Cheryl Tesch** serve on leadership team for the Wisconsin chapter of the Exit Planning Institute.

**Jayme Heineck's** son, Tyler, landed his first job with TouchPoint Electronics.

**IAG anniversaries:**  
2 years: **Mandi Hawk**  
18 years: **Jennifer Von Ruden**  
36 years: **Lori Watt**

Looking for more? Check out our top 5 most-widely read blogs from the last three months:

1. [Caution](#)
2. [Double Slow Mo](#)
3. [Taxes, Take One](#)
4. [Uncomfortable](#)
5. [Free Shipping](#)

## Women of Distinction

Five of IAG's financial advisors were featured in Milwaukee Magazine's 2021 Women of Distinction publication. You can find additional information about this honor by clicking [here](#).



N19W24200 Riverwood Dr. Suite 150  
Waukesha, WI 53188  
(262) 446-8150

Janesville client service center  
One Parker Place, Suite 300  
Janesville, WI 53545  
(608) 743-0251



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