



KREPPTEL TAX ADVISORY GROUP, INC.

TAXES, INSURANCE AND ADVISORY SERVICES

Newsletter October 2022

www.kreppeltaxadvisorygroup.com

A Message from Elliott Kreppel

In my 27-year career, I have never seen inflation creep into an economy so quickly. Although I am typically optimistic, I am also realistic. If my training and education serves me well, then I stand to believe this kind of environment does not bode well for the financial markets. Luckily however, our clients' have a firm that can navigate them through these murky waters and very uncertain times. We have proven strategies that even in this unfavorable economic environment, we can ensure a safe and secure retirement for our clients.



Why Are You Losing Money in This Market???

By Elliott Kreppel

There is no reason for you to be losing money in this market. You might say "well how can that be possible with the stock market down? Everyone is losing money." This simply is not a true statement. My answer is very simple: We show our clients how to participate 100% in the stock market without any downside risk. You might be saying to yourself as your reading this "yea right what is he talking about." Again, my answer is so simple. I have probably piqued your interest at this point, if so, continue to read on. There is a type of account out there that allows our clients to be in the S&P, so they are in fact in the market, but if the market goes down, like it is doing, they are 100% protected. Our clients have never, ever, lost one cent of their hard-earned money. Nor has my firm ever lost one cent for our clients. The reason we can do this, is because there is no mechanism in the account that allows for losses, only upside potential. I hear objections all the time such as:



- "My advisor told me to ride it out," or
- "If I sell now, I will be selling at the bottom," or my favorite one is
- "The market will come back; it always does."

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....continued from page 1 **Why Are You Losing Money in This....**

The problem with these strategies is that they can hurt your retirement nest egg in such a bad way, that it can set you back for years to come. If we fall into a deep recession, which I believe we will, you can put off your retirement for 5-10 years from now. Can you afford to do this? Can you afford to lose 25%-50% of your portfolio? Well, my clients cannot and are not willing to do so.

When potential clients come into our offices, you will often hear me say "I have the goods," and the truth is we do. Do not let this be you, where you must worry about your retirement or where you must worry about your nest egg. There is a very simple solution and when you come into our offices, I will gladly show you how we protect our clients' assets. Do not make this more complicated than it needs to be. Like my opening line says, there is no reason for you to be losing money in this market. Call us for a complimentary consultation.

Increasing Gas Prices

Everybody hates paying for gas. It's one of the most unavoidable expenses for car owners. But as much as we try to get around it, it always seems to come back to bite us in the end. Even if you drive a hybrid or use public transport whenever possible, gas prices inevitably creep up on you. While you may not see a direct hit if you choose to ride the bus to work, increasing gas prices will affect every other cost you might have — ranging from food to toiletries to materials due to the accompanying delivery costs. Gas prices have been on a steady incline for the past few years. The national average for a gallon of gas currently hovers around \$4.80 – nearly double what it was in 2009. And unfortunately, analysts don't see things getting much better soon.

The root of the problem lies in the constant demand for supplies that aren't available. When Covid hit in 2020, production slowed down due to a lack of need, and when things started to get a little better, the demand shot back up quicker than it could be produced. That is the primary reason gas prices have been so high.



President Joe Biden addressed the ongoing issue and proposed his two-part plan to lessen the ache in our wallets:

Increasing the supply – Biden is openly requesting oil companies to help consumers by increasing production. He called it his "use it or lose it" policy, where he notes that the U.S. oil and gas industry is "sitting on nearly 9,000 unused-but-approved permits" for production on federal land.

Biden shares that no American company should prioritize profit over consumers who are suffering due to the pandemic.

Oil release – In March of this year, Biden's administration authorized the largest release of oil from global reserves. One million barrels were released per day and will continue for 6 months, but there is no movement toward pre-pandemic prices.

As a last attempt to lessen the strain on household budgets, Biden proposed suspending the collection of federal gas tax from July through September. While it is unlikely that the proposal will be approved, there is no final decision yet.

How Inflation Will Eat into Your Purchasing Power

Inflation rates are the highest we've seen in almost forty years, with the consumer price index rising 9.1% since June 2021. These rates not only exceed estimates but prove to be a concern for the economy. Many Americans are becoming significantly affected by this growth, as expenses for gas, groceries, rent, and dental care soar. Going to your local grocery store for one or two items can leave you staring at your receipt in awe. Consumers haven't been confronted with prices like these since the early days of the Reagan administration. To make matters even worse, hourly wages dropped 1% this month, which will affect plenty of workers.



The inflation spike is affecting everything from energy and food bills to clothes and nail salon prices. Medical care is taking a hit, mostly driven by the 1.9% increase in dental care, the highest monthly increase recorded in that category since 1995. Renter's will be seeing an almost 1% increase, the greatest monthly rise in 36 years. Used car prices are up 0.8%, while new cars are seeing an increase of 1.6%.

Unsurprisingly, the main way inflation will eat into your purchasing power is through the escalation of gas prices. Transporting to and from work, weekend plans, and running errands is tricky with the 11.2% price rise last month, almost a 60% increase since June 2021. Stocks, airfare, meat, and eggs are seeing a decrease, although their rates are still higher than in years past.

The threat of a recession is becoming more real as inflation takes over America. President Biden is blaming the uptick on Russia's invasion of Ukraine, despite the already aggressive rise before February of this year. Biden is also calling on gas station owners to decrease their prices.

The good news for Americans is there seems to be some relief this July, as gas prices have peaked and lowered since last month. While yearly inflation rates remain high, percentages should continue to decrease as we move into August.

Recipe of the Month

Grilled Chicken Kabobs

Ingredients:

4 skinless, boneless chicken breast halves - cubed
1 large green bell pepper, cut into 2-inch pieces
1 onion, cut into wedges
1 large red bell pepper, cut into 2-inch pieces
1 cup barbeque sauce
Skewers (if wooden - soak in water for 15 min)

Directions:

- 1 - Preheat grill for high heat.
- 2 - Thread the chicken, green bell pepper, onion, and red bell pepper pieces onto skewers alternately.
- 3 - Lightly oil the grill grate. Place kabobs on the prepared grill, and brush with barbeque sauce. Cook, turning and brushing with barbeque sauce frequently, for 15 minutes, or until chicken juices run clear.



What our clients are saying about us!



"I highly recommend Kreppel Tax Advisory group for your Financial Investments and Tax needs. A very professional firm who will listen and take care of all your needs. The office staff is also very professional and very attentive and helpful. You won't be disappointed."— C. S.

"I was recommended to Kreppel Tax Advisory Group & was extremely satisfied. My accountants were very thorough, knowledgeable & professional as was the Owner Elliot. I would highly recommend them. Staff is very friendly also, pleasant environment. Thank you again Kreppel Tax (Advisory) Group!!" – C.P.



Elliott L. Kreppel
President



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