

# CLIENT Memo

Your Vision. Our Priority.



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WELCOME

## Introducing The 2022 Investment Landscape

Dear friends of Carver Financial Services,

The start of 2022 is bringing market volatility, higher inflation, political gridlocks and uncertainty about the tax policy changes we expected to see. That's a good thing. While market volatility and uncertainty present risks to many; they also provide a great opportunity for those who are prepared with a disciplined and intentional financial plan. In this letter, we'd like to share some of our expectations for the future and how you can structure your own plan.

- We expect to see rising interest rates which can hurt the prices of bonds (aka fixed income). Often as markets become more volatile, uninformed individuals shift to 'safe' investments and dually end up getting hurt- getting out of equities at a low and buying bonds at a high.
- We also believe that taxes will continue to increase and therefore a proactive approach to minimizing tax, including shifting to tax exempt investments, could make sense for you.
- While there will undeniably be volatility in the markets, we believe the biggest risk that investors will face is inflation. In short, inflation is the risk that a dollar tomorrow will not buy what a dollar today does. Investing to combat inflation requires a longer-term perspective.

Shifting gears, I'd like to discuss the role social media has played in the investment sphere over the past year. Social media has democratized access to information and is now doing the same for investing. As with any type of information, however, we must be aware of "fake news." Social media often presents partial information on complex issues, or simply a false narrative; this can provide an overly negative or positive world view and lead to making life-altering decisions that are simply wrong.

Whether chasing meme stocks or crypto currencies, timing the markets or chasing the latest hot trend naïve investors continue to lose tens of millions of dollars. When I started in the business in 1986 a big part of the job was to provide information to our clients who might have very limited access to financial information. Now the role of our team is to sort through the noise to help you focus on what's real and what's relevant to you.

The week of January 25th, 2021 saw millions of small investors connect via social media, primarily on Reddit, in a coordinated effort to drive up the prices of several stocks, most notably GameStop. In the investing world, this is known as a "short squeeze." Investopedia says a short squeeze "occurs when a stock or other asset jumps sharply higher, forcing traders who had bet that its price would fall to buy it in order to forestall even greater losses. Their scramble to buy only adds to the upward pressure on the stock's price."

This short squeeze resulted in several firms, most notably Robinhood, halting the ability for people to buy these stocks. Large hedge funds like Melvin

lost tens of millions of dollars. So did many small investors. Ultimately, GameStop prices dropped dramatically and many investors saw losses. As of the writing of this, many of these meme stocks are now down more than 70% from a year ago, some such as Clover Health and Koss for example, are down more than 90%.

Investing based on social media is speculative at best and certainly not a longer-term strategy. The situation described above highlights the need for individuals to have a disciplined investment plan and to actively monitor and update portfolios. Ultimately, it will be interesting to see how regulation evolves this year.

Having worked with clients for over 30 years and being involved with the markets for going on 40 years, there is no denying that there is always a level of evolution when it comes to technology, investments and information. Yet regardless how exciting some novel developments in this space can be, the fundamentals of building, protecting and passing on wealth remain the same.

The last few years showed us that while some things change, the basics to building wealth (or losing it) remain the same:

**1 We don't know what we don't know and that's OK.** If you have a proper investment plan and strategy, you'll be prepared for the unknown. Having cash and funds for short-term needs allows you to hold and grow investments. In 2020, the pandemic was a black swan event — an unpredictable event that is beyond what is normally expected of a situation with potentially severe consequences. We don't know what 2022 or beyond may hold, but it should not matter if you are properly invested.

**2 It's impossible to time the markets** — most of the best days happen during the worst times. This will never change. We cannot and should not try to time markets; however, we must actively manage and update portfolios. To invest and ignore is not a successful strategy. Technology is a great tool and can be used to monitor and rebalance, but it does not, and should not, replace human review, knowledge and judgment.

**3 Increased volatility — up and down — is a good thing if you are prepared.** Market corrections allow us to generate tax write-offs, rebalance portfolios and convert tax-deferred investments to tax-exempt.

