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Registered Investment Advisor

www.VintageFS.com

Summer 2021 Vol. XXXVII No. II

From the Grapevine...

Frank Moore, our founder and Chief Investment Officer, was again named to the prestigious Barron's Top 1,200 Financial Advisors ranking for 2021. This marks the fifth straight year Frank, as head of the Vintage team, has been on the exclusive list. Barron's put us #13 in Michigan, the only firm from Washtenaw County and one of just eight independent advisors in the state.

Vintage passed another milestone earlier this year as our assets under management topped the \$800 million level for the first time. Thanks for referring your friends and family to continue our excellent growth.

And congratulations to Jim Ceely of Print-tech on his upcoming retirement! Jim's parents owned Parkman Printing back in the 1980's and Jim has worked on bringing you this newsletter and handling our other printing needs since 1986. Thanks Jim and enjoy your next phase.

WHAT'S A SPAC?

A special purpose acquisition company (SPAC) is a company with no commercial operations that is formed to raise capital through an initial public offering (IPO) for the purpose of acquiring an existing company. Also known as "blank check companies," SPACs have been around for a long time but they've recently become more popular, attracting big-name underwriters and investors and raising a record amount of IPO money.

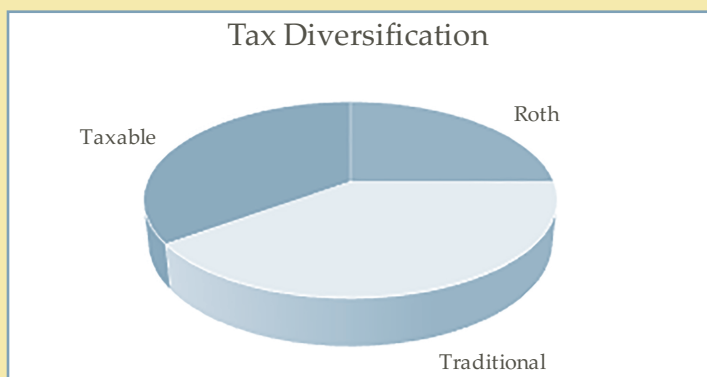
The advantage for a company being acquired by a SPAC is that it can often sell at a higher price and also avoid the costs of doing their own IPO. The risk for investors is that they don't know what they are buying. The organizers of the SPAC may have a reputation and expertise in buying certain types of companies but there's no guarantee that a viable acquisition will work out.

According to SPAC Insider, there were 59 SPAC IPOs in 2019, but through mid-May of this year, there are already over 300 for 2021 that have raised a combined \$100+ billion. These "blank check" companies are looking for good private companies to acquire so it's a great time for these smaller companies to sell out as there may well be bidding wars for them. On the other hand, SPAC investors might be paying too much which could lead to dismal investment returns. The SPAC organizers, though, typically take about a 20% fee so they are likely to win out whether the investment works out well or not. As always, caveat emptor!

YOUR RETIREMENT PAYCHECK

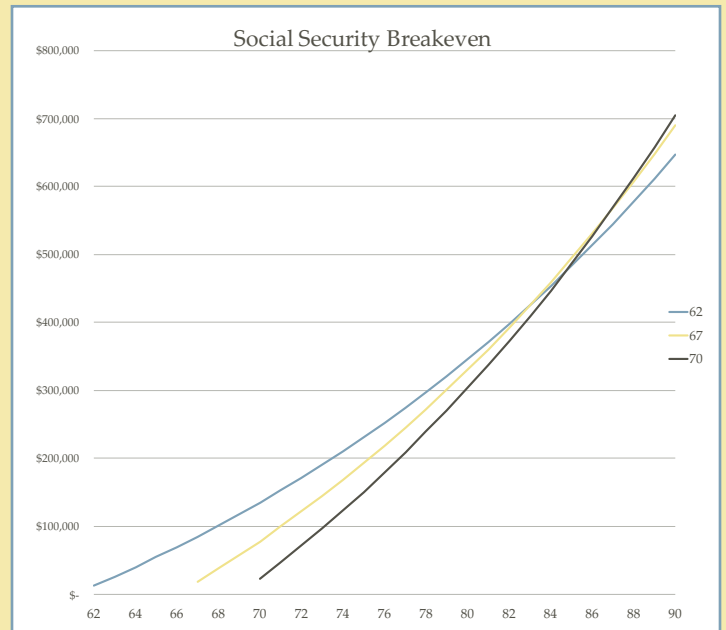
We often talk with prospective clients that have saved for retirement but are perplexed about how to take money out of their portfolio to replace their paycheck once they retire. There can be a lot of variables including when to draw Social Security, inflation expectations, investment returns, assumptions about tax rates and longevity. The number crunching requires some sophisticated software to best optimize the after-tax retirement income.

