



Taylor Financial Group, LLC

Weekly Update

January 17, 2023

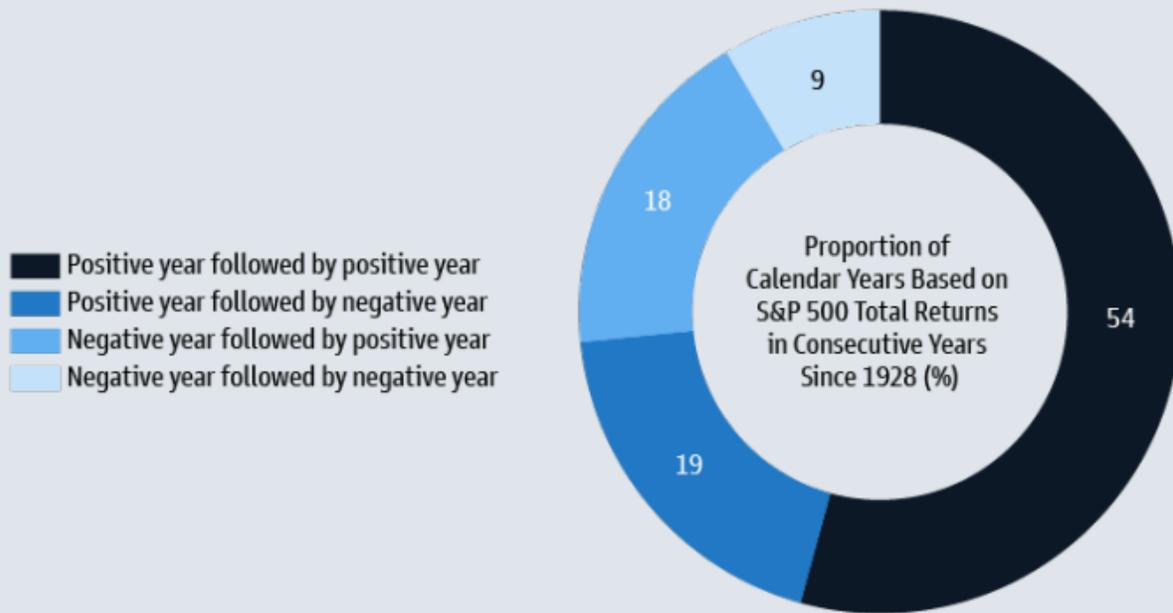
New Year, New S&P 500? (Intermediate)

Dear Friends,

Let's take a brief backward glance at the S&P 500. The S&P 500's performance in 2022 was its seventh worst since inception and the third worst since 2000. Looking forward, episodic volatility, muted earnings growth, and a high cost of capital may pose headwinds for US equities in 2023. But there is a silver lining: since 1928, the Index has delivered consecutive years of negative returns only eight times. **History may be on investors' side as positive S&P 500 annual returns have followed a down year more than two-thirds of the time.** As shown in the chart below, positive years happen 72% of the time, and with even more frequency when the previous year was negative.



Chart of the Week: New Year, New S&P 500?



Source: Bloomberg and Goldman Sachs Asset Management. As of December 31, 2022.

Bulls Should Root For Higher Stocks In January

Trifecta Of The Santa Claus Rally, First 5 Days of the Year, and January All Green (1950 - Current)

