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## The Bears Are Getting Louder.... These Indicators Are Signaling A Stock Market Pullback

By Thomas Shultz

*All good things must, eventually, come to an end.*

In recent days, the S&P 500 has marginally sold off, but with the index still up roughly 75% from the market bottom hit nearly a year ago, most on Wall Street are starting to get antsy.

As CFRA's chief investment strategist Sam Stovall puts it, "It's not a question of 'if' but 'when' the next meaningful market decline will occur," he wrote in a early March note.

That's because there are now multiple indicators signaling a pullback is due.

The bears are getting louder, in part because the S&P 500 is "**stretched**" above its 200-day moving average, even more so than stocks were during the September 2020 peak before selling off.

That's unnervingly bad in the near term, as volatility is back to 2020 peaks, and a 10% or 30% pullback might be in order.

### What Are The Indicators?

One thing economists have been eyeing as a catalyst for the much-anticipated correction is the recent talk of rising inflation coupled with stronger than expected retail sales data and producer price index readings. So far in the month of March, the 10-year Treasury yield went above 1.5% while stocks continued to sell off.

While improving data is good for the economy and overall recovery, for equity valuations, higher rates would reduce the justification for stock multiples that are extremely elevated but attractive relative to bond and cash yields.

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# March

SPRING CLEANING EDITION  
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Meanwhile, investors are still fixated on lofty valuations. The next 12 months price/earnings ratios are far above historical averages. All sectors in the S&P 500 except health care trade at double-digit premiums to their 20-year average P/E ratios, with the S&P 500 currently trading at close to 23 times forward earnings.

***Morgan Stanleys chief investment officer noted in early March that every asset class index that Morgan Stanley follow's is now in the top 5% of valuation for the last 20 years***, while "The Buffet Indicator", which is the ratio of total U.S. stock market capitalization to GDP, now registers at 147%, dwarfing the prior high of 127% reached in 1999.

All of the recent bullishness and high valuations have made some strategists anxious about "**frothy**" market sentiment and margin debt levels—when investors borrow money to buy or short stocks.

Margin debt is also at an all-time high, whether compared with the S&P 500 or nominal GDP. People are much more willing to borrow to make bets if in fact they're confident about the outcome. That rising level of margin debt, to me, reflects an unhealthy level of positive expectations that no market could live up to.

Elsewhere, economists point to the longtime divergence between growth versus value. The rolling 12-month price change for the S&P 500 growth index minus that for the value index hit an all-time high in Q3 2020 and remains at a level not seen since the early months of the 2000–02 bear market.

All of that is to say that markets will cool off soon—though, as plenty of talking heads on television will tell you, there's much to be optimistic about and you shouldn't pay any attention to the data that is staring you in the face.

## So, What Should You Do?

There's a common expression in the financial world to describe investor behavior during a selloff: **Markets are the only place where, when there's a sale, people run out of the store.**

If you are proactive and make changes ahead of a correction, then that's the kind of reaction we help investors to avoid. History reminds us that selloffs should be viewed as annoyances to be prepared for, not overreacted to, and that every pullback, correction, and bear market has eventually recovered.

**Most investors let their emotions become their portfolio's worst enemy by selling, likely near the bottom, because they either didn't receive or didn't follow proper financial advice.**

***As a fiduciary, it is our responsibility to prepare our clients for the road ahead, not the one that they are currently traveling.***

In our opinion, there has never been a better time to take a hard look at your current portfolio and to take at least 40% off the table and invest in either annuities or alternative investments.

In just the last year, our country has magically produced 6 trillion dollars of stimulus money that ultimately devalues the dollar and makes it impossible to believe that the markets will continue their historic run. If you prepare properly, when the next market selloff does occur, you will have locked in most of the upside without having to deal with the pain of the ride down and the emotional toll that puts on your body and mind.

***If you'd like to see what retirement could look like for you, we would love the chance to show you our skills!***

*Thomas Shultz*



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**Thank you for helping spread the LYFE Advisor's message.**

## CORALYN'S CORNER

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



As the end of the first quarter approaches, we are now about 85% of the way done with our Broker Dealer change.

