Volume 6, Issue 5

THE LYFE ADVISOR

May 2023

Leading
Your
Financial
Education

Will We See A Stock Market Crash in 2023?
6 Key Indicators To Watch

By Thomas Shultz

Through the first four months of 2023, the S&P 500 is up about 7.5%. Considering the S&P was down 19.4% for 2022, the stock market is experiencing a robust rebound in the first four months of the year.

Even so, economists and market mavens point to multiple pain points for the U.S. economy that could send stock prices back to 2022 levels or below over the rest of the year.

Interest rates on long-term bonds have fallen lower than those of short-term bonds, creating an inverted yield curve that usually portends an upcoming economic slowdown. Could a weaker second half of the year follow a surprisingly strong first half? It is possible. If there is a risk to the stock market, it could be in the second half of the year.

Many economists believe in that sentiment. Other market experts see problems ahead if the Federal Reserve continues on its inflation-fighting course, with no sign of the Fed easing off on interest rate hikes.

The market is now bracing for the prospect that the Fed could raise rates even higher than previously anticipated. Talk is emerging of a 6% terminal rate at the peak or ending rate for this rate-hike cycle, as the Fed attempts to slay the inflation dragon.

Simultaneously, as the market is adjusting its expectations for the Fed, earnings have **"unmistakably inflected"** and are declining. Based on how earnings estimates have been progressing, 2023 is increasingly looking like it could be a negative 10% earnings year.

While there are always going to be periodic

Cont. next page

MAY

May Flowers….
Inside This Issue

pullbacks and cyclical stock market downturns, which are a perfectly normal part of a healthy market, investors are increasingly concerned that the next big move for the market could take stock prices even lower.

Here are six risk factors that could trigger a significant 2023 stock market crash:

- **Inflation**
- **Interest rates**
- **Disappointing earnings**
- **Geopolitical event**
- **Banking crash**
- **Oil shock**

Inflation

In March 2023, the annual U.S. inflation rate stood at 5.6%, with economists expecting it to bump back up over 6% when the May inflation figures come out in June.

Those continue to be alarming numbers, and they're a big reason why inflation has been enemy No. 1 for investors, shoppers and the Federal Reserve in 2023.

In early May, the Fed boosted its target rate by 25 basis points, to a range of 5.00% to 5.25%. *In its May statement, the Federal Open Market Committee said that while things are looking a little better, they are dead set on getting inflation down to the 2% objective, which would likely mean continued future rate hikes.*

Thus, the Fed "remains highly attentive to inflation risks." If inflation rebounds as many are predicting or if the Federal Reserve is forced to continue to aggressively raise interest rates to keep it in check, that could be a negative scenario for stock prices.

Interest Rates

It's no secret that the higher interest rates rise, the more expensive it is for companies to borrow money to invest in growth. With the Fed hiking its benchmark rate and still saying it has work to do to get inflation firmly trending back in the right direction, lending and credit will continue to tighten.

Historically, higher rates lead companies to pull back on spending *(and especially on hiring)*. Consumers, too, will keep a sharp eye on their household budgets with prudence in mind. Those factors could lead to a weaker stock market – especially if the Fed raises rates again in 2023.

Disappointing Earnings

S&P 500 companies continue to see a decline in key financials, with earnings expected to slide in 2023.

According to FactSet Research Systems, the estimated S&P 500 first-quarter earnings decline is -6.6%, with 79 S&P 500 companies issuing negative earnings-per-share guidance and only 27 reporting positive EPS guidance.

Consequently, the status quo going forward is shaky for the stock market, as investors prepare for the Fed to impose even more interest rate hikes in 2023. If earnings growth continues to fall short of expectations, the stock market's reaction could be severe.

Geopolitical Event

The biggest geopolitical event of 2023 continues to be Russia's invasion of Ukraine, which has rattled global financial markets and remains a massive wild card for investors. That war continues unabated, with no end to the fighting in sight.

In a worst-case scenario, what some have called a proxy war between the U.S. and Russia could devolve into a global nuclear war. But even a full Russian victory in Ukraine or annexation of Ukrainian territory could be enough to trigger a stock market sell-off.