**4 What matters is not what we make, but what we keep** — the *net* after fees, expenses and taxes. Taxes matter — if we can manage the tax impact of financial decisions, it can put more money in our pockets. We need to control what we can control: taxes, allocation and investments. We cannot control the markets or legislation, so it's futile to try.

## What We Do Know

Although there are many things we don't know, we do expect that, in the longer term, inflation, interest rates and taxes will increase. And even though we cannot control the markets, we can dynamically adjust portfolios to meet changing needs, new tax laws and economic conditions. We expect increased volatility — that's a good thing for our clients. We can leverage volatility, as mentioned previously, to generate tax write-offs, rebalance portfolios and shift tax deferral to tax exemption as part of our Personal Vision Planning® process.

One of the benefits from the COVID-19 pandemic has been the acceleration of utilizing digital technology. Many people can now work from home, negating the need for expensive office space. This translates to more efficiency and profitability for American companies which can ultimately benefit stock prices.

We believe we are shifting from pandemic to endemic. Covid is not going away and frankly there will be something that follows. People are learning to live with this virus in our midst and increasingly we have better therapeutics and treatments to combat illness. The pandemic, like other events in the past, will create new business opportunities for those bold enough to seize them. Just like there was an incredible boon after 9/11, we expect the same in the next couple of years from the pandemic.

The new technology we are employing to monitor and help rebalance accounts is particularly well suited to this environment. As always, we view technology as a tool, not a replacement for personal review and contact.

## Our Continuing Commitment to Improving Your Life

Our core value of helping improve people's lives remains constant; how we deliver on this vision continues to evolve.

Despite the continued upheavals in 2020 and 2021 we expanded our team and our building, launched new technology for monitoring portfolios, updated our technology for virtual meetings and deployed a new website for clients. All this to say, after a concentrated effort to provide enhanced services for you, we are prepared for what lies ahead in 2022 and beyond.

We have a number of fun and informative events planned for 2022 and 2023, all of which are listed in this memo. You can also find all events on our website.

Please reach out whenever we may be of service to you, your family and/or your friends. We appreciate the opportunity to be your partner in life and financial improvement. Your vision is, and always has been, our priority.

Best,  
*Randy Garver*

# Awards & Recognition

We remain committed to providing the highest level of personal attention and having a dedicated, experienced and caring team to do so. While much of the industry reduces their staff in favor of more automation we remain committed to proving personal contact and relationships.

Every member of the Carver Financial team believes in the importance of constantly improving their skills and knowledge in order to provide the highest level of practical and innovative solutions for you. We are proud of the world-class professionals that make up the team at Carver Financial Services.

Awards and recognitions are a result of the tremendous dedication and exceptional service of every member at Carver Financial Services. The skills and expertise gained from all of these activities is shared with each other, incorporated into our daily process and ultimately creates a better experience for you. Our team-based approach allows us to achieve exponentially more than we can as individuals. We are honored to share our knowledge with you, ultimately to help improve your quality of life and make our community a better place to live.

## Awards



**CRAIN'S** CLEVELAND BUSINESS

**RANDY CARVER, CRPC®, CDFA®**

**NAMED TO CRAIN'S CLEVELAND BUSINESS  
INAUGURAL LIST OF NOTABLE WEALTH MANAGERS**



**NOVEMBER, 2021** - Randy Carver, CRPC®, CDFA®, was honored by Crain's Cleveland Business for their inaugural 2021 Notable Wealth Managers award.\* This new award recognizes individuals who stand out in the field of wealth management, and includes the brightest and savviest members of Northeast Ohio's wealth management community who are helping clients achieve their goals in an often-shifting economic and regulatory landscape.

## Recognition

**Congrats** to all of our Team Members  
on their Accomplishments!

**Congratulations to Paraplanner Tamika Thomas, CFP®** who has been promoted after passing the CERTIFIED FINANCIAL PLANNER™ certification.

