

THE Armstrong REPORT

Winter 2023

**Dedicated to growing
and protecting your wealth.**



OUTLOOK 2023

Reginald A.T. Armstrong, CPWA®
President

Happy New Year, and welcome to 2023! What will this year hold for the economy and markets, you ask? Obviously, I don't know — but I'll give it a stab with my best guess below.

ECONOMY

I believe we are in or heading into a recession. One of my biggest concerns, however, is that most economists and investment types also believe we are headed for a recession. Usually, when everyone believes one thing, something else happens. We know that we had a technical recession in the first half of 2022. We know we were growing in the second half (Atlanta Fed, as of December 20th, predicts a 2.7% Gross Domestic Product for the quarter that just ended). So why would I think there is a recession on the way? First, the Conference Board's Index of Leading Economic Indicators as of December 22nd has dropped for nine straight months and has been in recession territory for a third of that time. Second, the yield curve has recently been more inverted (short-term interest rates higher than long-term rates) than at any time since 1982. Since 1986 every inversion has predicted a recession. There are many other reasons, but I don't have the space to list them. The bottom line: a recession is not a given, but it is likely.

MARKETS

So, a recession is likely, but the market is already down almost 20% from its peak of about a year ago. That's longer than the average bear market; doesn't that mean we are almost done? Maybe. But, then again, the 1973-74, 2000-2002, and 2007-2009 bear markets all were down between 19% and 20% in their first year, only to eventually go down a full

44%, 48%, and 57%, respectively. While the stock market is no longer "frothy," it is still expensive. It almost certainly has not priced in a drop in earnings caused by recession. Bonds, on the other hand, after a horrible year, are likely to do well in a year where fear of interest rate hikes fades to plain fear.

FIRM

In 2022 we celebrated our 25th anniversary as a business, Leslie celebrated 20 years with the firm, and we had our first official retiree when Rhonda left us to enjoy being a grandmother. We continue to be truly blessed by your trust, especially in these rocky times. We will continue to hone our skills, hire great people, and strive to exceed your expectations. As your financial partner, we are here for you.

Have a fantastic New Year!

The opinions in this material are for general information only and are not intended to provide specific advice or recommendation for any individual. All performance referenced is historical and is no guarantee of future results.

MARKETS UPDATE: 12/30/2022, YTD

Traditional Equities					Alternative Strategies
US Large Cap -19.13%	US Mid Cap -17.32%	US Small Cap -20.44%	Foreign Developed -14.01%	Emerging Markets -19.74%	Diversified Alternatives -4.55%
↓	↓	↓	↓	↓	↓
Real Assets			Bonds		
Global REITS -23.60%	Global Natural Resources 10.32%	Commodities 16.09%	US Bonds -13.01%	US 10 Yr Treasury Yield 1.52% 12/31/21	US 90 Day Treasury Yield 0.06% 12/31/21
↓	↑	↑	↓	3.88% 12/30/22	3.22% 12/30/22

Market segment indexes: US Large Company (Russell 1000), US Mid Company (Russell Midcap), US Small Company (Russell 2000), Foreign Developed (MSCI EAFE), Emerging Markets (MSCI Emerging Markets), Diversified Alternatives (Morningstar Diversified Alternatives Index), Global REITS (S&P Global REITs), Global Natural Resources (S&P Global Natural Resources), Commodities (S&P GSCI Commodities), US Bonds (Barclays US Aggregate Bond). All performance referenced is historical and is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

COMMUNITY INVOLVEMENT

Pepsi Carolina Classic

\$500

Foster Care Clothing Closet

\$500

Pee Dee Coalition

\$1500

Trent Hill Center

\$1500

Christian Community Ministries of Kershaw County

\$1500

St. Anthony Catholic School

\$5000

2022

CLIENT APPRECIATION PICNIC



2022

HEARTWALK



Armstrong Wealth
MANAGEMENT GROUP

2023 KEY NUMBERS



Income Tax (2023 tax rate tables)