In addition to the Ukraine

Cont. next page

conflict, escalating tensions between China and Taiwan could put U.S. supply chains at significant risk. Additionally, saber-rattling between Serbia and Kosovo in 2022 has carried over into 2023, upsetting an already fragile Balkans region, with the prospect of a military conflict rising.

This all goes to show that geopolitics are complicated – and often unpredictable. This lends itself to downside shocks, as few surprise geopolitical developments are unabashedly positive.

Banking Crash

The collapse of Silicon Valley Bank on March 10, followed by the crash of Signature Bank a couple of days later, stoked fears of larger banking instability at home and abroad.

The Fed and the Federal Deposit Insurance Corp. stepped in to stabilize the situation, but not before a crisis of confidence engulfed the U.S. regional banking market.

"Headline risk is centered around how well capitalized these banks are and the liquidity profile of their businesses," states Melanie Coffin, equities investment strategist at Lord Abbett.

"Looking ahead, there may be an increase in regulatory scrutiny over small and midsize banks and a more proactive regulatory involvement," she says. "We also expect to see a shift toward deposits becoming more concentrated in the largest U.S. banks."

If more banks edge toward insolvency, as occurred in 2007 and 2008, the impact on the stock market could be substantially negative for the rest of 2023.

Oil Shock

There have been several oil shocks in decades past that negatively affected the stock market to varying degrees. The Saudi oil embargo in 1973 created temporary U.S. shortages. Iran's Islamic Revolution in 1979 and the first Gulf War in 1990-1991 each caused oil prices to double. Oil prices as high as $140 per barrel even contributed to the economic crisis in 2008. Oil shocks have been some of the most common catalysts for U.S. economic recessions over the past 50 years.

At about $75 a barrel as of early May, the price of crude oil has stayed fairly stable on a year-to-date basis, but it remains down nearly 25% over the past year. Higher interest rates and fears of a looming recession underscore the volatile nature of the global energy markets heading into the third quarter of 2023.

If you'd like a second opinion on your current portfolio or are getting ready to retire and would like to see what retirement could look like for you, we would love the chance to show you our skills!

Thomas Shultz

Coralyn's Corner

Every month, my corner is to keep you updated on changes in our world, AZMedicare101.org, LyfeAdvisors and our family.

The month of April was another busy month for us here at the office, with a record 141 client appointments squeezed in. Thomas will tell you he feels like a hamster in a wheel as his days have been jam packed with 6-7 client meetings, but that's the price you pay when you are blessed to have a successful business.

On the financial side, this month was especially busy as we had a number of clients redeem their Legendary Capital 1 year bonds. Those monies have now come in and are ready for reinvestment so be on the lookout for a phone call or email from us in the coming days to schedule follow up meetings to decide where to redeploy.

Thomas says every day how blessed we are to have such fantastic clients and for whatever reason they love to give him gifts. If you know anything about him, you know he is all about basketball and recently one of our long time clients came to the office with a gift that he found at an estate sale. He said as soon as he saw it, he knew Thomas would love it, and he was right! A bowling ball (without holes) manufactured back in the early 90s with Michael Jordan's signature inscribed on it! *(Thanks Karl)*

There was a couple days for relaxation though as at the end of the month we were able to get away to Cancun for a trip with Thomas's business partners. This was the first time in 4 years that all the spouses were able to attend, and even though the trip was very short, it was nice to catch up and spend time with those that have been so instrumental in our business and lives.

Thomas always looks forward to this trip every year because of the time he gets to spend with his two partners, Haitham and Ali, and every time we get back he always wishes it was longer. Maybe this is actually the year when we can plan something with all the kids as well, later towards the end of summer.

Coralyn Shultz

RITA'S REVIEWS

Every month, my husband and I enjoy trying out places to eat. This month we decided to finally try out a Scottsdale Tradition called "Chart House" on McCormick Ranch Parkway….

After living here for 12 years and working across the street from the Scottsdale location, my husband and I finally made it to the Chart House Restaurant for our 45th anniversary dinner. We were not disappointed with the food or the beautiful interior and service of the restaurant. We reserved a table by the window because of the view of the lake.

