

IN TOUCH

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A photograph of three people in a workshop or industrial setting. In the foreground, an older man with grey hair, wearing a blue apron over a striped shirt, is smiling. Behind him, a younger man with short brown hair, wearing a white apron over a dark shirt, is also smiling. To the right, a woman with blonde hair, wearing a white apron over a grey shirt, is smiling with her arms crossed. They are all wearing safety glasses around their necks. The background shows industrial equipment, including large spools and a wooden structure.

**Business continuity
is defined as the
capability of an
organization to
continue their
services at an
acceptable level
following a
disruptive incident.**

BUSINESS & FAMILY CONTINUITY



Julie Ellenbecker-Lipsky,
CFP®, CDFA®

President and Senior Wealth Advisor
Ellenbecker Investment Group

Making sure that we have a robust business continuity plan is essential to our business and to our client's expectations. At Ellenbecker Investment Group, we have always had a documented business continuity and disaster recovery plan... but we haven't always tested it.

COVID-19 taught us many things, and one of the most important lessons we learned was how critical it is to have the proper tools for our employees to safely service their clients from home. We were pleased with the continued high level of service we were able to deliver. This year we took the testing to a whole new level. In October, we had a fully simulated disaster recovery drill. Our employees were told in the morning that the office was closed due to an emergency, and they were expected to fulfill their job responsibilities remotely. You can probably imagine the immediate shock and hopefully, you can also imagine how quickly every employee jumped in to make sure they could continue to offer the high level of service you have come to expect. There were a few hiccups, a few laptops left at the office and a few appointments that had to be rescheduled, but we ended that day confident how to move forward effectively. I assure you we are prepared should a real disaster ever strike one of our offices. Looking ahead, we intend on performing business continuity tests every quarter in 2023, and beyond, so you can rest easy knowing that we are prepared to handle any situation as it arises and will, without a doubt, be able to manage your financial plan through any circumstance.

So ... all this talk about disaster recovery and business continuity had me thinking. Have you tested your personal family continuity plan? What would happen if one day, the family leader was gone? Can you imagine the first family meeting taking place with your seat empty at the table? Take a moment to visualize how your family would carry on without you there. Is there fighting, laughing, insecurity, anger? Are your loved ones working together, united, or immobilized by fear? Are they caught off guard or do they know what they are supposed to do? Is there someone they can rely on to step up and help lead? These are all the questions I asked myself as we tested our business continuity plan and I encourage you to ask yourself as you think about your family plan.

- 1. Identify the risks your family faces if you're gone.** Do they have your important password information? Do they know where important papers are kept?
- 2. Plan a response to those risks.** Let them know where to find your important information and who to contact if something happens to you.
- 3. Define roles and responsibilities.** Choose who will step in when something happens to you. Do different people have different roles? Who is responsible for your financial affairs and who will make health care decisions?
- 4. Communicate.** Make sure your family knows the plan and who will be responsible for what action item. Don't leave them to guess what your plans or intentions are for after you are gone.
- 5. Test. Schedule a family meeting and test your plan.** Set that family table and leave your place open. Be willing to change your plan if the test run doesn't go the way you had hoped.

In the wise words of Warren Buffett, "Someone's sitting in the shade today because someone planted a tree a long time ago." Any planning you do today will ensure that the continuity of your family legacy lives on long after you are gone. 🌳




There are only a few certainties in this world; those things that we can count on regardless of what is going on in our lives and the world. Many people like to joke that the only guarantees in this world are death and taxes. Although that is true, I also like to think of the four seasons as one of the certainties (at least in Wisconsin).

Each season typically arrives on time and they are mostly predictable. We just left behind a beautiful fall and I am reminded that the trees teach us a valuable lesson ... the importance of letting go.

I recently interviewed Dr. Jack Singer, Ph.D. on Money Sense Radio. I asked him what he believed was happening in our world post-Covid and in the midst of financial turmoil

and political mayhem. His response was that we have become a world of "what if" and with every "what if," we attach a negative connotation. We add a worry that threatens our health and our well-being. He suggested that instead of starting with a "what if," we instead ask ourselves what the worst possible outcome could be. Generally, the worst possible outcome doesn't happen. We have to give ourselves credit that as whatever circumstance unfolds, we are prepared, smart enough, and strong enough to change our mind, take another direction or abort the plan all together.

It helps to acknowledge that at times things are going to be tough. Pause when your brain takes over and you can feel your energy drawing on negative influences like media, or others around you that are wallowing in their own fear. Remember, that what you spend most of your time thinking about actually can become your reality.

