THE
COOK REPORT

Volume 33 | Number 3 | July 2023

TAKE CONTROL

Run for the hills! The sky is falling! We are doomed! The Rockies are going to lose 100 games this season!

Events over the first half of 2023 have been ripe for playing on our worst fears. Only three months ago we were talking about the banking industry and the potential for further distress in the sector. Inflation—while coming down from its highs—remains elevated. Interest rate increases have raised the costs of borrowing and talk of a recession is more about 'when' rather than 'if.' And after a brief period of inspiring play, the Rockies are back on track for their first 100 loss season in the team's history. Bleak times, indeed.

What do all of the above have in common? Broadly, *none* of them are in our control and whether they transpire should be of little import to our well-being (Rockies who? The Nuggets are NBA Champions!).

In this edition of *The Cook Report*, we encourage you to use the summer months to change the narrative and act on the things you *can* control. Below, we highlight areas of your financial life that require particular attention. Acting on these items will eliminate fear of what might happen and provide you confidence that you can successfully navigate any environment. Bleak times? Heck, no—life is good!

SUMMER FINANCIAL CHECKLIST
Let's take control of your finances this summer by focusing on the following:

FINANCIAL PLAN	ASSET REVIEW	ESTATE PLAN
☐ Review/Identify Financial Goals	☐ Review your asset base	☐ Review beneficiary designations
☐ Review/Design a strategy to meet your goals	☐ Understand your assets and how they aid your goals	☐ Review/Create a will, medical directives, and power of attorney
	☐ Make changes as necessary	☐ Secure your digital legacy

SET AND REVIEW GOALS

If you haven't set clear financial goals, turn off the Rockies game and get started! Goals-based planning is the best way to keep you focused financially and help you navigate uncertain markets and economic downturns. Having goals changes the focus from the present to where you want to be at various points throughout your life. The goals you set can and should be flexible so that you can adjust them as your circumstances change. For instance, it is highly likely that your vision of retirement at age 30 is going to be much different at age 60.

Once your goals are defined, you can then identify the strategies best suited to meet them. Periodically review your goals to make sure they accurately reflect your aspirations and your current realities. This is especially important to do during market downturns because chances are good that you've positioned yourself in a way such that short-term market movements are of little consequence.

INSIDE THIS ISSUE:

attcook.com

The Cook Report is published for our clients and friends.

The Albert T. T. Cook Company is an independent registered investment adviser committed to meeting client objectives with comprehensive, unbiased financial advisory services.

Clients accepted by referral or self-referral.

The Albert T. T. Cook Company
Impartial. Independent. Since 1984.

Albert T. T. Cook, Jr.
alcook@attcook.com

Timothy M. M. Cook
timcook@attcook.com

TAKE CONTROL (cont.)

PORTFOLIO REVIEW

As you sit by the pool this summer enjoying an ice-cold beverage, take a moment to review—and understand—your investment portfolio and broader asset base to make sure they are positioned to help you meet your goals. When you think "portfolio," expand it from just the assets you have invested in accounts such as your 401(k) to your broader asset base.

What does that mean, exactly? Often when we examine the assets in our investment accounts, we look at them in a vacuum. We fail to consider other assets that are helping us to meet our goals such as Social Security payments, payments from a pension or annuity, or even the cash value in a life insurance policy. Failure to consider these assets could cause you to place your investments into lower yielding instruments, which could then put your long-term goals at risk.

Receipt of monthly payments, whether through Social Security or a pension, should be considered part of your fixed income portfolio. You receive those funds regardless of what is happening in the markets. If those funds meet most or all of your monthly expenditures, then you will rely less on your investments to make ends meet. Psychologically, you will understand that you can endure down markets and won't make decisions detrimental to your financial future. Don't just invest—understand *why* you are investing and *how* those investments are helping you achieve your goals. We are here to help you understand the why and how.

ESTATE PLANNING

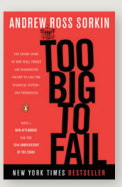
While planning for your eventual demise is certainly a buzzkill during the lazy days of summer, it is perhaps the most critical checklist item and the one that you can control the most. If you do not have a will, medical directives, or power of attorney in the instance of your incapacitation, you are leaving decisions for your care and the disposition of your assets to the courts where you live. Family members and loved ones will have the added burden during a time of grief trying to ascertain your wishes. Once completed, make sure family members know where to locate these documents.

Take time to review all of your financial accounts and insurance policies and make sure you have named beneficiaries. When you opened a retirement account, you were required to list a beneficiary. But you might not have a Transfer on Death (TOD) beneficiary on bank accounts, taxable investment accounts, or other financial instruments. Review those accounts today and make sure your wishes are clearly outlined.

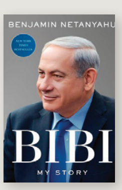
While you are at it, be sure to plan your digital legacy (see article below). Make sure that heirs and loved ones are able to access everything you have accumulated online, from photos and important documents to passwords and social media.

The above recommendations require effort and are not always the most pleasant items to consider. Nevertheless, they put control in your hands. Act on the things you can control! Doing so will provide you confidence regardless of what is occurring in the financial markets. We wish you a summer filled with relaxation and peace of mind!

READER'S CORNER



Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System—And Themselves by Andrew Ross Sorkin (Penguin Books, New York, 2010) is a page-turning narrative of the 2008–09 Financial Crisis and the decisionmakers at the center of it all. While new oversight and regulation stemming from the crisis have had positive effects, eerie resemblances remain.



Bibi: My Story, by Benjamin Netanyahu (Threshold Editions, Simon & Schuster, New York, 2022) provides insight into the growth and development of this important and controversial leader of Israel. Largely educated in the United States (grade school and MIT), as Finance Minister he led changes that created the economic growth enjoyed today. As Prime Minister, he has defined Israel's position in the region/world and enhanced relations with neighboring Arab countries.

IN THE NEWS

- "Before You Die, Secure Your Digital Life," by Julie Jargon (*The Wall Street Journal*, April 22, 2023) provides tips for securing your digital assets prior to incapacitation or death—an often-overlooked aspect of estate planning in today's digital world.
- "Why a Bull Market Is a Bad Time to Check Your 401(k)," by Anne Tergesen (*The Wall Street Journal*, June 15, 2023) emphasizes that regularly checking your account balances can lead you to make poor financial decisions. Best to put together a financial plan and stick to it, reviewing your account balances only occasionally.
- "When SVB and First Republic Collapsed, So Did Their Employees' Investments," by AnnaMaria Andriotis, Rachel Louise Ensign, and Ben Eisen (*The Wall Street Journal*, June 17, 2023) highlights the risk employees take when all their retirement assets are tied up in shares of employer stock.