The Chart House concept was born on Independence Day in 1961, the brainchild of famed Hawaiian surfer Joey Cabell and U.S. Navy man Buzzy Bent. The first location in Aspen, Colorado was modest, with just a few tables in a converted diner. The two guiding principles in 1961 remain the same for every Chart House location – great food and equally impressive views. Today, the 24 Chart House restaurants overlook the coasts of both the Atlantic and the Pacific, and other scenic locations in between.

We started our meal with the shrimp, avocado, & mango stack appetizer and knew instantly we had ordered way too much food. We followed that with Caesar salads. My husband had the filet mignon with mashed potatoes and he ordered additional sides of sizzling mushrooms and steamed asparagus. Our wonderful waiter suggested we order half portions of each but of course we didn't. I had the mac nut mahi with sticky rice and Asian green beans. Once it was all sitting on our table we realized that we were going to be taking half of it home.

Each dish was wonderfully seasoned and prepared. The Chart House is known for its hot chocolate lava cake, and we had already ordered it because it takes 30 minutes to prepare. We definitely had to set aside food to even have room for our dessert. And to celebrate our anniversary, our waiter brought us a slice of chocolate ripple mud pie to eat with the lava cake. Each was wonderful with the lava cake rich and gooey and the mud pie being light in comparison.

This was a great dining experience for a special occasion that we enjoyed immensely. It is a bit pricey but well worth the splurge.

Rita Henderson

Volume 6, Issue 5 THE LYFE ADVISOR May 2023

Medicare Hack #44

What Medicare Beneficiaries Need To Know About The End Of The Covid-19 Public Health Emergency Rules

The end of the COVID-19 public health emergency on May 11 has created dizzying changes for Medicare beneficiaries.

Whether Medicare will or won't cover certain health care costs may now depend on whether you are on Traditional Medicare or a private insurer's Medicare Advantage plan, with remote monitoring for a chronic condition and rehab in a skilled nursing facility being two major question marks for MAPD plans nationwide.

The Trump administration initially declared the coronavirus a public health emergency in January 2020. Although COVID-19 was the fourth leading cause of death in the United States last year and more than 1,000 Americans die from it weekly, the new phase of the pandemic has led the U.S. government to relax its health care rules.

Here's what Medicare beneficiaries need to know about their new world of health insurance coverage:

Higher costs for Medicare Advantage out-of-network doctor visits

During the public health emergency, Medicare Advantage plans weren't allowed to charge more if members saw out-of-network physicians. But those protections will end, and people will once again either have to pay more or not have coverage depending on their Medicare Advantage plan.

If people started seeing a provider who's not in their Medicare Advantage plan's network and expect to continue to see that provider, they will face the reality that it will come with a higher price tag.

Continued coverage for telehealth (mostly)

The good news is that Medicare beneficiaries receiving telehealth will be able to do so through at least December 31, 2024. Telehealth is largely unaffected by the end of the public health emergency because of a 2023 law extending Medicare's telehealth coverage through next year. So, you'll still be covered for a telehealth appointment, including one with an audiologist, occupational therapist, physical therapist or clinical psychologist.

But there are two exceptions. One is for remote monitoring for chronic and acute conditions. Medicare beneficiaries are now only covered for telehealth monitoring of, say, a continuous glucose monitor for diabetes if they are already patients of the doctor providing this care.

That's changing back to the pre-pandemic rules, where you could only get remote monitoring if you were an 'established' patient. If you don't have a doctor for remote monitoring, you now need to find one to become an established patient.

The other exception: Medicare no longer pays for routine home care through telehealth under the program's hospice benefit, according to CMS.

The end of free at-home COVID-19 tests

The main area where people on Medicare are likely to notice changes is

Cont. next page

Volume 6, Issue 5 THE LYFE ADVISOR May 2023

when they go to get COVID-19 tests from a pharmacy or do at-home testing. Since April of 2022, Medicare beneficiaries could get eight free at-home COVID-19 tests a month. Now, Medicare will no longer cover at-home tests for people on Traditional Medicare. A KFF analysis found the average cost of an at-home rapid COVID-19 test is now $11.