A mentor once told me that a friend is someone who is always there for you in the difficult times but a true friend is someone who is there in difficult times, but is also there to celebrate the good times. At EIG we celebrate you during all phases of your life. We are here for you in the good times, and we are here for you in the most difficult of times. In this new year, make a conscious decision to abandon your "what if" approach and count on us to help guide you through 2023. 



Karen J. Ellenbecker

Founder & Senior Wealth Advisor
Ellenbecker Investment Group

Read more from Dr. Jack Singer at DrJackSinger.com

Budgeting **for Travel**

Kristina Schnuckel
CFP®, AIF®

Director of Client Experience
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If you're anything like me, traveling is one of the highlights of my year! My husband and I are blessed with a great village to watch our kids, allowing us to leave at the drop of a hat. With travel getting back to pre-Covid levels, we are excited to tick a few more places off our bucket list in the years to come — we may even bring the kids!

As much as I love travel, it hasn't always gone smoothly for us. We've learned some valuable tips along the way for a safe and budget-friendly experience!

Separate your money

When traveling overseas, it's important to make sure you aren't putting all your financial eggs in one basket. If you're using cash, only take what you need for the day with you, making use of your hotel safe for the rest. This can lessen the impact of being pick-pocketed.

Google Maps is your friend

In this time of global accessibility, it has become easier and cheaper to use your cell phone when travelling. Make sure you add global coverage before your trip if you don't have it. Google Maps can help you navigate in a pinch. We've used it everywhere from the jungles of Costa Rica to the white-washed alleyways of Mykonos. Not only will it help you find the way back to your hotel if you wander, but it can help you find highly rated dining spots and public restrooms. Make sure you have a good travel adaptor and a battery pack for your phone to ensure the battery life lasts all day.

Know your surroundings

Even with group travel, it's important to do your own research and understand the risks of the area you are travelling to. This will help you to understand potential local scams, where to safely exchange money, and where to be most vigilant against pickpockets, who are most active where pedestrian traffic is heaviest, or tourists are congregating in groups. My husband reached back to his

pocket on an escalator coming out of a Metro station to find someone else's hand in his pocket!

Know your bank

Not all banks are alike. Some will charge exchange rate fees and service fees for overseas transactions. Additionally, add a travel notice to your bank accounts including in-transit destinations. There are several banks that don't require a travel notice but will send you a notification if they notice a unusual transaction. Never use public Wi-Fi for any banking transactions. If your card is stolen, contact your bank immediately to prevent money from being withdrawn. Many banks allow you to freeze and unfreeze your account with a push of a button in their app if you just happened to misplace your wallet.

Budget for travel

Know your general budget but leave room for spontaneity. Know the exchange rate. Shops may take advantage of tourists and knowing the exchange rate can ensure you are making informed decisions.

Have a back-up plan

Expect the unexpected. Thanks to a recent experience, I will now always arrange for a few extra days with our dog watcher, and pack an extra week of medication! If you plan for delays, your trip will not be completely derailed if they happen.

Save your packing list

Create a digital packing checklist so you can refer to and edit as needed post-trip. We have several lists now to choose from, depending on if it's a beach or city vacation.

Don't forget – always get the travel insurance!

SECRETS TO A

Happy Retirement

hap·py / hapē / adjective

enjoying or characterized by well-being and contentment

Having had the pleasure of working with pre and post retirees over the past decade, the definition of the word “happy” varies from client to client and family to family.

So how do YOU achieve a happy retirement?

In my experience, there are 10 things that happy retirees have in common.

1. Save as early as you can and get organized and prepared to turn your paycheck off.

This will allow your investments to grow as long as possible as well as condition you to “spend well” – meaning know where your dollars are going. If possible, it is best if your mortgage is paid off or close to being paid off at retirement.

2. Know what you will fill your time with.

Think beyond the first year of retirement and the goals of de-cluttering and updating your home. Think of your hobbies/interests that make you curious and connect you with other retirees. What are you passionate about? Biking, cooking, baking, pickleball, painting, acting? Create your list.

3. Bring structure to your day.

Humans love structure and the rhythm of a daily routine. Everything from sleeping, eating, and exercise, to social activities. Join a club, “ink it” on your calendar and enjoy!

4. Remember, it’s all about you.

It’s great if you can live near family, but also know to set boundaries and hold them. The more parents financially support their adult children, the less happy they are in retirement.

5. Create a new you.

Your job title and work identity are gone. Time to create a new identity with a new purpose that will inspire you to get up each day to fulfill that purpose.

6. Friends, friends, friends.

One of the first realities at retirement may be that your work friends were just that...work friends. I cannot emphasize enough the importance of friends in retirement. Retirees with friends find that they are happier and live longer.