Taxable income	Tax due	plus	% of income*
Single			
Up to \$11,000	\$0	+	10%
\$11,001 to \$44,725	\$1,100.00	+	12%
\$44,726 to \$95,375	\$5,147.00	+	22%
\$95,376 to \$182,100	\$16,290.00	+	24%
\$182,101 to \$231,250	\$37,104.00	+	32%
\$231,251 to \$578,125	\$52,832.00	+	35%
Over \$578,125	\$174,238.25	+	37%
Married filing jointly			
Up to \$22,000	\$0	+	10%
\$22,001 to \$89,450	\$2,200.00	+	12%
\$89,451 to \$190,750	\$10,294.00	+	22%
\$190,751 to \$364,200	\$32,580.00	+	24%
\$364,201 to \$462,500	\$74,208.00	+	32%
\$462,501 to \$693,750	\$105,664.00	+	35%
Over \$693,750	\$186,601.50	+	37%
Married filing separately			
Up to \$11,000	\$0	+	10%
\$11,001 to \$44,725	\$1,100.00	+	12%
\$44,726 to \$95,375	\$5,147.00	+	22%
\$95,376 to \$182,100	\$16,290.00	+	24%
\$182,101 to \$231,250	\$37,104.00	+	32%
\$231,251 to \$346,875	\$52,832.00	+	35%
Over \$346,875	\$93,300.75	+	37%
Head of household			
Up to \$15,700	\$0	+	10%
\$15,701 to \$59,850	\$1,570.00	+	12%
\$59,851 to \$95,350	\$6,868.00	+	22%
\$95,351 to \$182,100	\$14,678.00	+	24%
\$182,101 to \$231,250	\$35,498.00	+	32%
\$231,251 to \$578,100	\$51,226.00	+	35%
Over \$578,100	\$172,623.50	+	37%

*The percentage applies to each dollar of taxable income within the range until the next income threshold is reached.



Retirement Planning

Employee contribution limits to employer plans*	
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs (includes Roth contributions to these plans)	\$22,500
Annual catch-up contribution (age 50+)	\$7,500
SIMPLE 401(k) and SIMPLE IRA plans	\$15,500
Annual catch-up contribution (age 50+)	\$3,500
IRA contribution limits**	
Traditional and Roth IRAs (combined)	\$6,500
Annual catch-up contribution (age 50+)	\$1,000

* Lesser of these limits or 100% of participant's compensation.

** Lesser of these limits or 100% of earned income.

MAGI phaseout limits for deductible contributions to a traditional IRA (affects taxpayers covered by an employer-sponsored retirement plan)	
Single or head of household	\$73,000 to \$83,000
Married filing jointly when the spouse who makes the contribution is covered by a workplace plan	\$116,000 to \$136,000
Married filing jointly when the spouse who makes the contribution is not covered by a workplace plan but the other spouse is covered	\$218,000 to \$228,000
Married filing separately	Up to \$10,000

MAGI phaseout limits to contribute to a Roth IRA	
Single or head of household	\$138,000 to \$153,000
Married filing jointly	\$218,000 to \$228,000
Married filing separately	Up to \$10,000



Health Care

Flexible spending account (FSA) for health care	
Maximum salary reduction contribution	\$3,050
Health savings account (HSA)	
Annual contribution limit — individual coverage	\$3,850
Annual contribution limit — family coverage	\$7,750
Annual catch-up contribution (age 55+)	\$1,000
High-deductible health plan (HDHP)	
Minimum deductible — individual coverage	\$1,500
Minimum deductible — family coverage	\$3,000
Maximum out-of-pocket amount — individual	\$7,500
Maximum out-of-pocket amount — family	\$15,000

ON A SAD NOTE Don Bellefeuille, Fefe Pierce (Regi's aunt), Bill Rowe, Charles Stokes, Foy Thompson, and Mary Ann Tomlinson have passed away. Please keep their families in your prayers.

SAVE THE DATE

JANUARY 26TH
Priorities for Saving
and Investing

FEBRUARY 23RD
Using Insurance as an
Investment Vehicle

MARCH 30TH
Retirement Plans
for Small
Businesses

Always on a Thursday at 4:30 PM Eastern





Armstrong Wealth

MANAGEMENT GROUP

1807 West Evans Street
Suite A
Florence, SC 29501

THE Armstrong REPORT

Winter 2023

843.292.9997

Fax 843.292.9969

Toll Free 866.292.9969

armstrongwealth@lpl.com

ARMSTRONGWEALTH.COM



REGI ARMSTRONG,
CPWA®
President



LEE CARTER,
AWMA®, CLTC
Client Wealth
Manager



MATT RIDENHOUR,
CFP®, MBA, CRPS
Client Wealth
Manager



LESLIE MOORE
Practice
Manager



EMILY RIDENHOUR,
FPQP™
Client Service
Manager



JASON CHRISTMAS,
CFP®
Portfolio Strategy
Assistant



**CREIGHTON
ARMSTRONG**
Operations
Assistant

Dedicated to growing and protecting your wealth.