



# THE MCCREA – BOLLINGER GROUP

## LEGACY FINANCIAL INDEPENDENT ADVISORS

Legacy Financial Independent Advisors | 414 Baxter Avenue, Suite 215 | Louisville, KY 40204 | (502) 873-0528 | [www.legacyfia.com](http://www.legacyfia.com)

## Get Ready for the “Boring 20s”

Most of us have heard, or read about, the “Roaring 20s”. The 1920s were the boom years coming out of World War I coupled with the Second Industrial Revolution. A century later expect a decade with less roar and more bore. Long term market returns have averaged 10-11%. From our perspective, when we look back in 2030, we expect the 2020s to be marked by a below average stock market returns of closer to 5-7%.

The first three years of the decade have been anything but boring. After the huge Covid related drop in early 2020, the resulting stimulus helped the market roar back with above average years in 2020 and 2021, leading to an overvalued market by the end of 2021. With nearly a 20% decline in the market, 2022 brought us the first real bear market since 2008-09.

So, the question is why boring? Why now? While there will be, and always have been, ups and downs in any given year, we expect less volatility and lower returns for the foreseeable future. Last year in our first quarter newsletter, we warned about the revival of the 50-year-old term of “stagflation” where in the 1970s the U.S. economy experienced a long period of slow economic growth combined with rising inflation that became known as stagflation. In 2022, we certainly saw the revival of inflation. As we predicted in our first quarter newsletter last year, the higher inflation has led to higher interest rates.

In all of this, there is bad news and good news.

The bad news is that interest rates are higher. Higher interest rates will be a drag on the economy while funding for higher government debt will compete with the stock market for investment dollars. Going forward look for a prolong period of lower growth and stagnation in the economy.

The good news is that interest rates are higher. The bond market and other income investments are offering the highest yields in nearly a decade.

### WHAT WE ARE DOING AND RECOMMENDING

Diversification is always important. But going forward, how you are diversified will be key. We are investing in areas that we believe will do better in a high interest rate, slow growth economy. Increasing our exposure to longer term bonds will lock in some of the higher yields that are currently available. In the stock market we are more defensive and favor companies with higher dividends and undervalued companies that we believe will do better in a slow growth economy.

Of course, we will keep you apprised of the risks we see and continue to help you navigate any challenges in the path ahead. And as always, we are here to review your financial plan at any time.

*The information presented in this newsletter is the opinion of the author and does not reflect the view of any other person or entity. The information provided is believed to be from reliable sources but no liability is accepted for any inaccuracies. This is for information purposes and should not be construed as an investment recommendation.*



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The investment markets are constantly changing. As long-term investors, we look at these changes as opportunities for your overall investment strategy. What is your timetable? How best to balance risk and rewards based on your objectives? What are the important reasons for you to build and protect wealth? We monitor each investor's portfolio against changing market conditions to maximize performance. It is our simple approach to wealth management.

Your Team:

Bruce, Sheree, Chris, Bryan, TC, Jennifer and Vickie.

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### New name. Same great service.

Let us continue to create a lasting legacy for you.

### McCrea-Bollinger Group

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### Why did we choose to become Legacy Financial?

You may be curious about why the McCrea-Bollinger Group has chosen to be an independent investment advisor at this time. The answer is you. This transition was made with all our clients' best interest in mind. We believe in offering you the future you deserve.

Our transition to a SEC registered Investment Advisory firm enables us to streamline our service model to focus on investment management and financial planning. As registered Investment Advisors, we are held to the fiduciary standard which requires investment advisors to keep the best interests of their clients in mind at all times. In fact, we are legally required to put our client's interest first—and always act accordingly. We proudly stand behind this principle.

Legacy Financial is partnering with Raymond James, one of the largest investment firms in the country. Founded in 1962, Raymond James has been publicly traded on the New York Stock Exchange since 1983, serves over 8,700 financial advisors, and has approximately \$1.2 trillion in client assets. Their experience, resources and longevity were attractive to us as we are able to offer you a more comprehensive service. One improvement you will notice right away is a user-friendly online platform that will help you track your investments.

Together, we will build upon your existing financial planning, tax management, charitable giving, and estate planning strategies. Our transition keeps in mind all your life's transitions.

At Legacy Financial, our primary goal is to set you on a path to comfortably and confidently meet your financial goals. We look forward to serving you now and in the years to come.