7. Life is an adventure.

Keep trying new things. Foods, activities, exercise groups, dance, arts, people, etc. Don’t become stagnant.

8. Investment guidance/professional money management.

Create a portfolio that provides income through dividends and interest as well as growth to hedge against inflation.

9. Get healthy. Health is wealth.

If you don’t have health, you cannot enjoy spending all the money you saved over the years.

10. Splurge wisely.

Become an expert on balancing your spending. Enjoy the finer things of life like coffee made by a barista, travel, fine dining – just not every day. It’s important to spend some of your money on fun pleasure.

If you’re gearing up for retirement, my words of advice are to get your finances in order as you wind down gently to provide a smooth transition into the new chapter of life.

Enjoy the journey — Sing it with me ...

Don’t Worry, Be Happy. 🌀



Jean Range, CFP®

Senior Wealth Advisor

Ellenbecker Investment Group

HOLIDAY HANGOVER REMEDIES


Getting back on track financially, mentally, physically.

Holidays can be the best – family, friends, food, gifts, parties, etc. And post-holidays can feel less than the best – bills, sluggishness, exhaustion, debt, overindulgence, too much stuff, etc. So many of us start the year with a holiday ‘hangover’ – in financial, emotional and physical ways. Instead of doing a cleanse or detox, consider a plan to get to where you want to be.

Financial: Start with a list of your current debt with interest rates. Review your cashflow – what comes in and what goes out – to determine how much each month you can put towards your debt. By tracking where your money goes, you may find places to trim spending in order to put more towards debt pay off. Try to keep your savings goals intact by maintaining your current contributions to your retirement and college savings plans. Start paying off the highest interest rate first which is likely credit cards. As you pay off the debt, focus on rebuilding your emergency fund of three to six months of spending. Take time to look at purchases and spending for the rest of the year – vacations, new vehicles, appliances, home improvements – to set your budget and not have to take on debt. Reflect on this year’s holiday spending and take note of what you want to do differently next year. Add your thoughts to your calendar for October 1 so you can set your plan before next holiday season.

Emotional: Holidays can be stressful and exhausting. Take it easy on yourself – adding guilt and shame to the holiday hangover will do you no good. Find joy in every day, whether it is a delicious cup of tea or a good laugh with a co-worker. Take time for self care – for some, it is meditation and yoga; for others, it is a good massage; and for others (like me), it is cleaning out a closet or junk drawer. Change your perspective by writing down a few things each day that you are grateful for, no matter how big or small.

Physical: Fitness clubs and gyms are crazy busy in January with the ‘New Year Resolutionaries’ who oftentimes fizzle out by February 1. Instead of setting a goal based on the scale or the number of days at the gym, find movement and activity that you truly enjoy. Doing a ‘couch to 5K challenge’ might not really work if you hate to run. However, if hiking is your thing, there are miles of great trails in nearby parks – grab a friend or your dog and enjoy the time outdoors.

With a good plan that is realistic, practical and flexible, you’ll get through the post-holiday blues with ease and grace. 

Heather Deaton
CFP®, CSRIC™

Wealth Advisor
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Jamie Williams, CFP®

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TRENDLINES: Finding Some Perspective

It is widely known that it is nearly impossible to forecast or gauge the future direction of the markets or exactly where the US or global economy is headed with any level of certainty. While this may be the case, investors will often try to assess what the future may bring based on information that is readily available through a broad range of news sources and historical and current events data.


This may include a variety of social media outlets, an array of television and radio shows from a variety of networks, and even newspapers. It's no secret; we are now living in a time where information is available at our fingertips and seemingly updated by the second. We have endless outlets and news sources around us that often share different views, opinions, and narratives. Regardless of where people are finding their information, it is important to keep a few key fundamental things in perspective when it comes to your finances.

First, it is important to note that markets and economies are vastly complex systems that are comprised of multiple factors and variables. It is also important take note that historically these systems are adaptive and have adjusted quickly when unexpected shifts occur over time.

One other item to point out is that the economy is not always directly tied to or correlated to the performance of the stock market as one might think. For example, over the past nine recessions, the average performance of the S&P 500 Index averaged a decline of only 1.5% with a median decline of 3.4%. Ironically, we also experienced positive market performance during these periods.

