

# Pat's Planning Post



## Bear Markets and Recessions

They're never fun and cause lots of fear. They are also inevitable, extremely difficult to predict, and a natural part of healthy economic and market cycles. Sometimes I liken bear markets to great sports franchises. On average, if your team wins the championship every four years out of five, for the last 100 years or so, most fans and players would be pretty ecstatic about that. Inevitably, they might need a year or two to recharge and reload, and miss the playoffs. This is what the stock market does. Maybe it's a bad metaphor, but I like it.

Anyway, we [found a great article](#) that discusses three mistakes people should avoid making in bear markets.

The first is obvious and something you hear us say all the time: **Don't panic sell your investments.** (Buy low, sell high; not the other way around, right?)

The other two are less obvious, yet simple and incredibly useful in financial planning:

**2. Using emergency savings to pay down debts.** Paying down high interest or floating rate debt in periods of rising rates makes sense, no doubt about it. But paying down low, fixed-rate liabilities (mortgage, car loan, line of credit) with cash you may need in a prolonged economic downturn? Let them be.

What's a rule of thumb for emergency savings, you ask? Call me for specifics, but 3-6 months of expenses usually does the trick. Don't spend it down.

Check your liquidity, too. Popular I Bonds, CDs, and some money funds don't count for emergency savings if you can't get out of those investments quickly.

**3. Spending as if nothing has changed.** Sometimes, during tough times, you have to get tough too.

Don't add new fixed expenses. Reconsider those elevated home renovation costs. Trim those extra subscriptions you're not paying attention to. Wait it out. Most people know their income, but have no clue what their expenses are.

Your future self will thank you.

Contact Us



### Amplius in the Community

Girls run the world! Matt's wife, Allison, and daughter, Lucy, recently completed a community 5k for the local Girls on the Run Program at Lucy's school.

Thank you both for supporting our community!



## Liebman's Library

INSPIRED BY  
A 30-YEAR TRADITION

*In this section, which we call Liebman's Library, Matt Liebman and Sam Liebman will share 1-2 articles or charts per month that caught their attention related to the Investment Markets.*

*When Matt was in Elementary school, he would walk into his room and find newspaper or magazine articles about sports, politics, business, or markets that Sam had cut out for Matt to read. The tradition has continued for over 30 years. Now the article flow goes in both directions and the articles are usually sent via text.*

One of the benefits of starting our own firm is that we now read and review research from many different companies. One boutique investment research firm that puts out regular pieces that we find insightful and valuable is Bespoke. In the piece linked below, Bespoke gives a historical perspective on the recent market turmoil. While there could still be more challenging days ahead, if history is a guide, now may not be a great time for the long-term investor to reduce their equity holdings.

Read the Report



## How to Identify and Optimize Your Spending Habits

As Patrick mentioned, spending as if nothing has changed during a recession can be detrimental to your long-term goals. What goes along with this, is first understanding how much you are typically spending. Few people enjoy manually going through their monthly purchases and expenditures, but luckily the Amplus portal can do all of the heavy lifting for you.

This month, I would encourage everyone to log onto the Amplus client portal ([Access Your Client Portal](#)) and securely link your checking/savings accounts along with your credit cards. The portal will start to automatically recognize and categorize your income and expenses. This is the first step to identifying your spending habits and figuring out if there is any way to optimize them.

[Access Your Client Portal](#)

## Your Advisors in the News



### How to Manage Single-Stock Concentration From Employee Stock Awards

Too much of anything can be bad, at least in theory. But can too much company stock be a drawback? Our Chief Strategy Officer, Aaron Marks, details his insights on why holding too much of a single stock can be



### Why Psychology is Important in Financial Planning

Financial Advisor IQ reached out to advisors and asked, how are you using psychology in your advisory relationships? According to Patrick Swift, CFP®, Vice President of Wealth Planning here at Amplus, asking questions about a client's

perilous for a variety of reasons.  
Read more in this article on Barron's  
Advisor.

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family, career and background helps  
the advisor discover and appreciate a  
client's beliefs and values.

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