Year	S&P 500 Index Returns			
	Santa Claus Rally	First 5 Days	January Return	Full Year Return
1950	1.7%	1.3%	1.5%	21.7%
1951	2.8%	3.6%	6.0%	16.3%
1952	0.2%	1.6%	1.6%	11.8%
1954	0.5%	1.7%	5.1%	45.0%
1958	2.5%	3.5%	4.3%	38.1%
1959	0.3%	3.6%	0.4%	8.5%
1961	1.2%	1.7%	6.3%	23.1%
1963	2.6%	1.7%	4.9%	18.9%
1964	1.3%	2.3%	2.7%	13.0%
1965	0.7%	0.6%	3.3%	9.1%
1966	0.8%	0.1%	0.5%	-13.1%
1971	0.0%	1.9%	4.2%	10.8%
1972	1.4%	1.3%	2.0%	15.8%
1975	2.2%	7.2%	12.3%	31.5%
1976	4.9%	4.3%	11.8%	19.1%
1979	2.8%	3.3%	4.0%	12.3%
1983	3.2%	1.2%	3.3%	17.3%
1987	6.2%	2.4%	13.2%	2.0%
1989	1.2%	0.9%	7.1%	27.3%
1995	0.3%	0.2%	2.4%	34.1%
1996	0.4%	1.8%	3.3%	20.3%
1997	1.0%	0.1%	6.1%	31.0%
1999	3.7%	1.3%	4.1%	19.5%
2004	1.8%	2.4%	1.7%	9.0%
2006	3.4%	0.4%	2.5%	13.6%
2011	1.1%	1.1%	2.3%	0.0%
2012	1.8%	1.9%	4.4%	13.4%
2013	2.2%	2.0%	5.0%	29.6%
2017	1.3%	0.4%	1.8%	19.4%
2018	2.8%	1.1%	5.6%	-6.2%
2019	2.7%	1.3%	7.9%	28.9%
2023	1.4%	0.8%	?	?
Average				17.5%
Median				17.3%
% Higher				90.3%

Source: Carson Investment Research, FactSet 01/11/2022

The Santa Claus Rally is the final 5 trading days of a calendar year and the first two of the following year.



What's more, January is off to a roaring start for stocks, which could mean more positive returns to follow. **Good things tend to happen when stocks are higher during the Santa Claus Rally, especially during the first five days of the year and in January.** You'll notice the full-year return is higher more than 90% of the time and up 17.5% on average.

So, despite the headwinds, there are still plenty of reasons to be positive in 2023.

As always, please reach out with any questions.

Debbie

Market Commentary: Welcome, 2023! (Intermediate)

Weekly Market Commentary 1.17.2023
Published by The Carson Group, LLC

After one of the worst years ever for investors in 2022, we are quite happy to report that 2023 is off to a much better start. The S&P 500 is already up more than 4% for the year and flirting with the round number of 4,000. Optimism that the economy can avoid a recession (more below) and clear signs that inflation has peaked, thus forcing the Fed's hand on continued interest rate hikes, have led to a great first half of the first month of the year.



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Did You Miss Our Quarterly Webinar on January 17th, 2023? 2022: A Tumultuous Year



1. **2022 Review and Where We Go from Here**
2. **Five Things to Know About Bear Markets**
3. **Making the Most of a Market Downturn**
4. **Planning Opportunities for 2023**

[Click Here For Deck](#)

All About The Secure 2.0 Act (Over 100 Provisions)

Secure 2.0 Act Aims to Increase Retirement Savings for Americans
Published by The Carson Group, LLC

The SECURE 2.0 Act has passed, making it the largest retirement legislation since the original Secure Act hit in the late 2019. As 55% of Americans say they **don't have enough saved** for retirement, this bipartisan legislation