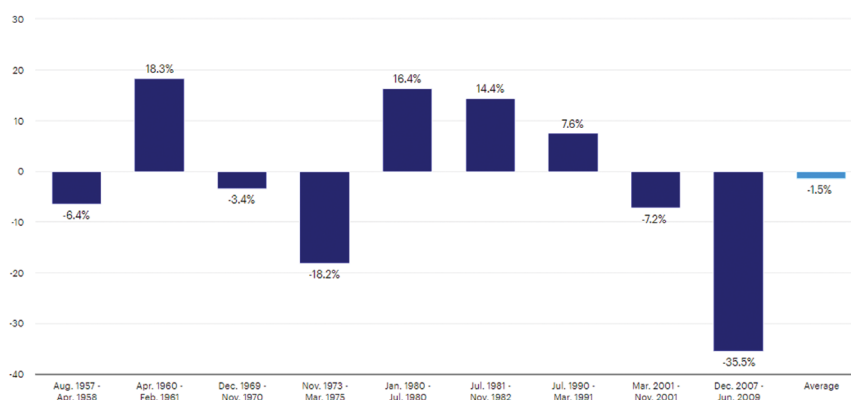
When it comes to trying to understand or read the "tea leaves" of what is happening within our economy, experts rely on technical and fundamental data that may help shape an idea or opinion on where things are likely to be headed. Economists review leading or lagging economic indicators such as the consumer price index (CPI), gross domestic product data (GDP), housing and unemployment data, and corporate

earnings to gain understanding of any challenges that come into play and to help determine if the outlook may be positive or less than favorable.

All of this takes us back to having a strategic plan in place that considers risk factors, liquidity, cash flow and the quality of your investments. A well thought out and executed plan is essential to success no matter what lies ahead. Taking time and consideration to review your short- and long-term goals, assess your risk tolerance, and expert guidance from your advisor will help navigate your path to success regardless of what the media may be sharing in the headlines on any given day. Please reach out to your EIG Wealth Advisor to learn more or how to make sure your plan is positioned for success. 

Stocks don't always decline during recessions

S&P 500 Index cumulative returns during recessions



Sources: National Bureau of Economic Research, Bloomberg. The S&P 500 Index is a market-capitalization-weighted index of the 500 largest domestic US stocks. Indices cannot be purchased directly by investors. **Past performance does not guarantee future results.**

**Diane Gastrow**

Director of Insurance Planning
Ellenbecker
Investment Group

INSURANCE PLANNING: A Personal Story

Insurance Planning – It's Personal and It Matters!

Today is my mom's 91st birthday! As she celebrates another year, I think back on who she has been to me and what a smart, strong, independent woman she is.

Twenty-one years ago, my dad threw a surprise 70th birthday party for her. It was one of those rare days when family, friends and relatives made time to gather and celebrate something positive. It seems like everyone is "busy" and there are way too many times when we say, "we should get together," but we don't.

That year we celebrated Christmas and then the New Year, never realizing that my dad would die unexpectedly in January. At his service we all echoed the thoughts on how happy we were to have had Mom's party in November.


Once Mom had a chance to regroup and start to plan for her future, she reached out to me about Long-Term Care Insurance.

Fortunately, Mom and Dad had planned well and Mom had the resources to support herself in retirement. However, she was concerned about the cost of long-term care services, and she did not want to be a burden to me and my five siblings, either physically or financially.

She ultimately purchased a traditional tax-qualified long term care policy, and she views the policy as her "permission ticket" and her "admission ticket" to get good quality care, if she needs it.

In addition to taking this important step, Mom is what I would call an "ideal" senior. She continues to live independently in the house she shared with my dad. When she is home alone, she wears a help button and will not climb a ladder or onto a stepstool. She has seen too many of her friends fall and get injured with no way to call for help. She is selective when and where she drives. She knows her limitations and does not want to put herself or others in danger. She eats healthy, exercises regularly, and gets recommended medical care.

In case you cannot tell, I admire her and the choices she makes.

As of today, Mom is healthy and has not used the benefits of her long-term care policy. However, she sleeps well at night knowing that she has put plans in place to meet her needs throughout the balance of her lifetime. My siblings and I sleep well at night, too. We know that we can help her enjoy her life rather than worry about what the future might bring. 



***Celebrating 91 years
with family!***



TAX PREPARATION CHECKLIST

Tax time is almost here! Wondering what tax documents you need?

Be ready with our Tax Preparation Checklist to help you gather the data necessary to prepare an accurate and complete tax return for 2022.

A good habit is finding a centralized spot to corral all your tax documents before they start arriving. Try using a brightly colored tax folder kept in a specific spot or an electronic tax folder on your computer — having a prearranged spot will save misplacing important documents.

Gather all the documents that confirm your income during the previous year:

- ☐ **W-2 forms.** Employers generally issue W-2s by Jan. 31, so keep an eye on your mailboxes, both physical and electronic.
- ☐ **1099 forms.** Each of these forms end with a different suffix, depending on the type of payment you received. For example, form 1099-NEC is for contract work. You will receive a 1099-SSA if you are currently receiving any type of Social Security benefit. Any bank interest earned over \$10 annually will be reported on Form 1099-INT. Remember that you do not need to provide the EIG Tax team with your consolidated 1099s from TD Ameritrade for accounts managed by EIG.