**Registered Associate Nicole Remesik** is studying to receive her CERTIFIED FINANCIAL PLANNER™ certification. Nicole has successfully passed five of the six modules in order to be eligible to sit for the board exam in July.

**Sr. Registered Associate Polly Small, FPQP™** is working toward acquiring her Chartered Financial Consultant® designation and has completed seven out of eight modules.

**Client Concierge Olivia Mooney** is the newest member of our team to become a Notary Public.

# 2022 Upcoming Events

Please **SAVE THE DATES** for Carver's legendary upcoming events.

## MARCH 16<sup>TH</sup> **UPCOMING EVENT!**

### **PRESERVING & PASSING : AN ASSET PROTECTION & ESTATE PLANNING EVENT**

LaMalfa Center : Heisley Rd, Mentor | 7:00 PM

## JUNE 6<sup>TH</sup>

### **25<sup>TH</sup> ANNUAL TIM GROVES MEMORIAL GOLF OUTING**

Little Mountain Golf Club

## AUGUST 5<sup>TH</sup> - 12<sup>TH</sup>, 2022

### **VENICE TO CROATIA CRUISE WITH PONANT**

## AUGUST 6<sup>TH</sup>

### **11<sup>TH</sup> ANNUAL WINGS & WHEELS**

Lost Nation Airport | 9:00 AM - 3:00 PM

## AUGUST 12<sup>TH</sup>

### **32<sup>ND</sup> CLIENT APPRECIATION CAPTAINS BASEBALL GAME**

Captains Stadium | Game 7:00 PM

## SEPTEMBER 15<sup>TH</sup>

### **DR. KEVIN ELKO**

Location TBD | Time TBD

## FEBRUARY 26<sup>TH</sup> - MARCH 8<sup>TH</sup>, 2023

### **RED SEA AND HOLY LAND CRUISE**

You are invited to join us as we explore best practices for preserving, protecting and passing on your tangible and intangible assets. As we face rapidly changing estate tax rules, increased risks long-term care events and new forms of digital assets, it's more important than ever to understand the challenges and opportunities before you. We will share the latest best practices and guide you on next steps.

There is neither a cost nor any obligation to attend and you are encouraged to invite family and friends for this important meeting.

Reservations are required as space is limited. Please RSVP to: (440)-974-0808 or [Carverfinancialservices@raymondjames.com](mailto:Carverfinancialservices@raymondjames.com).

Registration is now open for our 25th Annual Tim Groves Memorial Golf Outing. We will be returning to Little Mountain Country Club on Monday, June 6th for our annual charity golf event. Join us for a fun day of golf with lots of amazing prizes! Early bird pricing until April 30th, with registration available on our website.



## TRAVEL CONTACT -

Ann St. Hilaire  
[ann.sthilaire@protravelinc.com](mailto:ann.sthilaire@protravelinc.com)  
**646.747.9319**

### ITINERARY

Day 1 | Venice, Italy - Embark  
Day 2 | Korcula, Croatia  
Day 3 | Sibenik - Split  
Day 4 | Dubrovnik  
Day 5 | Kotor, Montenegro  
Day 6 | Hvar, Croatia  
Day 7 | Rovinj  
Day 8 | Venice, Italy - Disembark



**PLEASE VISIT:**  
[www.carverclienttrip.com](http://www.carverclienttrip.com)  
for more information!



# Your Security is Our Priority

At Raymond James, we believe that putting clients' needs first - including their need for security - is the best way to ensure their success and, in turn, the success of the firm. Our guiding principles have led us to over 136 quarters of continuous profitability.<sup>1</sup> The integrity, strength and stability at the foundation of our firm offer the most important protection for your accounts. And we back our efforts with a pledge you can believe in.