I never in my wildest dreams thought it would be as much work as it has been but it's motivating to see the light at the end of tunnel.

Our whole team has been putting in lots of extra hours and we couldn't have done it without my mom coming to town.



Since the pandemic began, I haven't had the chance to see my mom, who lives in Las Vegas. She had planned on coming to Scottsdale for Christmas but just a couple days before her flight she contracted Covid-19. Thankfully

her symptoms were mild and she fully recovered but we were all scared for a few days. Celebrating the holidays without her with us was different, but she more than made up for it by staying with us for almost the entire month of February.

In my culture, the thing that represents family and home to me the most is traditional Filipino cuisine and every time my mom comes to town she spoils me with endless meals of all my favorites.

Getting Thomas to eat this is challenging, but our son Jackson is more open minded and embraces his Filipino heritage and will eat most things my mom prepares.

Having her here was great, and as our son gets older the relationship between the two of them seems to be getting stronger (even though he is always asking her for money).

It was sad to see her go, and getting her back here again will be difficult because she loves where she lives, but hopefully around Halloween, we can expect to see her in town again.

We recently just moved and during this process we have really been trying to get rid of all the clutter and old furniture that we've had for almost 10 years and start fresh.

It's challenging to find stores these days that have a great selection of stuff that you actually like, but I feel like Thomas and I have discovered a store that fits both our tastes recently, The Potato Barn.

This eclectic furniture store has 3 locations (Scottsdale, Mesa, Chandler) and every time we go into it we find something new. They receive new shipments weekly and are only open Wednesday thru Saturday, so the earlier in the week you go, the better the selection. I prefer to follow them on Instagram and they post every Wednesday all their new inventory in each location which sometimes is the only way to buy it before its gone.



Covid-19 has caused things getting shipped to be delayed months so having such an amazing store local has been a blessing for us!

*Coralyn Shultz*

## RITA'S REVIEWS

*Every month, my husband and I enjoy trying out places to eat. This month we enjoyed another new breakfast neighbor, "The Snooze" in Keirland Commons.*



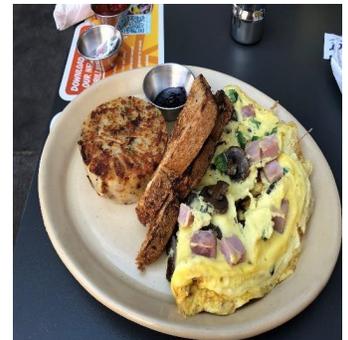
We are at it again with our breakfast adventures. The weather was beautiful, perfect for outdoor dining and we took advantage of it. This time we chose "The Snooze" for our next culinary treat and I must say we were not disappointed. This restaurant was started in Denver, CO by two brothers, Jon and Adam Schiegel, in April of 2006. They wanted their menu to turn breakfast upside down and sideways using the classics but giving them a distinctive twist. They use the best fresh sourced organic ingredients to have dishes for every type of food preference whether it be paleo, keto, protein based/plant-based diet, etc. So, you are going to see very different types of menu selections. There are 8 locations throughout Phoenix and 45 total throughout the US.



Their motto for the restaurant is make every morning feel like the weekend and happy hour all rolled into one. This explains their long list of morning specialty drinks. Of course, there are multiple selections of coffee, espressos, lattes, cappuccinos etc. But it wouldn't be breakfast happy hour without a Bloody Mary, a Mimosa, a morning Margarita, a Brewmosa or Irish Coffee. This is just a sampling of the many selections that you can choose from.

The restaurants are open 7 days a week from 6:30 am to 2:30 pm. They serve

breakfast and brunch but really focus on the breakfast side. I wouldn't consider any of their sandwiches a typical lunch sandwich. The sandwiches all include an egg and hash browns as a side, but you can substitute a salad if you prefer. The breakfast menu has the traditional pancakes, French toast, omelets, and benedicts but none would be considered typical. As you look over the menu you will see that sweet potatoes are used in many of these dishes and not as the side. They are known for their sweet potato pancakes but neither



my husband nor I tried these out. We stayed more traditional with his omelet choice and my scrambled eggs and bacon. Their hash browns are made as a cake and include onions and peppers in them and were very good. I really liked them. My husband loved his omelet as well.

