MAY
JUN
2026

CORNERSTONE
WEALTH PLANNING

*NEWS YOU CAN USE*

## Three Recession Risks

As we are in the midst of the second quarter, 2026 has brought about continued volatility. The primary driver so far has been the oil shock with elevated oil prices, which has occurred due to the War with Iran that began at the end of February. As we continue through the rest of 2026, the risk of recession is rising. We are monitoring three recession risk factors.

**Inflation is higher than expected:**

The risk of higher inflation is something that is very easy for us to feel on a day-to-day basis. The price at the pump is often seen as a gauge of overall consumer sentiment. If prices are lower, people feel great and spend more elsewhere. If prices are higher, people feel worse and spend less elsewhere. The Federal Reserve (FED) technically follows the rate of change on the "Core Inflation" prices more so for their policy decisions than the sentiment of the consumer. Core inflation removes the often-volatile changes of energy and food. Obviously, these are vital for everyone's day-to-day living, but the FED wants to avoid making quick decisions based on potentially temporary economic shocks.

The Core inflation measure provides a potentially more stable view, but one that can be more challenging to see move lower. Things like higher oil prices can feed into the increased cost of virtually all goods and services, therefore creating a very sticky core inflation.

**Our recession watch indicator will be headline inflation reaching and sustaining a level above 3.50% for several months, with core inflation also remaining above 3.30% during the same period.**

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## Three Recession Risks

<u>The FED facing a rate hike dilemma:</u>

Coming into the year, it seemed very far-fetched to think a rate hike could even be "on the table," let alone actively discussed. While it's still unlikely, the higher inflation goes (and stays), the greater the risk that the FED may be forced to consider leaving interest rates at their current levels. The FED's inflation goal is a 2%/year year-over-year inflation level. While there has been substantial progress over the last few years, bringing inflation down from 40-year-high levels of about 9% to the current 3% levels, it's still too high compared to the FED's overall goal. With the war, oil shock, and price increases on gas, food, and services, the risk exists that the FED may have to at least consider raising rates to lower inflation. If there is ever one key risk that markets have not priced in, it is likely a rate-hiking cycle.

**Our recession watch indicator will be seeing the FED begin to evaluate rate hikes instead of leaving rates neutral or lowering them.**

<u>Very few new jobs...still no recession?:</u>

Could the US economy add an extremely low number of monthly jobs, potentially 25,000 or fewer per month, and still have positive economic growth? We are soon going to find out. Over the last 12 months, the US has added about 25,000 new jobs per month. To put this into perspective, over the 12 months before that period, the US added about 200,000 jobs per month. The key difference is the rate of immigration into the US.

There are also some lower job additions due to productivity gains associated with Artificial Intelligence (AI). Job additions at such low levels are extremely rare outside of recessionary periods in the US. One of the most important metrics related to job additions is the ongoing unemployment rate. Fortunately, the unemployment rate continues to remain historically low and, while drifting to around 4.40% earlier in the year, has now moved back down to 4.30%. This simply means that the US needs very few new jobs added each month to maintain a low level of unemployment. The good news is that ultimately, if we have a historically low unemployment level, then most people who want to work can have a job and continue to work. Low unemployment leads to continued consumer spending. Consumer spending sustains the ongoing growth of the economy.

**Our recession watch indicator will be to see the unemployment rate increase to 5.0% or more.**

While we've experienced heightened volatility and the risk of recession continues to be elevated, we continue to have a fairly stable overall economic environment. This can change quickly, and we'll continue to monitor these three key recession risk indicators.

## Pack Like a Pro: Eight Tips for Your Next Trip

Retirement is the perfect time to explore the world, but packing can feel like a chore.

With a little planning and a few clever strategies, you can travel lighter, smarter and with less worry. Here's how:

- **Roll With It:** Roll your clothes instead of folding them to save space and reduce wrinkles. Bonus: You'll see everything at a glance.
- **Divide and Conquer:** Packing cubes are a game-changer. Sort by clothing category for quick access.
- **Double Duty:** Choose neutral, multi-purpose clothing that mixes and matches effortlessly. Create more outfits with fewer items!
- **Fill the Gaps**: Don't waste space with bulky shoes. Stuff them with socks, belts or small accessories.
- **Stay Dry and Tangle-Free:** Zip-top bags contain toiletry spills and keep electronics organized.
- **Wear the Bulky Stuff:** Save suitcase space and weight by wearing your heaviest items, like jackets or boots, while traveling.
- **Plan for Souvenirs:** Leave room for treasures or pack a foldable duffel or tote to contain overflow.
- **Keep Essentials Close:** Medications, IDs, a phone charger and a first-aid kit belong in your carry-on for accessibility and security.