We want you to have the highest level of confidence in doing business with us. That's why we offer you this assurance:

**We will reimburse you for actual losses in any of your Raymond James accounts due to unauthorized access to a Raymond James system that occurs through no fault of your own.<sup>2</sup>**

The Raymond James' Cyber Threat Center actively monitors new threats as they emerge to continuously update our prevention and detection capabilities. We make considerable investments in our multilayered defense systems and personnel to stay ahead of these attempts:

- We employ the most up-to-date safeguards to protect client account information and other important personal information. We employ the use of encryption, virtual private networks, penetration/vulnerability testing and the latest firewall and antivirus technology to keep information safe.
- Our systems are monitored 24 hours a day, 365 days a year, for signs of tampering or unauthorized activity.
- The firm's information technology professionals constantly research and develop enhancements to keep us at the forefront of data security.
- A team of independent auditors and information security experts reviews our systems through various intensive exercises each quarter.

This combination of technological and human defenses enables Raymond James to protect against and mitigate the effects of cyberattacks.



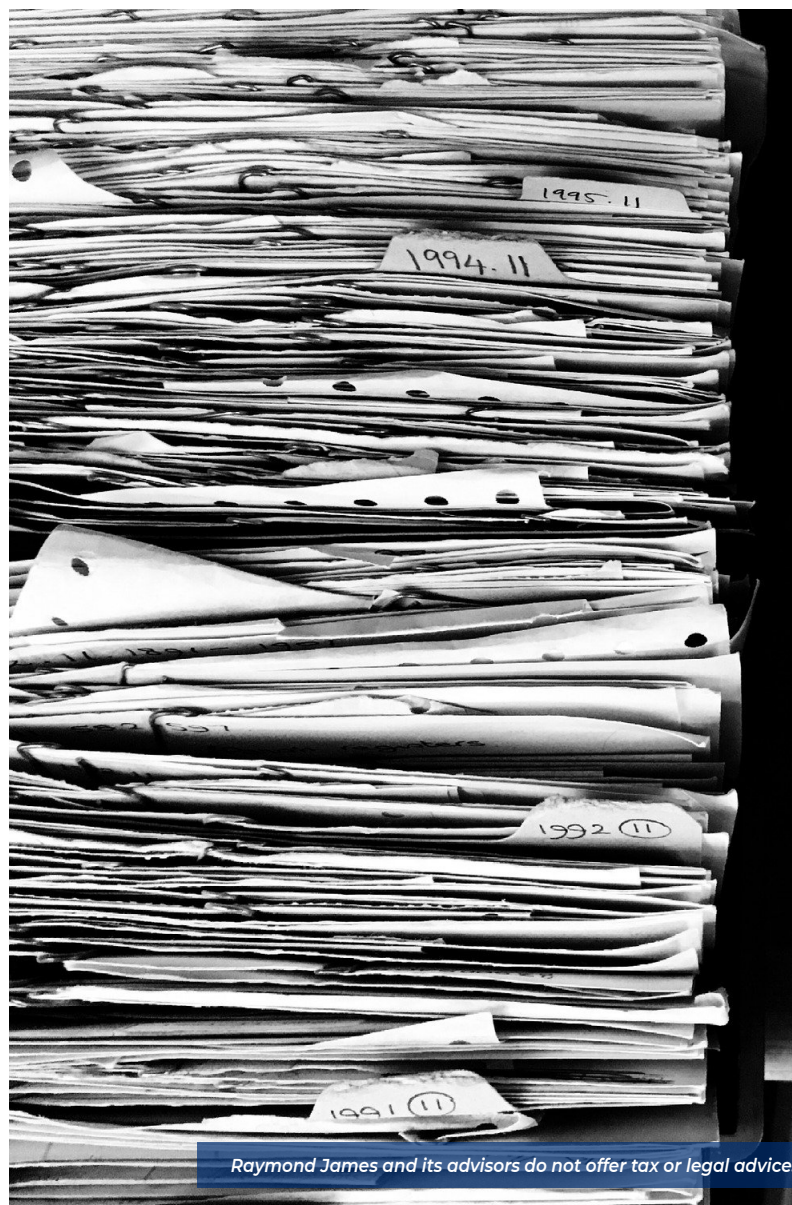
# Tax Time and Delayed Reporting – What You Can Expect and When Will You Get It?