Sandra Geisler, CPA
Director of Tax Planning
Ellenbecker Investment Group

“A good habit is finding a centralized spot to corral all your tax documents before they start arriving.”

Deductions help reduce your taxable income, which generally means a lower tax bill. Itemizing isn't necessary to benefit from some deductions. Make sure you have documentation for some popular tax deductions:

- ☐ **Retirement account contributions:** You can deduct contributions to a traditional IRA or self-employed retirement account.
- ☐ **Educational expenses:** Students can claim a deduction for tuition and fees they paid, as well as for interest paid on a student loan. Form 1098-T shows your education transactions at each college. This form is also required to claim the valuable American Opportunity and Lifetime Learning credits. Form 1098-E has details about your student loan.
- ☐ **Medical bills:** Medical costs could provide tax savings, but only if they total more than 7.5% of adjusted gross income for most taxpayers. Healthcare premiums and qualified long-term care premiums paid also qualify, and provide a subtraction from income in Wisconsin.
- ☐ **Mortgage interest:** Form 1098 will show how much home loan interest you can claim.
- ☐ **Charitable donations:** To ensure your generosity pays off at tax time, keep your receipts for both cash and non-cash charitable donations. The IRS could disallow your claim without substantiation. And don't forget to include any gifts made directly from your IRA (QCDs).
- ☐ **State and real estate taxes:** You can deduct various other taxes, including either state income or sales taxes (up to \$10,000). Remember to alert your preparer to any state (and federal) estimated taxes you paid during the year. Be sure to provide us with your property tax payment receipt – even if you don't itemize deductions - it can be worth up to \$300 in credits on your Wisconsin tax return. If you are renting, the credit is also available for rent paid.

Other important information your preparer will need might include the below information:

1. Banking information if you would like your refund direct deposited, or amount owed directly withdrawn from your bank account.
2. Address changes that occurred during the year.
3. New addition to your family?
We will need their full name, SSN and birthdate.
4. Prior year's return if you are using a new preparer for 2022. 



Presented by Ellenbecker Investment Group, this unique show features non-profit organizations each week and explores ways for listeners to have an impact in our local community and the world.

Hosted by Jill Economou, EIG's Director of Community Outreach, on Sundays at 10:00 AM on WISN AM 1130. Listen to past shows at ellenbecker.com/radio.



Guests from Q3 & Q4 2022

ABCD: After Breast Cancer Diagnosis	Inclusion Coffee Company
The Augustine Academy	Journey21
Boys & Girls Clubs of Greater Milwaukee	Kinship Community Food Center
Brain Cancer Research & SODA (Susan Miller, author of Permission to Thrive)	L'Arche
Camp Whitcomb/Mason	Luke Homan Foundation
Compass - finances God's way	Marleh Lehman Scholarship Foundation
Dr. Howard Fuller Collegiate Academy	Nurses Affecting Change (program at UW Milwaukee)
Eric Wolfe Brain Tumor Fellowship	Old World Foundation
Family Promise of Waukesha County	Operation Finally Home
Fellowship of Extraordinary Women	Outreach for Hope
Gals Institute - Gals on the Go Project	Paintings for Pediatrics
Greater Milwaukee Foundation	Paralyzed Veterans of America
Habitat for Humanity	Project WisHope
Healing Hearts of Southeast Wisconsin	SOFA Inc., Saving Others for Archie
Ignite the Spirit - Milwaukee	Sisters Empowering the World
	StreetLife Communities Milwaukee
	TEMPO Waukesha
	The Saber Six Foundation

INFLATION, RATES, ECONOMIC GROWTH: WHAT IS THE BIG PICTURE?

Terry Pavlic, CFA, and Richard Schiller, CFA, CPA

Pavlic Investment Advisors, Inc.

Ask anyone to use one word to describe the economic environment of 2022, and we are willing to bet they will say, "Inflation." Inflation reached over 9% in June of 2022, which is the highest rate we have seen since 1981.

It has since "cooled" to just over 7% but remains much higher than we have become used to over the last 10-15 years (see purple line in chart below). Inflation stings particularly hard because it is not only that stock and bond values fall to reflect higher interest rates, but consumers are constantly faced with higher prices as they fill up with gas, buy groceries, or even worse, try to finance a home or car purchase. It is no surprise that consumer confidence remains low and investor anxiety levels remain high. Our bond portfolios help to quell that investor anxiety.