Next time we go, we plan to be more adventuresome and try the Breakfast PotPie or their version of Funky Monkey French toast using banana bread or Pineapple upside Down Pancakes.

*Rita Henderson*

# Medicare Hack #28

## Might Medicare Go Bankrupt?

### Biden Will Have To Do Something To Ensure Its Solvency



Medicare is running out of money. According to the latest projections from the Congressional Budget Office (CBO), the program's Part A hospital insurance trust fund will be exhausted in 2024. That's just three years away, before the end of President Joe Biden's first term.

Congress and the Biden administration will have to take action to preserve the program for its more than 60 million beneficiaries. Requiring wealthy seniors to cover a greater share of their benefits and injecting more competition into the program by subsidizing the purchase of private coverage would help put Medicare back on sound financial footing.

When former President Lyndon Johnson signed Medicare into law in 1965, the average life expectancy was 70. Today, it's nearly 79. Seniors are the fastest-growing group in the country. They're projected to outnumber children by 2034. Medicare's outlays are steadily growing, too; they hit \$800 billion in 2019.

Revenues aren't keeping pace. The program is financed through income taxes and payroll taxes. Young and middle-aged workers effectively hand over a portion of their wages to pay for seniors' health care. Half a century ago, there were four workers per Medicare enrollee. Today, that ratio is down to three to one. It'll be just over two to one within the next ten years.

With fewer workers supporting more seniors, the math behind Medicare stops working. The program's hospital insurance trust fund ran a nearly \$6 billion deficit in 2019. Pre-pandemic, it was on track to become insolvent—meaning there wouldn't be any money in the fund—by 2026.

COVID-19 and the economic turmoil that accompanied it sped up that timeline. Mass business closures, layoffs, furloughs and downshifting to part-time work all contracted the government's tax receipts. The CBO calculates that COVID-19 will cut \$43 billion from Trust Fund revenues this year. That's pushed insolvency up to 2024.

Raising taxes or slashing benefits would be politically unpalatable under normal circumstances. In the midst of a pandemic, with millions of people in dire financial straits, they're not an option.



Unfortunately, Biden has yet to articulate a vision for keeping Medicare afloat. In fact, he's gone the other direction. During his campaign for the White House, he called for lowering the program's eligibility age from 65 to 60. That would open the program up to 23 million more enrollees. An analysis from a professor at Harvard estimates that could add up to \$100 billion in additional costs each year to its balance sheet.

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We need to reduce costs in Medicare. Why not start with means-testing? Multi-millionaire retirees don't need taxpayer-funded health care.

Lawmakers can also consider roping in the private sector to help reduce costs. Instead of directly providing coverage, Medicare could give seniors cash to help them purchase a health plan on the private market. The idea is to get



multiple insurers competing against one another for seniors' business—and thereby bring down the cost of coverage. A 2017 CBO report found that such a model of "premium support" could save nearly \$420 billion between 2022 and 2026.

Ensuring the solvency of Medicare will have to be a focal point of Biden's presidency. Absent action, the program may not be around much longer than the Biden administration itself.

## Let us help you Navigate the Medicare Maze

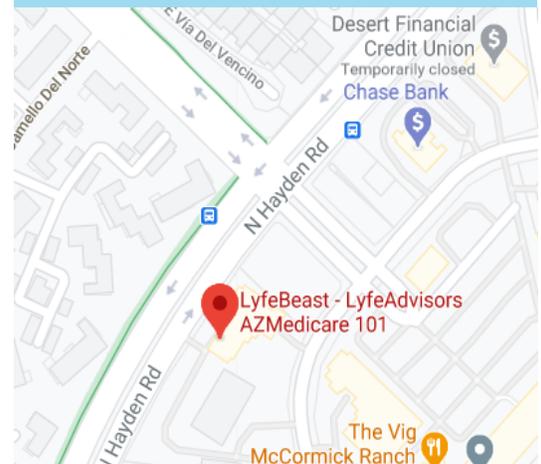
Give us a call at **480-626-0296**

We are here to help!