Over the last few years, there has been a pattern of delayed tax reporting due in part to delayed clarification from the IRS and legislation. We expect this to be the case for the 2021 documents. With this in mind, we recommend that while you work on your returns as soon as possible that you wait until April to file your tax return and consider filing for an extension if you anticipate needing the extra time. Please note that even if you file an extension, your full tax payment is due by April 15th. If you file your taxes and then delayed documents come in, you may need to file an amended return. Raymond James does everything they can get information out in a timely and accurate fashion. The following will give you an idea of when you can expect forms.

## Expect Reporting Delays

Because there are often last-minute corrections and delays, many companies will not mail the first round of 1099s until February this year. The first round of 1099s is expected to be sent between February 15th and 28th, 2022. What the IRS terms “delayed 1099s” will not be sent until March 15th. Raymond James has told us they will be mailing 1099s as soon as they receive information from investment companies, however, they expect delays. After March 15, amended 1099s will be mailed as needed. There is no cutoff date for amended forms.

All tax documents are available via the Client Access online portal as soon as they are generated. You may also give your CPA access to these electronic documents by setting up Third-Party Investor Access. Our client concierge team can help you set up Client Access and third-party access if you wish to do so. It is important to note that certain investment types are prone to income reallocation. It is also important



Raymond James and its advisors do not offer tax or legal advice.

to note how some distributions are reported so that you avoid paying unnecessary tax. This is one reason we recommend working with a CPA. We are happy to provide a referral, if needed.

For example, if you took a Qualified Charitable Distribution (QCD) from your IRA, you do not need to pay tax on this amount. The full distribution is reported on the 1099R – there is no reporting that this is tax exempt. It is suggested that the full distribution is reported on line 15a of the 1040 that on 15b you write, \$0 for the taxable amount (if you have no other taxable distributions). It is also suggested that you write ‘QCD’ next to the line to explain why the distribution is tax-exempt. Failure to do this can result in paying taxes that you do not owe.

The other place that we see clients sometimes overpaying tax is by missing the cost basis information and reporting on all proceeds versus just realized capital gains. This is another reason to use an experienced tax preparer or CPA.



You should discuss any tax or legal matters with the appropriate professional.

## Forms You Might Receive

The types of tax forms you receive will depend on the types of investments and income you have. Please note the following:

- **WIDELY HELD FIXED INVESTMENT TRUSTS (WHFITS)** — Under the IRS definition, the affected market segments include Unit Investment Trusts (UITs), Royalty Trusts, Commodity Trusts and Mortgage Pools such as Fannie Mae. Trustees of WHFITS are required to report all items of gross income and proceeds on the appropriate Form 1099. The reporting deadline for these items is March 16th, so you may receive a delayed 1099 (early April) if you own these types of investments. We generally do not work with these types of investments.
- **1099-B** — If you receive a 1099-B (“Proceeds from Broker and Barter Exchange Transactions”), please keep in mind that you are responsible for reporting the gain or loss on what you sold, not the entire amount. This means that you are responsible for the difference between what you originally paid for an asset and what you sold it for. We will provide cost-basis information on holdings that we have the data for. If you have transferred an asset or cost basis and it is not showing on your statement, please call our office.
- **W-9** — You might receive a W-9 form from your mutual fund and/or annuity companies. These are used to confirm and/or update your Social Security number. These are mailed as a matter of routine every few years.
- **NONTAXABLE TRANSACTIONS** — You might receive a 1099 for nontaxable transactions such as an IRA rollover or 1035 exchange of an annuity. A 1035 exchange is reported as Code 6 in box 7, a direct rollover to an IRA is reported as Code G in box 7, and a direct rollover to a qualified plan or TSA is reported as Code H in box 7. Receiving one of these 1099s does not necessarily mean you owe taxes, but you should follow the IRS instructions carefully for reporting this type of transaction. You will also receive a 1099 for QCDs, as noted above.

