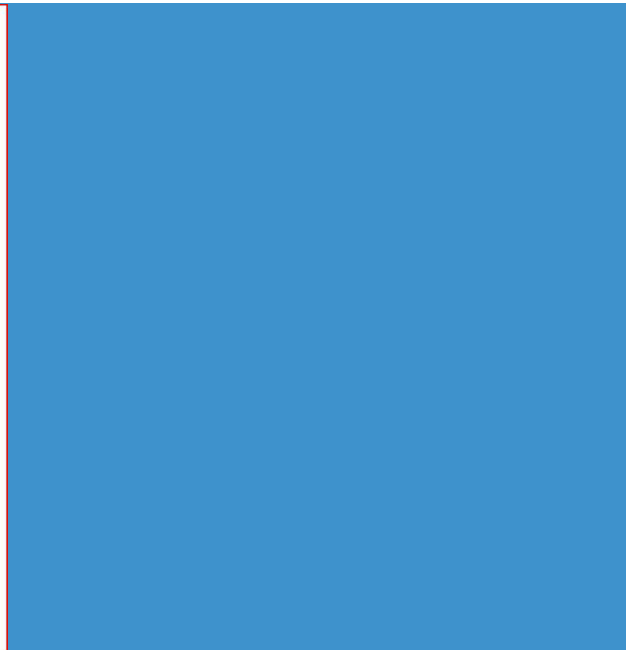


WCM June Newsletter



DID YOU KNOW

Coming soon: Clients to be enrolled in Class Action Recovery Service

Market data suggests **95% of retail customers don't file claims** because the process is so complex, and our own internal research suggests an **estimated \$10 million is unclaimed** by Raymond James clients each year.

MONTHLY COMMENTARY

Law of Attraction

“Increasing America’s debt weakens us domestically and internationally. Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren. America has a debt problem and a failure of leadership.”

-Barack Obama-

DOING GOOD TOGETHER

Look to our Newsletters over the next couple of months for opportunities to join us in making a difference.

Integrity, diligence
& unwavering commitment



Thank you for the continued trust you place in us and our office. Our practice continues to grow because of you. Your referrals are the best compliment that you can give.

DID YOU KNOW ?**Coming soon: Clients to be enrolled in Class Action Recovery Service**

In response to advisor feedback and consistent with industry standards, Raymond James will enroll all eligible clients in a new **Class Action Recovery Service** in August. Simplifying the class action process, this new service will automatically identify class action clients who may be eligible for compensation based on their transactions and account holdings, and proactively file the claim and submit all evidence on behalf of clients

**HOW WILL THIS BENEFIT YOU?**

Participating in class action lawsuits can be time-consuming and confusing. Market data suggests **95% of retail customers don't file claims** because the process is so complex, and our own internal research suggests an **estimated \$10 million is unclaimed** by Raymond James clients each year.

Currently, clients are notified of class action eligibility and must work with their advisor to provide the required proof of transactions or holdings. By streamlining the process and eliminating the burden on you and your advisor, the Class Action Recovery Service helps ensure you don't leave money on the table.

HERE'S HOW THE END-TO-END CLAIMS MANAGEMENT PROCESS WORKS:**Client enrollment**

Clients are auto-enrolled in the service unless they opt out.

**Ongoing monitoring**

Through its service provider, Raymond James researches and identifies claims clients may be eligible for, collecting and submitting evidence on behalf of the client.

**Claim filing**

Broadridge files claims on behalf of client. Once settlement funds are received and reconciled, Broadridge deducts an 8.25% fee and then wires the funds to Raymond James.

**Funds transmission**

Any awarded settlement funds will be deposited to the client's Raymond James account. Clients will see this deposit listed on their statement noted as a class action.

**Advisor insight**

Through a Class Actions portal, your advisor will be able to track class actions you are participating in.

Law of Attraction

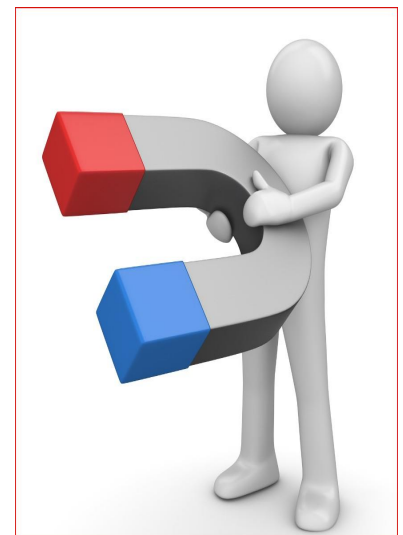
By Mark Lazar MBA, CFP®

Mark Lazar is an independent writer with Pathway to Prosperity and is not affiliated with Raymond James. Views expressed by this writer are the current opinions of this author and not necessarily those of Raymond James & Associates.