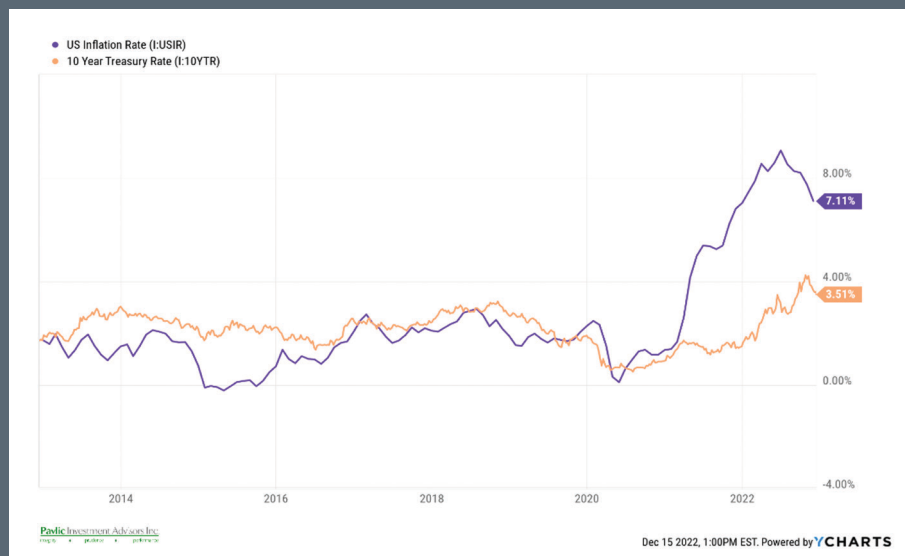
Historically, interest rates and inflation have had a strong positive correlation, as shown in the chart below that plots the CPI inflation rate (purple line) and the 10-year US Treasury rate (orange line). However, inflation began its rapid ascent in January of 2021, while the interest rate market took its sweet time and only began to rise several months later. In fact, the 10-year was still at 1.5% at the beginning of 2022 when inflation was already at 7.0%. Why this disparity and what is it telling us? The Fed controls short-term interest rates (think overnight) using the Fed Funds Rate, but supply and demand has more to do with what happens to longer-term bonds. Rates have not kept pace

with the rapid rise in inflation because investors expected two things: inflation would come down and economic growth would slow in the future. We believe both are happening or will happen shortly—economic growth is going to slow, and inflation will continue to moderate in the coming quarters.


So how do we invest, and what does this mean for the bond portfolios at EIG? First, we start with asking what is our going-in rate of return on investing new money into bonds—today the rate for our 10-year maturity ladder is ~6.0%, or ~2.5% above the current rate of the 10-year US treasury. We believe this an attractive market for bond

leaning further out on the yield curve since the rates we earn today may be higher than we can earn in the future as both inflation and economic growth slows in 2023 (both should push rates lower).

Our objective has been and always will be to offer the highest levels of return (much greater than checking accounts, CDs, or US Treasuries) at very low levels of default risk. Even with the economic turmoil we have experienced in 2022, and with the expectation of a slowing economic growth in 2023, we are confident that all of the bonds we hold have very minimal default risk and, therefore, provide a great opportunity to earn some of the highest yields



investors as most clients are particularly happy with a return above 6.0%. If a client can sacrifice some liquidity and be willing to lock up their returns for longer (6-10 years), we are in favor of

we've seen in decades. The bond market is open for investors, and offering attractive yield opportunities without the volatility of stocks. 

MARKET RECAP: Pivot to Pause?

Rob Lowry, CFA

Senior Research Analyst, Fiducient

Risk assets extended the October rally into November, continuing to claw back returns from lows earlier in the year. Investor sentiment swung 180 degrees as economic data showed signs of peaking inflation and the resulting potential for a slowing pace of Federal Reserve ("Fed") rate hikes heading into 2023.

Fears of a recession that spooked markets earlier in the year have either moderated or been accepted by investors and, despite economic activity starting to trend down, markets remained resilient. U.S. equity markets generally saw mid-single digit returns, driven by larger cap companies, while small cap stocks, as measured by the Russell 2000 Index, posted a modest positive return. Non-U.S. equities rose in the month and widely outpaced their domestic counterparts. A new prime minister in the U.K. and clarity on reforms, as well as favorable inflation prints in Germany and Spain, likely helped push international developed markets (MSCI EAFE Index) higher. The U.S. dollar weakened compared to many major currencies, providing an additional tailwind for international stocks. Emerging market equities (MSCI EM Index) also saw double digit gains in the month. China remained in the headlines; positive sentiment about the potential for easing restrictions on the zero-COVID policy overshadowed protests later in the month. MSCI China returned 29.7 percent in November.

