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RETIREMENT PLANS THAT "CLEARLY" WORK FOR YOU.

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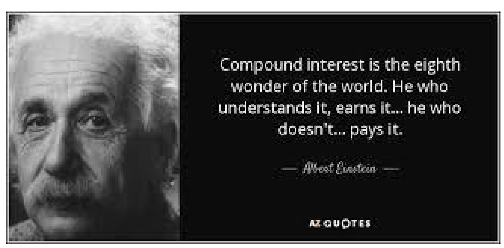
FOOTLOOSE AND FANCY-FREE

Having no attachments and free to do as one pleases.

The expression finds its origin in the 16th century, at that time, “fancy” was taken in the meaning of love and “fancy-free” was meant free of love. In other words we can say that you are not in a love relationship with someone. In the late 17th century “footloose” was meant that your foot was not tied, it was loose which allows you to go wherever you like. Today this expression says you are free, that is not bound to any person, place or job. Foot

Speaking of dancing feet and considering it is the holiday season, we harken back to the "Firecracker Dance" by Fred Astaire in the classic movie "Holiday Inn." Boy, could that man hoof!

Fred



I can understand the meteoric rise in the U.S. stock market since March 23, 2020 by looking at the bond yields. With inflation running at 1.2%, and the 10 Year U.S Treasury Bond yielding .928%; why would anyone want to own bonds? 10 Year
2020 Inflation
That being said, since the March 2020 COVID-19 pandemic market swoon, the run up in equities has bordered on a "Bull in a China Shop." The "Foot Loose, and Fancy Free" phrase is most definitely applicable to the buying binge taking place. I found the below ditty in a recent newsletter from MFS. Certainly, no

surprise on the major asset front, but worthy of an examination of how these two assets have compared over the years on price appreciation.

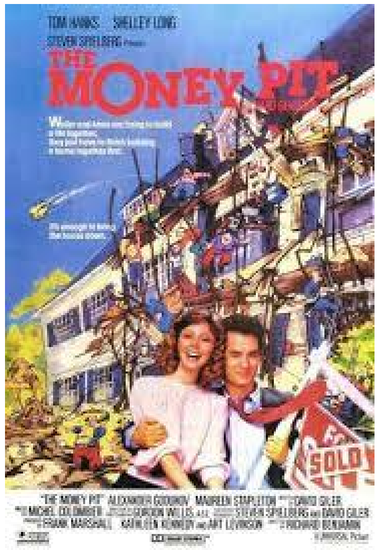
IS THIS YOU? - 62% of the average net worth of an American household comes from just 2 assets – the equity they have built up in their home and the value of their retirement accounts (source: Census Bureau).

So, in the year of our Lord 2020, the upward movement in prices for our two largest personal holdings (or at least 62% of us) has been quite remarkable. Whether this portends a bout of inflation (real estate) or outstanding corporate earnings (equities) remains to be seen. BTW, the 30 year Treasury Bond appreciation has also been nothing to laugh or even giggle at! 30 Year

In this vain, I thought it would be worthwhile to see how the ownership of a home and S&P 500 Index measure up over the last 100 years. I, for one, have always believe you purchase a home to "Live In" and not for capital appreciation. And if you add in the aggravation factor (Which is **PRICELESS**) of maintaining a home; it should cause the prospective first-time home buyer to take a **BIG PREGNANT PAUSE.** Let's list some standard continual and occasional (but guaranteed) homeownership costs: HVAC maintenance, plumbing repairs, rotted wood work, wooden deck protection, pest control, lawnmowers or gardeners, snowblowers or snow removal, grass seed, yard waste bags/stickers, gutter cleaning, window washing , appliance upgrades, replacement of mechanicals, roofing, exterior materials, painting, driveways, landscaping, tree trimming/removal, basement water, sewer backup, renovations, tools-hand/power, brick/siding repair, window repair/replacement, constant trips to the hardware stores, etc. etc. etc. ; I can assuredly say that many want nothing to do with the American Dream of owning your own home.At the ripe age of 67, I cannot wait to give the "Heisman" to my lovely 1928 bungalow and head to a comfy little **RENTAL** loft or townhome with wife and Labradors in tow. And if you doubt my veracity, the average annual cost of home ownership in the U.S. is around $13,153.
Cost
Home Appreciation

When I was growing up in the 1950's-1960"s, homes were gaining around 3% a year or about the rate of inflation. Then came the roaring inflation of the 1970's where housing became a way to make lots of money through flipping and "Spec Homes." 1970's Inflation

In fact, in many parts of the country, residential homes took on the characteristics of stocks and traded as such. Alas, no different than all booms, there comes the bust (Great Recession of 2008). 2008



As for historical U.S. stock market investment returns, they have been pretty consistent though not without their Ups and Downs. My grandparents, as wealthy as they were, chose to rent their whole lives and invest their money in stocks, bonds, and commercial real estate. Looking back at the tens of thousands of dollars that I have sunk into my two homes; with little capital appreciation to show for it (not to mention my sweat equity and various trips to the emergency room). I can say with firm conviction that my precious dollars could have grown exponentially by investing in better performing asset classes.

50 Yr Asset Performance

Historical Stock Market

"The clock is running. Make the most of today. Time waits for no man. Yesterday is history. Tomorrow is a mystery. Today is a gift. That's why it is called the present."
Alice Morse Earle

We, at **The Prizant Group,** can **ONLY** base on our advice on the past and hope that **"HISTORY REPEATS ITSELF."**

Based on the historical returns of the stock market that we showed you above, it seems to be a pretty good bet, that over time, a steady investment in equities will provide an acceptable rate. We believe in **"Crawling before you walk, and walking before you run"** Our investment philosophy to our retirement plan participants is **"Steady As You Go."**
Increase your annual deferral percentage every December by 1% and continue onward until you have reached the IRS annual deferral limits.

2020 is fading into the sunset (And I, for one, sayGOOD RIDDANCE) and we look forward to viewing this entire COVID-19 nightmare in the rear view mirror. With that in mind, we should all beg to remember the Aesop Fable of the "The Tortoise and The Hare."

Tortoise-Hare

The Personal Deferral Limits for 401(k)/403(b)/457 for 2021 are:

$19,500 (Pre-Tax, Roth, or Combination)

If you are 50 years old or will turn 50 in 2020, add another $6,500 (Pre-Tax, Roth, or Combination)

NOTE: YOU CANNOT "DOUBLE UP" BY PUTTING THE MAXIMUM IN PRE-TAX AND ANOTHER MAXIMUM IN ROTH. ONE ANNUAL LIMIT PER PERSON EVEN (IF YOU CHANGE JOBS DURING THE YEAR).

Lest we forget: Merry Christmas, Happy Hanukkah, Joyous Kwanzaa, and a Happy, Healthy, Prosperous New Year!

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