

## NAVIGATING RECORD INFLATION

Saturday, June 18, 2022 at 7:48 a.m.



CONSUMER ALERT

### NAVIGATING RECORD INFLATION

#### ANCHOR SHELLEY ORMAN:

Joining us this morning with some tips for us on how to navigate this record inflation, we have financial expert Dan White, of Daniel A. White & Associates. Good morning to you, thanks for joining us.

#### DANIEL WHITE, FOUNDER AT DANIEL A. WHITE & ASSOCIATES:

Thanks for having me on, Shelley.

#### ANCHOR ORMAN:

So, let's start with how prepared should consumers be for a possible recession, is it possible to prepare at this point?

#### WHITE:

Well, you know, it's kind of funny, it's like Groundhog Day from two years ago. I mean, two years ago we had the COVID pandemic and the markets crashed. Unfortunately, this time the Fed is not going to run to the rescue like they did two years ago. In fact, this time they're raising interest rates to kind of stave off inflation and that's affecting both the stock and the bond markets. So, one thing that people always, mid-year it's always a good thing to do is, try to take a look at your allocations, they're probably completely out of whack. This time, it's kind of, you know, stocks and bonds

kind of a lot of times are negatively correlated, which means when stocks are going down, bonds are going up. Unfortunately, that's not the case this time either, I mean they're both kind of falling. So, you want to take a look at your allocations, see where you're at and see if it makes sense to reallocate.

#### ANCHOR ORMAN:

And what would you advise when you're looking at that, like what should you be focusing on exactly?

#### WHITE:

Well, like I said, there's not a real good place to hide at this point. Um, I know cash is not sexy, it's not, you know, nobody thinks doing nothing is a poor choice, but you know, cash, not losing in this environment is actually winning. So, you might want to sit on the sidelines for a little bit, six months, and see where this thing shakes out before you jump back in.

#### ANCHOR ORMAN:

Ok. As far as savings, is there a certain amount you advise people have saved up, kind of set aside as their safety net?

#### WHITE:

Yeah, you definitely want to have three to six months as an emergency fund. And that's a great point as well, with rates going up, your fixed income instruments are also rising as well. So,

you know, we're starting to see, not necessarily CDs are going up a little bit, but our fixed annuities and such, we're seeing them in the threes to fours, some of them are even touching five percent. So, I think people are making that flight to safety as we say. It's kind of a risk off mode, get out of the market and try to look for some type of safe haven.

#### WHITE:

Yeah, you know, a lot of people's budgets are very tight and if you're planning a vacation this year, you know, if you filled up your tank lately, you're paying twice as much to fill up the tank, so you might want to think about going someplace a little closer to home, maybe a staycation, something like that. You definitely have to factor in inflation, the higher gas prices, everything is higher, let's face it, food is higher, I mean no matter where you go, you're going to be paying higher prices, airfares are skyrocketing. So, yeah, I think before you plan that vacation, you might have thought it was going to cost X amount and now it's even probably going to be double, so you've got to look at that.

#### ANCHOR ORMAN:

Alright. Dan White, thank you for your insight this morning, we always appreciate it.

#### WHITE:

You have a great day.

Based in Glen Mills, PA, Daniel A. White and Associates has helped hundreds of families secure their retirements and enjoy their golden years worry-free.

Call 888-690-8820 to set up a free consultation.

Advisory services offered by CoreCap Advisors, LLC. Dan White & Associates and CoreCap Advisors are separate and unaffiliated entities.