Fixed income markets also generated positive returns for the month on the back of lower interest rates. The U.S.

10-year yield fell 42 basis points, ending the month below four percent on the heels of better-than-expected inflation data. However, front-end rates moved higher after the Fed raised its target rate an additional 75 basis points at the November meeting. Securities down the capital stack, e.g., U.S. corporate high yield, also fared well in the risk-on environment. Diversifying and inflation sensitive areas of the market such as REITs and commodities eked out modestly positive returns in November, but both segments saw mixed performance from underlying sectors. Within the commodities market, falling energy prices were more than offset by strength in industrial and precious metals.

Shifting Sentiment

The October inflation report marked a turning point in investor sentiment. U.S. CPI grew 7.7 percent year-over-year in October. While still elevated, the print came in below expectations and marks the lowest reading since January. Investors pivoted to the "Fed pause" narrative, sending the S&P 500 Index up 5.6 percent on November 10th, the best day of 2022 thus far, and among the top trading days on record. Expectations for a moderating Federal Reserve soared, with the market shifting to an 85 percent probability of a 50-basis points rate hike in December rather than a 75-basis point hike. Markets are also pricing in a pause in the rate hike campaign in 2023. The Fed remains committed to being in a "higher for longer" mindset, but the statement coming out of the November 2 meeting lends some credence to the possibility of a pause in 2023 as the committee accounts for the "lags with which monetary policy affects economic activity and inflation."

Inflation expectations have moved lower as investors digested the recent CPI report and Fed messaging. This pushed rates on the long end of the U.S. yield curve lower and, based on the difference between the 10-year and 2-year Treasury yields, the curve is now the most inverted it has been since the 1980s (touching -77 basis points during the month). An inverted yield curve has historically been a warning sign of recession to come, and the Fed has made it clear they are willing to sacrifice growth to bring down inflation. We are starting to see signs of slowing activity – PMI numbers moderating, housing data softening, etc. – but the U.S. labor market remains resilient, consumer balance sheets are generally in favorable positions and the BEA reported Q3 2022 GDP growth of 2.9 percent in its second estimate. It remains to be seen if the Fed can navigate a "soft landing" in the new year.

Outlook

The Federal Reserve and its commitment to fight inflation remains at the forefront of the investment discussion. Recent inflation data is showing signs the worst may be behind us and the possibility of a central bank pause in 2023 has breathed recent life into financial markets. However, risks lurk on the horizon and the chance of recession in the next year is elevated – financial conditions have moved tighter since the beginning of the year, inflation, while slowing, remains very high and geopolitical risks persist around the world. As we head into year-end, we are busy finalizing our forthcoming 2023 investment outlook, but we remain steadfast in our view that taking a strategic and disciplined approach to investing allows for the highest probability of achieving long-term investment objectives. 

WELCOME: New Team Members



Breanna Jones joined Ellenbecker Investment Group in October 2022 as a Wealth Advisor Associate with 8 years of experience in the financial services industry. Breanna graduated cum laude from Maranatha Bible University in 2014 with a degree in Business Management. After working in the mortgage industry for several years, she decided to make the move to EIG. Breanna was born and raised in Michigan but moved to Wisconsin for college where she met her now husband, Drew. She lives in Wauwatosa with her two fur babies, Winter & Ophelia, both Mini Australian Shepherds. Breanna has a love for traveling, baking, college football (Michigan Wolverines), and hanging out with family.



Tammy Niemann joined the team in October and brings with her over 25 years of banking experience. She has an extensive background in all aspects of mortgage lending. Her primary role is a wealth Advisor Associate working closely with Julie Ellenbecker-Lipsky's team to enhance the client experience. Her passion for learning and people brought her to Ellenbecker. She lives in Sussex with her husband, 2 kids and dog. She enjoys spending time with her family and anything outside including hiking, biking, paddleboarding and swimming.



Ellie Kaczowski joined Ellenbecker Investment Group in October of 2022 as an Intern. Her primary role is to support the firm with various projects and operational needs. She is very excited to be learning more about EIG and our core values. Ellie is currently finishing her senior year at UW-Madison; getting a double major in personal finance and political science. She previously worked for Northwestern Mutual in a financial representative role. Currently in Madison, Ellie plans to move back to Pewaukee upon graduation. When she is not busy with homework, she likes to spend her free time visiting family in Florida and watching Netflix with her pet cat, Shea.



Trent Remmers, a senior at UW-Madison studying personal finance, joined EIG in October as an intern and works to support the firm with a variety of projects. He has an older brother and sister, as well as a twin brother, along with a chocolate lab at home named Sophie. In his free time, you'll find Trent golfing, skiing, fishing, hiking, exercising or anything that keeps him active and outdoors. He also enjoys traveling, attending Badger football games, and spending time with friends and family.