The convenience of at-home testing has really enabled people to test whenever they want to get together with their friends or family and know—with whatever certainty you get from the at-home test—whether or not you are infectious and maybe potentially risking exposing other people in your life who may be immunocompromised or have other conditions that predispose them to serious illness if they get infected.

New rules for COVID-19 PCR and antigen tests

Medicare will still cover COVID-19 PCR and antigen tests given in approved laboratories and ordered by doctors.
People on Traditional Medicare still won't have to pay for these tests, but they may have to pay for the doctor visit resulting in the prescription for the test.
Most Medicare Advantage plans will charge members for PCR and antigen tests and associated doctor visits or require the tests be done by in-network doctors.

No changes for COVID-19 vaccines

COVID-19 vaccines will still generally be free to people on Traditional Medicare, as long as the U.S. government stockpile has them and your doctor takes Medicare.

Medicare Advantage plans won't charge for COVID-19 vaccines either, if you go to one of their in-network providers.

Paxlovid: free for now

Paxlovid, an antiviral drug used to treat people with COVID-19 will still be free — as long as the government's supply lasts.

When the Paxlovid stockpile ends, Medicare beneficiaries with Part D Medicare prescription drug plans will be able to get the treatment for free through December 2024. But those without Part D plans may start owing co-pays for the treatment.

Map to our NEW Scottsdale Office

**7300 N Via Paseo Del Sur,
Suite 204
Scottsdale, AZ 85258**

(480) 626-0296

We're on the corner of Hayden & McCormick Ranch Parkway right beside Luci's and right above Crumbl Cookies

Volume 6, Issue 5

THE LYFE ADVISOR

May 2023

Memorial Day Word Search

E	W	H	R	Q	W	Y	V	S	R	M	Q	I	B	Q	F	Q	X	S	O
C	M	Y	N	X	O	V	E	T	U	L	A	S	I	S	K	S	R	T	M
I	W	E	C	E	T	A	R	O	M	E	M	M	O	C	X	S	Q	V	S
F	K	Z	H	I	S	O	L	D	I	E	R	S	J	I	G	B	J	E	A
I	Q	W	C	T	B	O	Z	U	G	Q	I	D	M	A	R	K	R	V	F
R	J	H	I	I	N	O	C	V	Q	E	K	Y	L	P	U	V	A	A	W
C	J	B	T	O	L	A	R	V	A	U	G	F	F	J	I	A	F	R	K
A	T	Z	O	B	S	E	R	V	A	N	C	E	M	C	U	A	B	G	Q
S	R	M	I	C	C	J	L	A	I	R	O	M	E	M	A	M	O	Y	O
H	D	P	R	F	E	C	N	A	R	B	M	E	M	E	R	E	E	R	A
S	Y	M	T	R	U	Z	H	Y	Y	A	D	I	L	O	H	R	R	U	E
E	F	B	A	B	N	S	V	O	D	E	C	O	R	A	T	I	O	N	P
O	C	A	P	U	Y	F	A	K	U	F	X	Y	Y	P	G	C	H	Z	A
R	D	H	L	N	X	M	B	A	H	S	R	R	Y	S	G	A	R	F	S
E	C	O	B	L	Y	F	U	Z	G	V	Z	E	R	A	W	N	C	K	G
H	G	N	B	U	E	T	Q	C	S	A	A	T	E	R	J	H	D	W	N
Z	U	O	S	I	Q	N	C	V	J	T	G	E	Z	D	W	P	N	M	O
V	K	R	L	N	F	L	U	P	A	V	N	M	M	Q	O	M	M	A	Y
S	N	A	R	E	T	E	V	Q	X	W	K	E	R	Z	U	M	S	T	R
R	Y	S	R	E	W	O	L	F	U	T	K	C	D	U	Y	L	O	E	S

AMERICAN	ANTHEM	CEMETERY
COMMEMORATE	DECORATION	FALLEN
FLAGS	FLOWERS	FREEDOM
GRAVE	HEROES	HOLIDAY
HONOR	MAY	MEMORIAL
OBSERVANCE	PATRIOTIC	REMEMBRANCE
SACRIFICE	SALUTE	SERVICE
SOLDIERS	VETERANS	WAR

May Quiz

Question 1:
Which movie premiered on May 25th, 1977?