### Map to our NEW Scottsdale Office



7300 N Via Paseo Del Sur,  
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Scottsdale, AZ 85258  
**(480) 626-0296**



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

## Sudoku

5				2				
			1		7		5	
	8				9			7
				4			6	2
		5		8		4		
2	7			9				
7			5				8	
	1		4		3			
				1				4

## February Sudoku Solution

8	7	3	4	5	2	9	1	6
5	2	6	3	1	9	7	8	4
1	9	4	7	8	6	2	3	5
6	4	8	9	2	7	1	5	3
7	5	2	1	3	4	6	9	8
3	1	9	5	6	8	4	7	2
2	6	7	8	9	3	5	4	1
9	8	1	6	4	5	3	2	7
4	3	5	2	7	1	8	6	9

## March Quiz

### Question 1:

Which historical figure was killed on the ides of March?

- A. Plato
- B. Joan of Arc
- C. Julius Caesar

### Question 2:

If you were born in March, what is your flower?

- A. Crocus
- B. Tulip
- C. Daffodil

**Question 3:** What sport celebrates its championship tournament in March?

- A. Nascar
- B. College Basketball
- C. Table Tennis

## Answers for February

**Question 1:** Which awards show normally occurs at the end of February?

**C. Academy Awards**

**Question 2:** Which Legendary character is recognized on the 12th of February?

**B. Paul Bunyan**

**Question 3:** Which criminal is associated with the St. Valentine's Day massacre?

**B. Al Capone**

## Medicare Supplement Rates Lowest Medicare Supplement Rates For 85258 Maricopa County

Gender	Age	Plan	Carrier	Premium*
Female	65	G	Amerigroup (Anthem)	\$110.46
Male	65	G	Blue Cross Blue Shield	\$117.31
Female	65	GHD	New Era Life	\$40.37
Male	65	GHD	New Era Life	\$44.41
Female	65	N	Aetna	\$88.96
Male	65	N	Blue Cross Blue Shield	\$92.51
Female	66	F	Humana	\$140.02
Male	66	F	Blue Cross Blue Shield	\$146.76
Female	66	G	AARP United Healthcare	\$113.90
Male	66	G	Blue Cross Blue Shield	\$123.28
Female	66	GHD	New Era Life	\$41.40
Male	66	GHD	Mutual Of Omaha	\$50.44

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 03/01/2021

## Interest Rates

### Highest CDs and Share Rates Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	CFG Community	0.67%
2 year	Comenity Bank	0.75%
3 year	Comenity Bank	0.85%
4 year	1st Internet	0.86%
5 year	First Nat Bank	1.00%

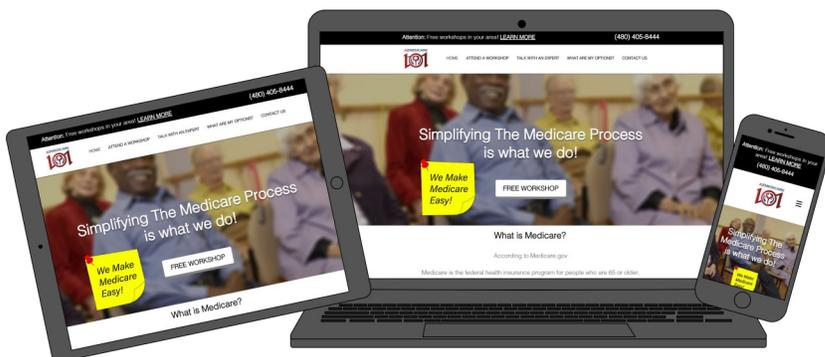
Rates are accurate at the time of production. We include banks and federal credit unions in our national search. All have FDIC or NCUA Insurance. \*Source: BankRate.com 03/01/2021

### Highest Fixed Annuity Rates Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	Liberty Bankers	2.25%
4 year	Oceanview	2.60%
5 year	Nassau	2.75%
7 year	Liberty Bankers	2.90%
10 year	Sentinel Security	3.00%

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 03/01/2021

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## BEWARE

# Social Security Scammers Now Text Pictures Of Phony Badges

So you just got a text from Social Security and the guy even tried to reassure you that he's the real deal by texting you a picture of his badge. Should you feel that things are on the up-and-up and respond?