Quarterly Charity Partner

Please join us as we collect items for the Wisconsin Humane Society. Our collection will run January 1 through March 31, 2023.

The Wisconsin Humane Society (WHS) is a private nonprofit organization whose mission is to make a difference for animals and the people who love them.

Founded in 1879, WHS has been saving the lives of animals in need for more than 140 years. WHS is a 501(c)(3) organization and operates animal shelters in Milwaukee, Ozaukee, Racine, Door, and Brown Counties, as well as a spay/neuter clinic in West Allis.

WHS receives no general government funding nor are they part of any national umbrella organization. That's where you come in!

Their ongoing, highest needs are soft dog treats, peanut butter, and unscented baby wipes, but there are a variety of products they need and ways you can help. For more info, visit wihumane.org/donate/wish-list.



CALENDAR OF EVENTS

To register or learn more about our events, please visit: ellenbecker.com/events

To receive our weekly emails, please email: info@ellenbecker.com

JANUARY						
1						7
8						14
15			18		20	21
22		24		26		28
29						

FEBRUARY						
						4
5		7	8			11
12			23			18
19			22			25
26						

MARCH						
						4
5			8			11
12			15	16		18
19		21	22			25
26						

EVERY SUNDAY

Money Sense on WISN AM1130 ■	12:00 PM
Milwaukee's Philanthropic Community on WISN AM 1130 ■	10:00 AM

EVERY SATURDAY

Money Sense on WISN AM1130 ■	2:00 PM
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JANUARY

18	Social Security: Retirement Benefits ■	1:00 PM
18	Wisconsin Widows Connected ■	5:30 PM
20	Tax Virtual Town Hall ■	10:30 AM
24	EIG Tax Portal Training - Client Workshop ■	10:00 AM 3:00 PM
26	Women, Wine & Wealth: Money Resolutions ■	6:00 PM

FEBRUARY

7	Zoom Webinar: Wisconsin Humane Society ■	12:00 PM
8	Women's Bible Study ■	5:30 PM
8	Understanding Your EIG Portfolio ■	3:00 PM
15	Preserving Family Photos ■	4:00 PM
22	Women's Bible Study ■	5:30 PM

MARCH

8	Women's Bible Study ■	5:30 PM
15	Wisconsin Widows Connected ■	5:30 PM
16	Downsizing Your Home ■	1:00 PM
21	Financing College ■	5:30 PM
22	Women's Bible Study ■	5:30 PM

As the largest shelter in the state of Wisconsin, WHS offers a variety of specialized services, including:

- A comprehensive adoption program that matches 13,000 homeless animals with new families; there are no space or time limits for any animals in their adoption program.
- Affordable spay/neuter services open to the public.
- A pet food bank to assist families with pets through tough financial times.
- Youth programs for children designed to practice compassion, respect, and care for animals.
- Outreach programming to service families with pets in underserved areas.
- A foster program for animals in domestic violence situations.
- Dog training classes for dogs and puppies.
- A Wildlife Rehabilitation Center that provides rescue, rehabilitation, and release for 5,000 wild animals annually.

HR UPDATE

Employee of the Month

Congratulations to these employees for going above and beyond and being chosen as EIG's Employee of the Month!

November: Sandy Miller

December: Jennifer Geisler

Employee Anniversaries

October

Heather Deaton – 6 years

November

Deb Just – 4 years

Tina Alfini – 4 years

Marina Ziolkowski – 1 year

Amy Andre – 1 year

December

Karen Ellenbecker – 26 years

Julie Ellenbecker – 26 years

Kate Murphy – 5 years

Ryan Fritz – 1 year

Anniversary Donations

- The Table Alice's Garden
- Fondy Food Center
- Waukesha County Youth Hockey Association
- Lake Country Charity Connection
- Adult Congential Heart Association
- Planned Parenthood
- Christmas Clearing Council
- Conservancy for Healing and Heritage
- Northbrook Church
- Kids Matter Inc
- HAWS
- St. Johns Northwestern Military Academy
- Blessings in a Backpack
- St. Jude Childrens Hospital
- The Women's Center



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Saturdays at 2:00pm, Sundays at Noon | WISN AM1130

Tune in as Ellenbecker Investment Group Wealth Advisors share their unique financial perspective as they interview local and global economists, attorneys, tax professionals and other interesting guests.



Sundays at 10:00am | WISN AM1130

Presented by Ellenbecker Investment Group, this unique show features non-profit organizations each week and explores ways for listeners to have an impact in our local community and the world.



Listen to past shows at ellenbecker.com/radio

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