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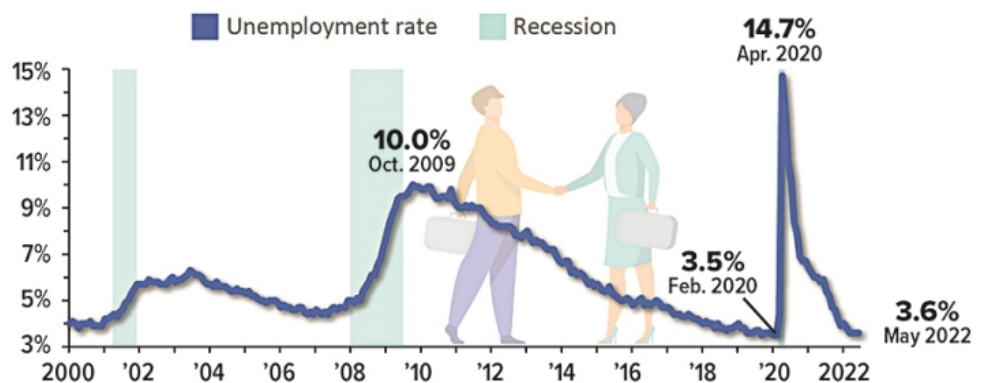
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 Proactive Financial Planning
 INDIAN RIVER FINANCIAL GROUP, INC.

The big question lately has been if the rising interest rates will lead to an economic slowdown or recession. While the odds of a recession by year's end appear to be increasing, it is believed to be less severe than recent recessions due to the buoyancy provided by prior COVID stimulus programs as well as the strong labor market. Historically there are three categories of recessions. Asset Bubble Recession (2008 housing bubble burst), Geopolitical Driven Recession (1973 Oil Embargo), and the Cyclical Slowdown Recession (least extreme due to shift in supply - demands). The bottom line for now, is that a recession will unlikely be as deep as the financial crisis in 2008 due to the various stimulus programs which strengthened the balance sheets of households and businesses. While I believe this analysis to be generally true, I still will be following the trends to see how it progresses. The good news is that we have emerged from every recession, usually the following year.

Quick Recovery for Unemployment Rate

The U.S. unemployment rate skyrocketed to 14.7% in April 2020 when the economy shut down in response to the pandemic. This was by far the highest rate since the current tracking system began in 1948. Fortunately, employment has recovered at a record pace — the unemployment rate was just 3.6% in March, April, and May 2022, nearly the same as before the pandemic.

The official unemployment rate only reflects unemployed workers who are actively looking for a job. A broader measure that captures workers who want a job but are not actively looking, as well as part-time workers who want full-time work, dropped from 22.9% in April 2020 to 7.1% in May 2022.



Source: U.S. Bureau of Labor Statistics, 2022; National Bureau of Economic Research, 2022

Life Insurance Living Benefits

When thinking about life insurance, you might focus on the death benefit that can be used for income replacement, business continuation, and estate preservation. But life insurance policies may include other provisions that allow you to access some or all of the death benefit while you are living. These features are often referred to as living benefits, which are usually offered as optional add-ons called riders.

Some living benefit riders are added to a life insurance policy at no additional cost. Other riders are optional and come with an added cost to your basic policy premium. Living benefits vary depending on the type of life insurance and the company issuing the policy. Generally, living benefits are available to the policy owner, but using your living benefits will reduce the life insurance death benefit available for policy beneficiaries.

However, most riders let you take a portion of the total amount available — you don't have to take the full amount so you can preserve a portion of the death benefit for your life insurance beneficiaries. Generally, living benefits are received free of income tax. Here are some common living benefits.

Accelerated Death Benefit for Terminal Illness

An accelerated benefit rider for terminal illness allows you to access a portion or all of the death benefit if you are diagnosed with a terminal illness or medical condition with a life expectancy of six to 24 months, depending on specific policy provisions. Most accelerated death benefit riders do not restrict how you use the money from the death benefit — you can use the money to help pay medical bills or other expenses arising from your illness. Or you can use the money to pay for funeral expenses.

Potential Drawbacks to Living Benefits

- **Eligibility:** To qualify, you must meet policy requirements.
- **Rider fees:** Many living benefit riders charge a fee in addition to your premium.
- **Limit on benefit amount:** What you can receive may be limited to a maximum dollar amount or percentage of the death benefit.
- **Reduction in death benefit:** Living benefit amounts received reduce the death benefit.