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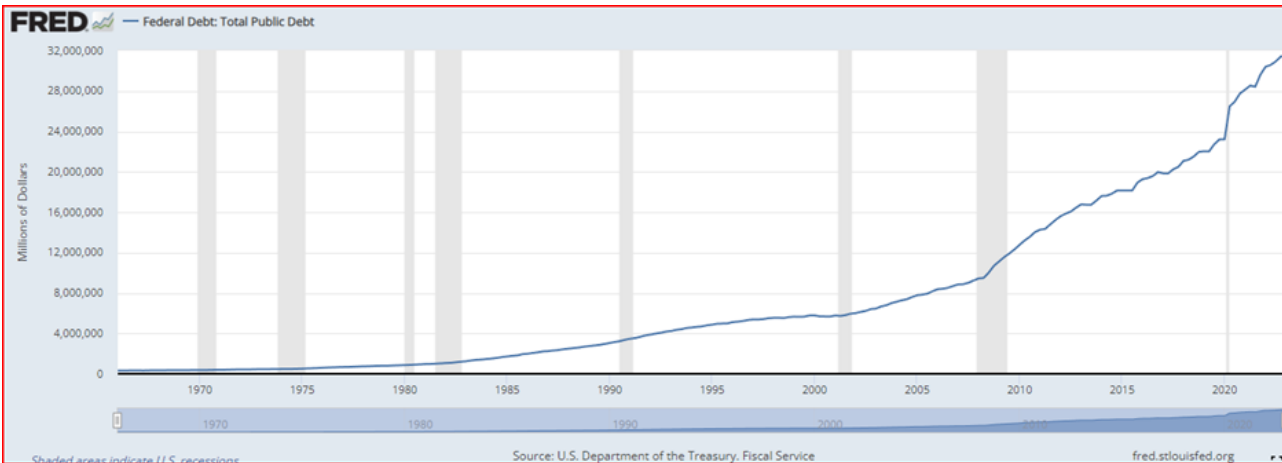
It’s official; the debt ceiling deal passed both Houses and was signed by President Biden on June 3. Over the past few months the American public was inundated with dire predictions of economic collapse barring Washington bureaucrats *coming to their senses* and simply agreeing to write the check. After all, we were told by somber, smart sounding people that Uncle Sam owes the money, ergo raising the debt limit should just be formality, if needed at all. So, DC lawmakers can take a victory lap, and the rest of us can breathe a big sigh of relief; an *unprecedented* crisis has been averted. Or has it?



Item	YTD Change
S&P 500 Index	8.86%
Dow Jones Ind Avg	-.72%
EAFE Foreign Index	5.04%
Emerging Market Index	.22%
Barclays Agg Bond Index	2.46%
10-Year Inflation Forecast	2.18%
Unemployment Rate	3.7%

**Market index data as of 5/31/2023 (The Stock Indexes mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.)*

Between 1966 and 2020 national public debt—the cumulative total of annual deficits + interest—increased by ~8% annually, during which time the US experienced [four](#) wars, [eight](#) recessions, [three](#) epidemics and countless geopolitical crises. However, between 2020-2022 the national debt increased [14.41%](#) per year.



[Federal Reserve Economic Data](#)

According to the Congressional Budget Office, here are the numbers over the next decade:

- Federal tax revenues rise 48% whereas federal spending increases [57%](#)
- Between 2022 and 2033 net interest (as a percent of federal revenues) increases [109%](#)
- The national debt held by the public surges [81%](#)
- In 2033 the net interest alone on public debt will exceed [\\$1.4T](#)

Item/Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues												
Individual Income taxes	2,632	2,525	2,475	2,517	2,768	3,019	3,123	3,248	3,380	3,517	3,652	3,806
Payroll taxes	1,484	1,562	1,633	1,703	1,778	1,849	1,920	1,993	2,068	2,147	2,226	2,307
Corporate income taxes	425	475	479	489	495	494	506	514	520	527	527	539
Other	357	252	261	266	276	295	370	387	400	416	436	450
Total	4,897	4,815	4,848	4,974	5,317	5,658	5,919	6,142	6,368	6,607	6,841	7,102
Outlays												
Mandatory	4,133	3,980	3,828	4,023	4,205	4,400	4,738	4,760	5,120	5,386	5,675	6,141
Discretionary	1,664	1,712	1,845	1,939	1,995	2,055	2,112	2,153	2,209	2,260	2,313	2,373
Net Interest	476	663	745	773	835	912	1,003	1,084	1,165	1,252	1,350	1,440
Total	6,273	6,354	6,418	6,735	7,035	7,367	7,854	7,997	8,494	8,898	9,338	9,955
Deficit	-1,376	-1,539	-1,571	-1,761	-1,718	-1,709	-1,934	-1,855	-2,126	-2,291	-2,496	-2,852