A. Godfather
B. Beetlejuice
C. Star Wars

Question 2:
True or False: The median home price in the U.S. in May 1988 was $87,800?

A. True
B. False

Question 3: Which store opened its doors on May 1, 1962?

A. Sears
B. TJ Maxx
C. KMart

Answers for April

Question 1: What date in history did Ford unveil the first Mustang?

A. April 17th, 1964

Question 2: What month is equivalent to April in the southern hemisphere?

B. October

Question 3: On what date was the first issue of TV Guide published?

C. April 9, 1953

Volume 6, Issue 5 **THE LYFE ADVISOR** May 2023

2024 Social Security COLA Estimates Are Out…..And They Are Not Good

The consumer price index data for April, released in early May, shows that prices have risen by 4.9% over the past 12 months while increasing 0.4% in April. This is up from 0.1% the previous month, showing a slight acceleration in inflation.

Based on this data, the Senior Citizens League estimates the Social Security cost-of-living adjustment, or COLA, for 2024 will be **3.1%**. This is far below the **near-record 8.7% COLA for 2023**.

Mary Johnson, the league's Social Security and Medicare policy analyst, bases monthly COLA estimates on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers, known as the CPI-W. **In March, the league offered an early estimate suggesting the 2024 COLA will likely fall below 3%, with a real chance of a retiree seeing a 0% COLA should inflation cool more quickly than expected this year amid a possible recession.**

The Social Security Administration uses average inflation in the third quarter, based on the CPI-W, to calculate the benefit adjustment for the following year. This actual COLA for 2024, as such, won't be known until October.

The Latest Inflation Data

During April, the biggest price increases were seen in the shelter, used cars/trucks and gasoline categories. The increase in the gasoline index more than offset declines in other energy component indexes, and the energy index rose 0.6% in April. The food index was unchanged in April, as it was in March. The index for food at home fell 0.2% over the month, while the index for food away from home rose 0.4%.

Effects on Retirees

In conjunction with its first formal 2024 COLA projection, the Senior Citizens League has published new research on the buying power of Social Security benefits.

As the research emphasizes, a lower inflation rate does not mean that prices have come down, and retired Americans continue to struggle with higher prices. *The new study shows that Social Security benefits have lost some 36% of their buying power to inflation since 2000.*

Expressed in dollar terms, these retirees would need an extra $516.70 per month *(or $6,200 per year in 2023)* to maintain the same level of buying power they enjoyed in 2000. According to Johnson, the study confirms that the prices older consumers are paying are fortunately not growing as fast as a year ago, but many prices on key items remain stubbornly high.

COLA and Inflation History

According to the league's analysis, between January 2000 and February 2023, Social Security COLAs increased benefits by 78%, averaging 3.4% annually.

The cost of goods and services purchased by typical retirees rose by 141.4% during that same period, averaging about 6.2% annually. In other words, for every $100 a retired household spent on groceries in 2000, that household can only buy about $64 worth today.

THE LYFE ADVISOR

Volume 6, Issue 5 May 2023

Medicare Supplement Rates

Lowest Medicare Supplement Rates For 85258 Maricopa County

Gender	Age	Plan	Carrier	Premium*
Female	65	G	Allstate	$109.62
Male	65	G	Allstate	$123.83
Female	65	GHD	New Era Life	$40.37
Male	65	GHD	New Era Life	$44.41
Female	65	N	Allstate	$84.45
Male	65	N	Allstate	$95.44
Female	66	G	Allstate	$115.39
Male	66	G	Allstate	$130.34
Female	66	GHD	New Era Life	$41.40
Male	66	GHD	New Era Life	$45.54
Female	66	N	Allstate	$84.45
Male	66	N	Allstate	$95.44

Rates are accurate at the time of production. Included in the list are fraternal organizations, service organizations, and carriers with ratings above B+.
**Source: CSG Actuarial effective dates 05/01/2023*