Income taxes can be one of our retired client's biggest expenses and some smart planning over the years can help create options to deal with the ever-changing tax laws. Ideally a retirement portfolio will have accounts that are taxed differently. The Traditional IRA or 401(k) is great while you're saving but at retirement all of the withdrawals are taxed at the higher income tax rates. A regular taxable account may have dividends and capital gains taxed at lower tax rates and can offer some flexibility on when to take capital gains. And Roth IRAs and Roth 401(k)s offer tax free withdrawals and make a great option for years when you want to take a large withdrawal without getting into a high tax bracket. With some good planning, the ability to draw from the three different types of accounts can help minimize taxes over your retirement years.



The decision on when to start drawing Social Security benefits can be complex, but the biggest factor is your life expectancy. If you have health issues and expect to live a much shorter than average lifespan, it's generally best to start drawing earlier even though the monthly benefits will be lower. The difference

is that you may not be able to draw the benefits for enough months so drawing for those extra months in your early sixties can increase the total benefits you'll receive.



Today the Federal Reserve is trying to stoke higher inflation and is keeping interest rates on bonds and CDs artificially low. The current negative real (inflation adjusted) yields make it especially difficult for retirees. Historically, bonds have offered retirees attractive yields with the 10-year US Treasury bond averaging more than 6% over the past forty years. The current yield in early May though is just 1.7%, below the expectations for future inflation. The investment return assumptions need to be realistic and retirees can't use a historical average, especially for bonds or they risk running out of money.

Over the past year we've written many articles pertaining to investment returns and retirement planning. We've pulled these articles together in a piece called Post Pandemic Retirement Planning: The Rules Have Changed. You can find it on our website at www.vintagefs.com/pprp. For assistance in planning your retirement, contact our office or schedule a meeting at our website.

CONGRATS TO CANDACE KINSLER!

Candace Kinsler, the warm, helpful voice usually answering our phone, celebrated her 25th anniversary with Vintage a couple weeks ago! Candace does so much more than just answer the phone and has been an integral part of our growth since she joined us in 1996.

Candace brings a great work ethic, a can-do attitude, and an urgency to fulfilling every client's request. She's helped shape the Vintage culture over the years and is the wise and experienced mentor to our new staff.

She had her first grandchild a couple years ago and scaled back her schedule, but we're happy that she has since rejoined us full time.

In celebration of her milestone, Candace has been awarded an equity stake in Vintage. In addition to sharing in the growth of the company, she'll receive a share of the profits that can supplement her income even after she decides to fully retire (which we hope will still be a few years off).

WELCOME MIKE NEMICK, CFP®

We're pleased to announce that Mike Nemick, CFP has joined the Vintage team as a Senior Financial Advisor. He is a graduate of Western Michigan University where he earned a Bachelor of Business Administration degree in Personal Financial Planning.

Prior to joining Vintage, Mike served families and individuals for seven years at a fee-only wealth management firm located in the Metro Detroit area. He is part of the Vintage tax team and serves on the Investment Committee. To learn more about Mike and the rest of the team at Vintage, visit our website: <https://vintagefs.com/team/>.

HOW MUCH IS \$1 TRILLION?

Since the pandemic began last year Congress has been spending \$ trillions and the Fed has funded the deficits by printing trillions of dollars. So how much is \$1 trillion?

\$1,000,000,000,000

With a population of about 333 million Americans, \$1 trillion comes to about \$3,000 for every man, woman and child. More figures in trillions:

\$6 That's how many trillions Congress has authorized spending on pandemic relief.

\$3.6 The amount of new dollars "printed" by the Fed since the pandemic began.

\$1.6 The total amount of federal income taxes collected in 2020.

\$2.1 The total federal government tax revenue for 2020, excluding Social Security and Medicare taxes.

\$3.2 The total wealth of the Forbes 400 Wealthiest Americans.

\$3.1 The Federal Budget Deficit for 2020.

\$2.3 The Federal Budget Deficit for 2021 before adding in the cost of the latest \$1.9 trillion from the American Rescue Plan.

\$22.7 The total federal debt on 9/30/19.

\$30 The total federal debt likely later in 2021.

VINTAGE FINANCIAL SERVICES OFFERS

Fee only investment management, financial planning,
and tax preparation.

Minimum portfolio \$500,000
(401(k) balance may count toward minimum).

For a no charge, no obligation initial interview please call our office
at (734) 668-4040 or (800) 666-9237 or e-mail:

Succeed@VintageFS.com

Or visit our website at www.VintageFS.com

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