

summaries



the official newsletter of sigma investment counselors

December 2021

TIDYING UP AND STARTING FRESH

December is a practical month for reflection and assembly. As we close out another calendar year, now is a sensible time to review this year's outcomes and begin assembling objectives for 2022.

As advisors, year-end planning typically includes assisting our clients with executing any strategies that must be completed prior to December 31st. Gathering data such as annual income, capital gains, making charitable contributions, finalizing required minimum distributions, etc. all play a role in tidying up our client's financial affairs.

While going through this process, a popular topic of discussion with clients has been how they can take measures to reduce the effects of inflation. In these meetings we may discuss how we structure our client's portfolio as well as our rebalancing process to take advantage of any circumstantial volatility. Another impactful hedge against inflation, that I believe is worth addressing, is how we can assist our clients with reviewing their discretionary expenses and helping them to identify opportunities to relieve some of their spending.

I'm not necessarily implying that our clients need to cut down on the amount of times they choose to go out to dinner versus eating in – although in certain occurrences that might be worth considering. What I am saying is budgeting, even on the margin, can make

an impact. We live in a world where subscription-based pricing models have become very popular and convenient. If you are not careful, that 7-day free trial that you forgot about might have been charging you \$20 per month, even well after the only show or movie you downloaded it for has ended (speaking from experience). In contrast, maybe you discover additional credit card points that have accumulated over time that you might consider cashing in this upcoming year. It could even be as simple as going to a wholesale superstore and loading up on some of the recurring items like laundry detergent, toothpaste, and toilet paper. Whatever it is, it doesn't hurt to go through the practice of acknowledging what your expenses are and tightening your belt when and where it is necessary.

An additional benefit of going through this exercise is the opportunity of finding wiggle room in your spending. Many of our clients are disciplined savers, which during their working years has allowed them to put money away for their future. In retirement, making the transition from living below your means to now spending what you have accumulated can be difficult. An enjoyable part of our job is helping clients discover what lifestyle they can afford and holding them accountable to their goals. These conversations are then about instilling confidence towards spending increases in order to fulfill their dream retirement.

local independent personal accessible
interactive creative local independent personal
knowledgeable thoughtful ethical experienced

Once a review has been completed, you might choose to set a reminder for yourself next year. You can live comfortably knowing that you have this objective each year and that anything worth in-depth contemplation can always be vetted with your advisor here at Sigma. On behalf of me and my colleagues, we wish all of you a happy holiday season. We sincerely appreciate

the opportunity to be a part of your lives. Cheers to a happy, healthy, and prosperous New Year!

All comments and suggestions are welcomed.

Daniel J. Robinson, CFP®

Disclosure: The views in this publication are as of December 2021 and are for informational purposes only and do not represent any recommendation of any particular security or strategy and should not be considered investment advice. The publication is prepared for educational purposes only.

Please remember to contact Sigma Investment Counselors if there are any changes in your financial situation or investment objectives