Chronic Illness Rider

A chronic illness rider allows you to use a portion of your death benefit if you become chronically ill and cannot perform at least two of six activities of daily

living (ADLs). These ADLs include bathing, continence, dressing, toileting, eating, and transferring. You may file a claim using this rider to receive a portion or possibly all of the death benefit. Usually, the insurance company will want to evaluate your claim and may require that you be examined by a medical professional chosen by the insurer. Often there are no restrictions on how you use the proceeds.

Critical Illness Rider

Similar to the chronic illness rider, the critical illness rider allows you to receive some or all of the death benefit if you are diagnosed with an illness or medical condition specified in the policy. Common critical illnesses include heart attack, stroke, cancer, end-stage renal failure, ALS, major organ transplant, blindness, or paralysis. With some critical illness riders, the percentage of death benefit available to you is based on the type of illness you have.

Long-Term Care Rider

A long-term care rider can be added to a life insurance policy, generally for an additional cost, to help cover qualifying long-term care expenses. Like the chronic illness rider, you must be unable to perform at least two of six ADLs to claim a benefit. Unlike the chronic illness rider, the long-term care rider usually pays a portion of the death benefit on a periodic basis, commonly monthly. Some riders have a waiting period during which you must incur long-term care expenses before you can receive any proceeds. Other riders may only require that you cannot perform at least two of six ADLs, after which you receive periodic payments to use any way you wish.

The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. Before implementing a strategy involving life insurance, it would be prudent to make sure that you are insurable. An individual should have a need for life insurance and evaluate the policy on its merits as life insurance. Optional benefit riders are available for an additional fee and are subject to contractual terms, conditions, and limitations as outlined in the policy and may not benefit all investors. Any payments used for covered long-term care expenses would reduce (and are limited to) the death benefit or annuity value and can be much less than those of a typical long-term care policy. Policy guarantees are contingent on the financial strength and claims-paying ability of the insurance provider.

Diversifying Your Portfolio with International Flair

Global economic growth is projected to drop from a 5.8% rate in 2021 to 3.3% in 2022, as the world grapples with repercussions of the Russia-Ukraine war and ever-changing conditions wrought by the pandemic. Growth forecasts of 3.3% for the United States and 2.4% for the euro area in 2022 (down from 5.6% and 5.2%, respectively, in 2021) reflect the prospect of supply constraints along with rising inflation and interest rates. China's growth is projected to slow to 5.1% in 2022 from 8.1% in 2021 due to its zero-COVID strategy and languishing real estate sector.¹⁻²

Investing internationally provides access to growth opportunities outside the United States, which may boost returns and/or enhance diversification in your portfolio. But foreign securities carry additional risks that may result in greater share price volatility; these risks should be carefully managed with your goals and risk tolerance in mind.

Foreign Factors

It's more complicated to perform due diligence and identify sound investments in unfamiliar and less transparent foreign markets. Plus, there are potential risks that may be unique to a specific country.

Politics and economic policies. A nation's political structure, leadership, and regulations may affect the government's influence on the economy and the financial markets.

Currency exchange. If a domestic currency is strong against a foreign currency, purchasing power is gained when exchanging to the weaker currency. If the foreign currency continues to weaken, any investment gains and the principal may lose value when exchanged back to the domestic currency.

Financial reporting. Many developing countries do not follow rigorous U.S. accounting standards, which makes it more difficult to have a true picture of company performance.

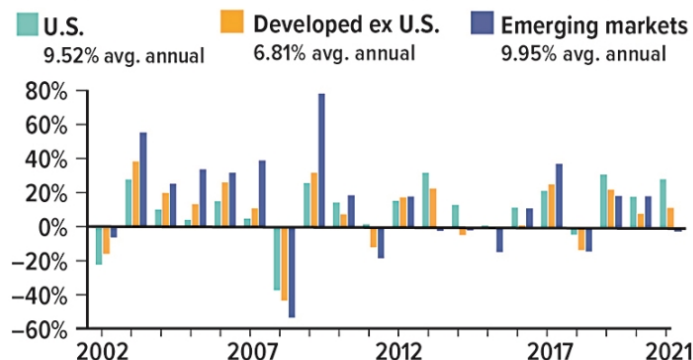
Global Strategies

One way to invest in foreign markets is with mutual funds or exchange-traded funds (ETFs). The term "ex U.S." typically means that the fund does not include domestic stocks, whereas "global" or "world" funds may include a mix of U.S. and international stocks.