PERSONAL ISSUES	YES	NO	CASH FLOW ISSUES (CONTINUED)	YES	NO
Do you need to assess the progress you made toward your goals last year? If so, consider the following: <ul style="list-style-type: none"> Review and compare your financial models, comparing a snapshot of where you are today to last year and/or a prior time. Inventory your recent accomplishments to identify what strategies worked well. 	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> If you are married and your spouse does not have earned income, explore spousal IRA options. Do you need to confirm that you are adequately saving toward your goals? If so, review your target savings and funding rates. If you fully fund some goals early in the year, continue saving toward other goals. 	<input type="checkbox"/>	<input type="checkbox"/>
Have you identified new goals for this year or the future? If so, assign a priority and time horizon, and incorporate them into your overall plan.	<input type="checkbox"/>	<input type="checkbox"/>	Do you have funds left in your FSA from last year? If so, consider spending such funds before the expiration of any grace period.	<input type="checkbox"/>	<input type="checkbox"/>
Are there any life events that are likely to occur for yourself or your immediate family this year (e.g., move, marriage, birth, higher education, job change, retirement, illness, death)?	<input type="checkbox"/>	<input type="checkbox"/>	Are you subject to taking RMDs (inherited IRA or age 72 or older)? If so, consider the following: <ul style="list-style-type: none"> If you are charitably inclined and age 70½ or older, you can do a QCD to satisfy your RMD. Note the "first dollars out" rule. Time the satisfaction of your RMD to support your goals, and be sure to review your withholdings. 	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to confirm whether you or any family members will reach a milestone age this year? If so, reference the "Important Milestones" guide.	<input type="checkbox"/>	<input type="checkbox"/>	Do you make annual gifts? If so, make a plan to fund strategically, and track the use of your annual exclusion amount for noncharitable gifts.	<input type="checkbox"/>	<input type="checkbox"/>
Are you concerned about any variables or circumstances that could potentially impact your plans for this year?	<input type="checkbox"/>	<input type="checkbox"/>			
CASH FLOW ISSUES	YES	NO	ASSET & DEBT ISSUES	YES	NO
Do you expect your household income and/or expenses to change materially this year?	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to adjust or replenish your emergency fund?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to review your cash flow plan? If so, evaluate your actual income and expenses, and adjust your spending plan as necessary.	<input type="checkbox"/>	<input type="checkbox"/>	Are you planning to buy or sell business, personal, or real property this year?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to review your employee benefits to ensure that you are taking advantage of what your employer offers? If so, consider making out annual contributions to any retirement accounts, Health Savings Account, Flexible Spending Account, and/or Dependent Care Flexible Spending Account.	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to review your investment risk tolerance?	<input type="checkbox"/>	<input type="checkbox"/>
Are you able to contribute to an IRA? If so, consider the following: <ul style="list-style-type: none"> Fund a Roth IRA, make deductible contributions to a traditional IRA, or make after-tax contributions to a traditional IRA (depending upon your eligibility, continues on next column). 	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to rebalance your investment portfolio or otherwise adjust your asset allocation? If so, consider the following: <ul style="list-style-type: none"> Be sure to consider the tax consequences and trade strategically. If you made any trades last year that were meant to be short-term (i.e., due to tax loss harvesting or to avoid capital gains distributions), revisit your strategy and reposition as necessary. (continues on next page) 	<input type="checkbox"/>	<input type="checkbox"/>

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[View Checklist Here!](#)

financial check-up. In addition to reflecting back on the prior year, you should consider making financial resolutions for the future.

This checklist includes:

- Personal issues
- Cash flow issues
- Asset and debt issues
- Tax issues
- Insurance issues
- Legal issues

In Case You Missed It!

Financial Fitness and New Year Checklist

2022 - A Year Unlike Any Other



With the New Year here, it's a good time to reflect on the past year—and create goals for this year. But whether or not you believe in setting New Year's resolutions, it's a good idea to review your finances and make sure they're in good shape!

We celebrated many milestones, educated our clients and peers, made rewarding donations, we were in the news, added new services, and so much more!

[Click Here](#)

[Click Here](#)

Keeping Up With TFG!



This past week we added on a new team member, Ashley Szilvassy, our Office Administrator.

CONTACT US!

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Distributions from traditional IRAs and employer sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty. A Roth IRA offers tax free withdrawals on taxable contributions. To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59½ or due to death, disability, or a first time home purchase (up to a \$10,000 lifetime maximum). Depending on state law, Roth IRA distributions may be subject to state taxes.

Re-balancing may be a taxable event. Before you take any specific action be sure to consult with your tax professional.

Asset allocation, which is driven by complex mathematical models, cannot eliminate the risk of fluctuating prices and uncertain returns.

The S&P 500 is a capitalizationweighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Bloomberg U.S. Aggregate Bond - The Bloomberg US Agg Total Return Value Unhedged, also known as "Bloomberg U.S. Aggregate Bond Index" formerly known as the "Barclays Capital U.S. Aggregate Bond Index", and prior to that, "Lehman Aggregate Bond Index," is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

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