Interest Rates

Highest CDs and Share Rates Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	Forbirght	5.20%
2 year	CIBC	4.80%
3 year	Quorum FCU	4.85%
4 year	First Internet Bk	4.54%
5 year	First National Bk	4.50%

Rates are accurate at the time of production. We include banks and federal credit unions in our national search. All have FDIC or NCUA Insurance. **Source: BankRate.com 05/01/2023*

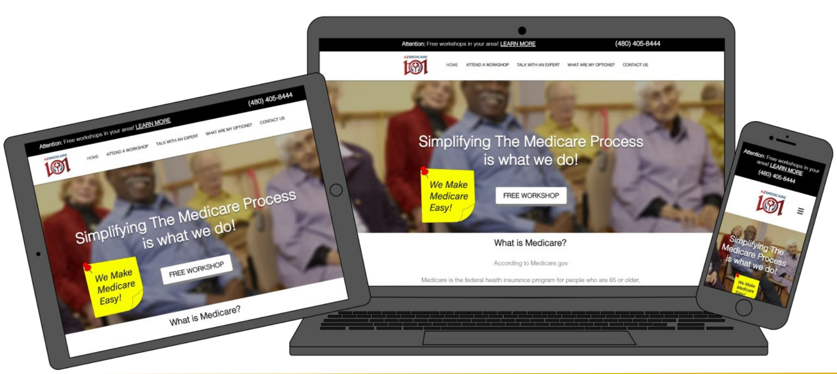
Highest Fixed Annuity Rates

Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	Upstream Life	5.65%
4 year	Nassau Life	5.10%
5 year	Upstream Life	5.65%
7 year	Sentinel Life	5.45%
10 year	American National Life	5.45%

Rates are accurate at the time of production. Excluded from the list are fraternal organizations, service organizations, and carriers with ratings below B **Source: AnnuityRateWatch 05/01/2023*

Visit us Online at www.AZMedicare101.org



Visit us Online at www.LyfeAdvisors.com
(480)626-0296

7300 N Via Paseo Del Sur
Suite 204,
Scottsdale, AZ 85258

Leading Your Financial Education

Volume 6, Issue 5 THE LYFE ADVISOR May 2023

Medicare Workshops

1 Hour Presentation - Everything you need to know about Medicare. We explain how Medicare works and what you can expect before you choose!

THIS PRESENTATION HAS BEEN APPROVED BY MEDICARE

Online Workshop
Monday, May 22nd
5:30pm to 6:30pm

Online Workshop
Tuesday, May 23rd
1:30pm to 2:30pm

Online Workshop
Wednesday, May 24th
1:30pm to 2:30pm

Online Workshop
Thursday, May 25th
5:30pm to 6:30pm

Maricopa/Pinal Counties in Blue
Pima County in Red

Online Workshop
Thursday, May 25th
11:30am to 12:30pm

"As a fiduciary, it is our responsibility to make sure that both the Health and Wealth areas of your retirement have been planned for accordingly. You can't have a sound financial plan without addressing both and here at LyfeAdvisors we believe that it starts with Healthcare! For the last 13 years, we have been helping thousands of retirees all throughout Arizona and we'd love to help you as well." - **Thomas Shultz, Managing Partner**

Life
Health
Annuities
Putting lyfe back in insurance
7300 N VIA PASEO DEL SUR, SUITE 204 SCOTTSDALE, AZ 85258

US POSTAGE
PAID
STANDARD MAIL
PHOENIX, AZ
PERMIT NO 2231

AZ MEDICARE 101 IS NOW LICENSED IN ALMOST EVERY STATE IN THE COUNTRY GIVING US THE ABILITY TO HELP FOLKS NAVIGATE THIS MEDICARE MAZE NATIONWIDE!

IF YOU KNOW SOMEONE THAT COULD USE OUR HELP GETTING READY FOR MEDICARE, WE WOULD GREATLY APPRECIATE THE BUSINESS!

We appreciate your referrals!

Your referrals are gifts to whomever you refer. By making a referral, you are giving them a chance to make a difference in their financial future.
Thank you for helping spread the LYFE Advisor's message.