International stock funds range from broad funds that attempt to capture worldwide economic activity, to regional funds and others that focus on a single country. Some funds are limited to companies in developed nations, whereas others concentrate on nations with emerging (or developing) economies. Emerging-market stocks might offer greater growth potential, but they are riskier and less liquid than the stocks of companies located in advanced economies.

Global Performance Picture

Stock market performance, 2002–2021
(annual total returns and average annual returns)



Source: Refinitiv, 2022, for the period 12/31/2001 to 12/31/2021. U.S. stocks are represented by the S&P 500 Composite Total Return Index, developed ex U.S. stocks are represented by the MSCI EAFE GTR Index, and emerging market stocks are represented by the MSCI EM GTR Index; all are considered representative of their asset classes. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Rates of return will vary over time, especially for long-term investments. Past performance is not a guarantee of future results. Actual results will vary.

It may be tempting to increase your exposure to a booming foreign market, but chasing performance might cause you to buy shares at high prices and suffer more losses when conditions shift. If you decide to spread your investment dollars around the world, be prepared to hold on during bouts of market volatility. Still, you should rebalance your portfolio periodically to help ensure that your exposure to international stocks has not drifted too far from your intended allocation — to the detriment of your long-term investment strategy.

Investors should keep in mind that selling investments in a taxable account could result in a tax liability. Diversification is a method used to help manage investment risk; it does not guarantee a profit or protect against investment loss. The return and principal value of all stocks, mutual funds, and ETFs fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Supply and demand for ETF shares may cause them to trade at a premium or a discount relative to the value of the underlying shares.

Mutual funds and ETFs are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) S&P Global, 2022

2) International Monetary Fund, 2022

Six Steps to Starting a New Business

An extraordinary number of new business applications — nearly 5.4 million — were filed in 2021, far surpassing the previous record of 4.4 million set in 2020.¹

Although some of these start-ups will replace businesses that closed earlier in the pandemic, it appears that many Americans reassessed their careers and were inspired to launch brand-new ventures of their own. Some people took the leap into self-employment after losing their former jobs, while others gave up stable paychecks to take a chance on their dreams.

Do you have an idea for a product or service that could turn into a profitable business? Here's an overview of some important first steps in the entrepreneurial process.

Research the market. Find out all you can about your industry. Does your business proposition fill a gap or improve on competitors' existing offerings? Be sure to check for patents or trademarks on products that may already be in the works.

Focus on funding. It could be months or even years until a new company is profitable enough to provide a stable income. In the meantime, where will the capital come from to get off the ground and pay your own living expenses? Bootstrappers may depend on their own savings — recently bolstered by federal stimulus funds — and early company revenues alone. Others may try to raise seed money from outside investors,

tap into their home equity, or take out business loans.

Make a test run. Running your idea by several potential customers, before you invest too much time or money, may help you refine your product marketing and sales strategy.

Select a structure. What kind of business structure are you going to establish? Some of the most common operating structures are sole proprietorship, partnership, corporation, S corporation, and limited liability company. Each type uses a different federal tax form, and the one you choose also determines which business taxes you will pay: income tax, self-employment tax, employment tax, and excise tax.

Consider tax and legal responsibilities. The IRS requires businesses to use a consistent accounting method for the reporting of income and expenses, so choose a method carefully when you file for the first time. Keep good records to help support figures listed on your tax return. If you plan to hire workers, you may need a federal Employer Identification Number for tax purposes.

Write a business plan. Creating a document that outlines details of your new business venture — including the business model, costs, and the other aspects listed earlier — may help you anticipate and prepare for some of the potential challenges.

1) U.S. Census Bureau, 2022

IMPORTANT DISCLOSURES

Indian River Financial Group, Inc. is a registered investment advisor. The term "registered investment advisor" is not intended to imply that Indian River Financial Group, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are "registered" as a licensed "investment advisor" with the Florida Office of Financial Regulation - and with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

Investments in securities involve investment risk, including possible loss of principal amount invested. Investment return and principal value will fluctuate so that the investment, when redeemed, may be worth more or less than the original investment. Additional disclosure is available in our Disclosure Brochure (Form ADV Part 2A), which can be accessed on the firm's website www.paulmilleradvisor.com.

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