• **K-1 FORMS** — Schedule K-1 forms (Partner’s Share of Income, Deductions, Credits, etc.) are issued by partnerships, S-corporations, trusts and estates to report a taxpayer’s prorated share of net income or loss from the entity, along with various separately stated income and deduction items. By law, these forms must be sent by March 15th following the close of the partnership’s tax year. Therefore, you might not receive your K-1 until late March or even the first week of April.

If you have a question about your tax documents, please give us a call. Tax laws are very complex. Both our office and the Raymond James 1099 Tax Reporting Department can answer many of your questions; however, we are not accountants and cannot provide specific tax or legal advice. We can recommend a qualified Certified Public Account (CPA) if you need assistance in preparing your taxes.

You can also get answers to many of your questions by reading free IRS Publications. You can obtain copies by calling 1-800-TAX-FORM (1-800-829-3676) or by visiting the IRS website at [www.irs.gov](http://www.irs.gov), where you can also print tax forms.

### Important to Note Regarding Scams

The IRS never demands payment or personal information over the phone or via email. The IRS never asks for a credit card. If you receive such a phone call, it is most likely a scam. The IRS will only contact you in writing via postal mail if there are any questions or issues.

The IRS will never threaten to bring in local police, immigration officers or other law enforcement to have you arrested for not paying. The IRS also cannot revoke your driver’s license or immigration status. Threats like these are common tactics scam artists use to trick victims into buying into their schemes.



# Meet the Team

Welcome to our three newest team members!

Welcome to our three newest team members, Gianna Fiore, James LaMar, and Paige Rost. Both James and Paige are graduates from John Carroll University and have worked locally in their respective fields. Gianna Joins the Carver Team in the position of Client Service Administrator. James joins the Carver Team in the position of Registered Associate. Paige joins the Carver Team in the position of Marketing Coordinator & Director of Community Relations. **Please join us with welcoming them all.**



**GIANNA  
FIORE,**  
Client Service  
Administrator



**JAMES  
LAMAR,**  
Registered  
Associate



**PAIGE  
ROST,**  
Marketing  
Coordinator &  
Director of  
Community  
Relations

## Important Notice: Email – SPAM – 24 Hours

**Please note we have had a number of clients indicate they have not received emails sent to them.** Our office has a policy of responding to all client emails within 24 hours. If someone is out of the office, you will receive an out of office reply immediately. If you do not see a reply, it is likely that it went to a spam or junk folder. **We are finding that over the last few months that an increased number of emails are going to junk folders as screening algorithms have become more sensitive.** We are committed to providing you with timely and appropriate responses to emails and phone calls. If you do not see a reply to your email within 24 hours, or an immediately out of office reply, please check the spam/junk folder and/or phone our office.

To prevent email from our office inadvertently going to your junk folder you will want to consider making all email from @raymondjames.com part of your 'safe sender' list. Each provider has different protocol so check with them about the best way to do this.

We are committed to providing the highest level of service including a timely (24 hour) response to emails and calls. Please phone our office with any questions on your email or if we can otherwise be of service. We appreciate your communication and look forward to connecting with you.

Please reach out to our office with any questions or whenever we may otherwise be of service. Best wishes for a safe, healthy, prosperous and technology friendly 2022!



# What's happening in the Banking world...

Well here are **TWO** items of interest:

## Securities Based Lending

The Raymond James Securities Based Line of Credit is a flexible line of credit that can be collateralized by one or more Raymond James brokerage accounts (pledged accounts), giving clients access to liquidity at highly competitive pricing. This can be used for short term cash needs eliminating the need to sell assets; which could result in taxable gains and lost earnings.



If you had an immediate need for \$100,000, what would you do?



Do you have a tax obligation on the horizon?



Are you considering a new home purchase or investment in residential real estate?



Will there be any significant life events in the coming year – *marriage, children, college expenses, retirement?*



Do you have plans to expand your business?



Are you considering a luxury purchase, such as a car, boat, or dream vacation?