[Congressional Budget Office](#)

Spoiler alert; the CBO’s numbers are wrong. While the CBO has done a good job of forecasting GDP, they have consistently and substantially underestimated federal spending and national debt, and by no small margin. To that point, the [2013 forecast](#) *overestimated* revenues for the coming decade by \$3.1T or 8%, *underestimated* expenses by \$2.4T or 4%, and underestimated the national debt by a mere \$6.3T or 29%. Oops! If the CBO’s analysts were Vegas oddsmakers they’d likely have been swimming with the fishes a long time ago.

Why is the nation’s accounting department so bad at its job? With rare exception forecasts are done in a vacuum, assuming a fairly constant, static baseline growth to revenues and spending. But that’s not reality. In the real world there are economic cycles, geopolitical events, fiscal policy shifts, and the occasional trillion dollar spending bill.

The elephant in the room is [mandatory](#) spending. Specifically, [entitlements](#). Nearly two thirds of federal spending is *mandatory*, ten percent is interest, with just over a quarter being [discretionary](#), the lion’s share of which is earmarked for military spending.

As mentioned in last month's commentary, [Fracture Mechanics](#), over the coming decade Americans will have to find money to address an [exhausted Social Security Trust Fund](#), a [depleted Medicare Trust Fund](#), and [massive public pension shortfalls](#). While there appears to be no common ground between Democrats and Republicans these days, there is one exception; none of them want to address entitlement form. At least those currently in office and seeking to get reelected.

Almost twenty years ago Rhonda Byrne wrote a self-help book entitled, "The Secret," which became a best seller. Her essay is based on the [Law of Attraction](#); using your thoughts to attract and obtain the things you want. All one must do is simply focus on and desire something then, voila, it will happen. Judging from the behavior of Washington lawmakers during the debt ceiling debate, at least half must have read Byrne's book and are confident that the Law of Attraction will enable them to continue to spend even more in the future without consequence. I hate to be the bearer of bad news but they can't. Reality always wins.

The government has no coffers, no savings, no rainy day funds; only debt. The only means Uncle Sam has for obtaining money is to take it from you explicitly via taxes, or take it from you indirectly by printing money (exactly what the Fed did between 2020–2022), which leads to inflation, and inflation is simply an implicit tax. And since all future debt issuance must be repaid with principal and interest ... at least in theory, borrowing simply defers and increases the cost.

In summary, yes, a temporary disruption (not a crisis) was averted, but all we've done is delay the inevitable. The piper must be paid, be it today or tomorrow. A good start would be [PAYGO](#) legislation limiting government expenditures to revenues collected. Or, we can simply put our faith in the Law of Attraction and wish the debt away.

Mark Lazar, MBA
Certified Financial Planner™
[Pathway to Prosperity](#)

WCM Team This Month



Stan

Stan and his family at Mailee's (3rd daughter) high school graduation

Nicola

Nicola and her crew at graduation! COGRATS!



John

John fishing in Alaska with friends. Next client event food on John???



Rees

Rees and Lisa at the summit of Hidden Peak.





Matt

Matt at a friend's wedding in Cape Cod



Jessica

Jessica with the family on a Green River trip.

Jon

Jon took the kids to our annual visit of Grandparents graves.

Metcalfe in SLC

Hayes in Bountiful





Susan

Susan and Tim Trevi Fountain in Rome earlier this year.

Stan Goodell, CFP®, Managing Director - Investments | 385-275-3792

Rees Petersen, CFA®, Vice President - Investments | 385-275-3607

John Clower, CFA®, Vice President - Investments | 385-275-3590

Reed Grant, Financial Advisor | 385-275-3797

John Bergerson, CFA®, MBA, Investment Portfolio Associate | 385-275-3608

Matt Brunner, Financial Advisor | 385-275-3795

Jon Metcalfe, MBA, Senior Registered Client Service Associate | 385-275-3793

Nicola Rand, Practice Business Manager | 385-275-3585

Susan Jackey, Senior Client Service Associate | 385-275-3799

Jessica Hymel, Senior Registered Client Service Associate | 385-275-3796

2750 E Cottonwood Parkway, Suite 520, Cottonwood Heights, UT 84121

1389 Center Drive, Suite 200, Park City, UT 84098

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