The scammers who are out to steal your Social Security number and your money now have a new game going. They're not just spoofing phone numbers out of Washington. They're now impersonating someone from Social Security by sending photos of government badges.

The crooks have created fake versions of ID badges that many federal employees use to gain access to federal buildings.

"The scammers play on emotion, generally fear, to get people to act without thinking," Social Security Administration Commissioner Andrew Saul said in a press call Wednesday.

He stressed that it's essential that people simply hang up and not even engage with the caller. Don't let anyone threaten you or harass you into thinking that your Social Security number is connected to a criminal investigation.

Social Security isn't going to call to threaten your benefits or tell you to wire money, send cash, or put money on gift cards. But scammers make such threatening calls every hour on the hour.

CVS shoppers might have even heard in-store announcements lately from the Social Security Administration to warn them about such scams. Walmart and Home Depot participated in the latest awareness campaign too. You don't want to buy a gift card — and then read off the

card numbers to someone on the phone who claims to be from law enforcement or Social Security.

In some cases, your caller ID may show the real SSA phone number — 800-772-1213 — when the scammers call. But again, the con artists are able to spoof this number and make it look more legitimate.

Consumers continue to get alarming phone calls from someone who claims to be from law enforcement or Social Security. The caller then may try to scare you into thinking that your Social Security number has been connected to running drugs and money laundering across the border.

The crooks use a variety of tactics to seem legitimate, including rattling off a "badge number" of law enforcement officers, sending email attachments containing personal information about an "investigation" and texting links to click on and "learn more" about a Social Security-related problem.

The Federal Trade Commission advises:

- 1) Do not trust caller ID. Scam calls may show up on caller ID as the Social Security Administration and look like the agency's real number, but it's not the SSA calling.
- 2) Your Social Security number is not about to be suspended. And your bank accounts are not about to be seized.

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- 3) Don't verify your Social Security number or any other personal information to anyone who calls out of the blue. If you already did, visit [IdentityTheft.gov/SSA](https://www.identitytheft.gov/SSA) to find out what steps to take now.
- 4) If you believe you or someone you know is a victim of elder fraud, file a complaint with the Federal Trade Commission online at [www.ftccomplaintassistant.gov](https://www.ftccomplaintassistant.gov) or call 877-382-4357.

In 2020, the Social Security Administration received more than 730,000 scam complaints — with victim losses hitting more than \$59 million.

Only about 1.5% of the people who reported a scam to Social Security alleged they had lost money. The average for those who did claim to lose cash was \$6,100.

The Office of the Inspector General for the Social Security Administration notes: "If you ever owe money to Social Security, the agency will mail you a letter with payment options and appeal rights. Social Security does not suspend Social Security numbers or demand secrecy from you in resolving a problem — ever."

Successful scammers can steal hundreds of thousands of dollars. One criminal out of suburban Chicago ran a telemarketing scheme where callers falsely claiming to be from the Social Security Administration and U.S. Department of Justice told people their identity had been stolen.

To get out of the mess, the ID victim was to transfer money to various bank accounts, which later supposedly would be paid back once the situation was resolved.

An elderly woman from Massachusetts ended up transferring more than \$900,000 from her bank and retirement accounts to scammers.

Many times, victims can be scared into taking one call after another from these scammers.

"They get kept on the phone for hours, if not days, at a time," said Gail S. Ennis, inspector general for the Social Security Administration.

The same set of scammers may even pretend to be from different agencies and make a string of calls to the same victim.

**MARCH 2021**

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**Dividend Paid Monthly\***

**60 Month Coupon**

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**Dividend Paid Monthly\***

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**8.50%**

**Dividend Paid Monthly\***

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**Online Workshop**  
Wednesday, March 17th  
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**Online Workshop**  
Thursday, March 18th  
06:30pm to 07:30pm

**Online Workshop**  
Monday, March 22nd  
1:30pm to 2:30pm

### ALL ARIZONA COUNTIES

**Online Workshop**  
Tuesday, March 23rd  
11:00am to 12:00pm

Register online at  
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*“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*