SBL Applications are now E-sign eligible for most clients. This enhancement should not only reduce paper use, but also improve and expedite the process. Please note you cannot borrow against retirement accounts. With today's low interest rates the SBL may be a good source of funds for short term needs.

There is no cost to set up the SBL or to have it. Once utilized you only pay interest. Our office will be happy to explain the SBL further, discuss your proposed available line and rates to borrow on it.

A line of credit backed by securities, such as a securities based line of credit or Margin account may not be suitable for all clients and investors. Borrowing on securities backed lending products or Margin accounts and using securities as collateral may involve a high degree of risk including unintended tax consequences and the possible need to sell your holdings, which may lead to a significant impact on long-term investment goals. An investor can lose more funds than he or she deposited in the account. Securities based line of credit and structured lines of credit provided by Raymond James Bank, Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. are affiliated with Raymond James Bank, a federally chartered national bank.

## Mortgage

**Beginning January 1, 2022, Fannie Mae and Freddie Mac increased the Conforming Loan Limits to \$647,200, a massive jump from last year.**

Mortgage rates are rising. If you are considering financing, or refinancing, we suggest that you take advantage of today's relatively low rates while they are available. We recommend comparing different banks and loan sources to find what is best for you. Please contact our office if you are considering a new mortgage or refinancing an existing one and we can discuss the available loans and rates available for your current needs.

Raymond James Financial Services, Inc. and your Raymond James Financial Advisor do not solicit or offer residential mortgage products and are unable to accept any residential mortgage loan applications or to offer or negotiate terms of any such loan. You will be referred to a qualified Bank Consultant for your residential mortgage lending needs.



# The FIVE Biggest Mistakes Investors Are Making

(They Are the **Same** as Always)

Market drops are a regular part of the longer-term investment cycle, and we expect they always will be. The real question is not 'what will happen' but 'will it impact me'? With proper planning volatility can be helpful.

Some people are not hurt by market drops, some are negatively impacted, and others actually benefit from them. The choice is largely yours. What makes the difference in how market fluctuations will affect you is generally how well you plan, rebalance your portfolio and react calmly to those fluctuations. Market drops can provide an opportunity for tax-swaps, shifting from tax deferred funds to tax-exempt and for rebalancing your portfolio.

Market corrections, uncertainty and media hype is nothing new. Neither are the five biggest mistakes many investors make. Here they are, along with our recommendations for steering clear of them.

## **MISTAKE #1: Trying to Time the Markets**

It is difficult, if not impossible, to time markets. You have to be right about when to get out and when to get back in. The basic principle of investing says you should buy low and sell high. You want to sell when stocks are dropping and buy when the market begins an upswing. The problem is, unless you have some kind of crystal ball or illegal insider information, you won't know exactly when to buy or sell.

According to research from Fidelity, the cost

of poor market timing could be hundreds of thousands of dollars over your investing career. According to Fidelity's data, if you invested \$10,000 in an S&P 500 index from Jan. 1, 1980, through Dec. 31, 2018, you'd have a whopping \$659,515 by the end of that period, assuming you were invested for all of the days in that time frame.\*

But if you missed just a few key days, your portfolio would be at least 35 percent smaller — and potentially much smaller than that. And if you missed the 50 best days, you'd have 91 percent less than if you'd just left your money alone the whole time.

Pulling your money out of the stock market and putting it in based on economic forecasts and news is never a good idea. Doing so makes it likely that you'll miss out on most, if not all of the key days that drive your profits. Again, keep your eyes on your long-term vision. Resist the temptation to react to fluctuations in the market.

## **MISTAKE #2: Failing to Understand that Building Wealth Over Time is not About Picking Winners or Capturing Upside, but About Minimizing Volatility**

Investors tend to focus on investment returns, but returns do not tell the entire story. Consider one investment that has averaged 25 percent per year over the past two years and another that has averaged 5 percent. Which one made more? We don't know; it depends on several factors.

So how do you minimize volatility? By staying your course over the long-term. Instead of focusing on returns and stock prices, focus on how well you're doing according to the long-term goal you've set.

### **MISTAKE #3: Focusing on Perceived Risks and Missing the Real Risks**

For example, many people are concerned about market fluctuation, while they should be more concerned about being exposed to inflation risk. They keep money in cash or bonds because it seems safe, but cash and bonds might not keep up with inflation. Another mistake investors often make in this regard is that they often fail to consider interest rates — the risk that bonds will go down in value if interest rates rise.

Work with your financial advisor to determine what real risks you should focus on.

### **MISTAKE #4: Having Unrealistic or Simply Wrong Expectations**

This is true for both withdrawals and returns. Many times, investors base their expectations on the market's past performance. In the past 10 years, the S&P 500 returned more than 13 percent on an annualized basis. That's higher than normal, and it could change at any moment. In 2020, markets were coming off a strong 2019, when stocks and bonds around the world climbed. But for the next year — and decade, in fact — Wall Street is telling investors to set their expectations considerably lower.

Instead of basing your expectations on what the market has done in the past, again, slow and steady wins the race. Consider how your portfolio performs over 10, 20, or 30 years, not year to year.

### **MISTAKE #5: Picking the Wrong Advisor**

And that advisor might be you! Some people have the time, knowledge and information to do their own financial planning. What's tougher, though, is having an impartial view. This is why lawyers do not represent themselves in court, and doctors do not treat themselves. For that same reason, it's not a wise idea for most people to do their own financial planning. You don't know what you don't know! Overlooking the tax consequences of a single decision or investing money in a less-than-ideal way during a particular life stage can cost you dearly. A trusted advisor can help you avoid the first four mistakes and create a plan that meets your needs, risk tolerance and overall vision.

A mistake that's almost as risky as choosing the wrong financial advisor is having no advisor at all. Why leave something this important up to chance?

Vanguard, one of the world's largest investment companies, has reported for the past 15 years that there is a quantifiable increase in return from working with a financial advisor. Vanguard calls this advantage the "Advisor's Alpha." The company notes that when investors follow certain best practices, the result can be an Alpha in the 3 percent range per year. And a study by Russell Investments, a large money management firm, came to a similar conclusion. Russell estimates that a good financial advisor can increase investor returns by 3.75 percent net of expense annually.

Establishing your financial plan with the help of a trusted financial advisor and sticking to it is the best way to avoid these common mistakes. Financial mistakes are typically costly, and in some cases, they are irreversible. An adage says, "A stitch in time saves nine." Preventing a mistake is much easier than trying to do damage control once it's been made!

*The information contained in this report does not purport to be a complete description of the securities, markets or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Any opinions are those of Randy Carver and not necessarily those of RJFS or Raymond James. Expressions of opinion are as of this date and are subject to change without notice.*

*The S&P 500 index is comprised of approximately 500 widely held stocks that is generally considered representative of the U.S. stock market. It is unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.*

*\* This is a hypothetical example for illustration purpose only and does not represent an actual investment. Actual investor results will vary.*





# CARVER

## FINANCIAL SERVICES

MARCH 2022 ISSUE

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RETURN SERVICE REQUESTED

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*The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Carver Financial Services and not necessarily those of Raymond James. Past performance does not guarantee future results.*

*Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.*

*Keep in mind that there is no assurance that any strategy/system will ultimately be successful or profitable nor protect against a loss. Diversification does not ensure a profit or guarantee against a loss.*

*Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.*

*\*The Crain's 2021 Notable Wealth Managers recognize individuals who stand out in the field of wealth management. These individuals must be based within Northeast Ohio, employed full time at a financial institution or company offering wealth management services, have a minimum of three years' experience, oversee at least \$10 million in assets under management, be active in the community and/or philanthropic activities and be involved in mentoring programs and/or diversity and inclusion initiatives. Nominations submitted are reviewed by the editors. Out of more than 200 nominations, 50 were selected. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of advisor's future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. Crain's is not affiliated with Raymond James.*