### YOUR ADVENTURE AWAITS

Travel is often at the top of retirees' wish lists, but logistics can be a drag. Shift your focus to the journey and follow these packing tips ahead of your next getaway.

*HOW TO ...*

## Ways to Help Keep Your Financial Goals on Track During the Summer

Summer often brings a shift in routines, with vacations and seasonal expenses taking center stage. Though it's a time to relax and enjoy, it's also easy to lose sight of long-term financial goals. Here are some ways to help stay focused while enjoying the season.

### REVISIT YOUR BUDGET

Review monthly expenses and identify areas where you can cut back to help accommodate seasonal costs. Use budgeting tools to track spending in real time. Set specific spending limits for activities such as dining out or entertainment.

### PLAN AHEAD

Break down larger expenses into smaller, more manageable savings goals, and look for ways to help save on summer costs. Book travel early, use rewards points and take advantage of discounts.

### AVOID DIPPING INTO RETIREMENT FUNDS

Using retirement savings for short-term expenses can jeopardize your long-term financial confidence. Instead, consider using things such as emergency funds for unexpected costs or cash back rewards to offset expenses.

*DOLLARS & SENSE*

# Put Your Money Where Your Values Are

In today's financial landscape, investing is no longer just about the bottom line — it's about making a difference. For many of us, the legacy we leave behind is just as important as the wealth we build. This shift in mindset has fueled the rise of values-based investing, often seen in strategies such as socially responsible investing (SRI) and environmental, social and governance (ESG) criteria.

This approach can allow you to support causes you care about — whether it's renewable energy, board diversity or ethical labor practices — while pursuing financial returns. But before you overhaul your portfolio, it is critical to weigh the benefits against the potential drawbacks. Is aligning your money with your morals always the smart financial play?

## THE CASE FOR VALUES-BASED INVESTING

For proponents, this strategy can offer a "double bottom line" — financial profit and social impact — such as investing in companies that prioritize sustainability, ethical labor practices and environmental impact over short-term profit maximization.

- **Alignment With Personal Beliefs:** The most immediate benefit is knowing your savings are not funding industries you may oppose, such as tobacco, weapons manufacturing or fossil fuels.
- **Enhanced Risk Management:** Companies with strong ESG practices often demonstrate better long-term resilience. By prioritizing ethical governance and environmental stewardship, these firms may avoid costly regulatory fines, lawsuits and public scandals that could harm stock prices.
- **Potential for Competitive Returns:** The myth that ethical investing guarantees lower returns is fading. Many ESG funds have performed competitively against traditional indexes, particularly as the global economy shifts toward sustainability.[1]

## THE POTENTIAL DRAWBACKS

Value-based investing is not without hurdles. It requires a careful eye to help ensure your retirement goals remain on track.

- **Higher Costs:** Specialized screening requires extensive research, which adds to costs. Consequently, many ESG funds carry higher expense ratios than standard index funds. Even small fee increases can eat into your retirement nest egg.
- **The "Greenwashing" Risk:** Not every fund labeled "sustainable" lives up to the hype. Some companies and funds exaggerate their eco-friendly credentials to attract capital in a practice known as greenwashing. Investors must look under the hood to ensure the holdings match the marketing.
- **Limited Diversification:** By excluding entire sectors, you inherently reduce your portfolio's diversification. During periods where traditional energy stocks surge, an ESG-heavy portfolio might lag behind the broader market.

## FINDING YOUR BALANCE

Values-based investing offers a powerful tool for making a positive impact, but it requires diligence. The key is balance.

*Please note: Your investment adviser representative may not create or market advisor-managed ESG models because if they use Funds of Funds (FoF's) or other third-party pooled investments, they may not be able to accommodate your ESG preferences.*

*1 Alana Benson. NerdWallet. Dec. 26, 2025. "ESG for Beginners: Environmental, Social and Governance Investing." https://www.nerdwallet.com/investing/learn/esg-investing. Accessed March 2, 2026.*

*THE SCOOP*

## Summer Bucket List — on a Budget

Summer brings sun, relaxation and the creation of new memories year after year. But a great summer doesn't have to come with a high price tag. With a little creativity, you can fill your days with fun and fulfilling adventures that are both memorable and affordable.

**EXPLORE LOCAL GEMS**

Sometimes, you don't even have to leave the city to find great ways to spend the day. Local spots like museums and libraries offer affordable ways to explore right in your own backyard. Some local attractions even have free or discounted admission days throughout the season.

**DIVE INTO CULTURAL EXPERIENCES**

Attend free outdoor concerts, art fairs or community theater performances. Try a new restaurant or eatery if your taste buds are also looking for a bit of adventure. Some towns even hold culture festivals to celebrate their heritage.

**SAVOR THE GREAT OUTDOORS**

Nature lovers can visit nearby parks, botanical gardens or nature reserves. If you're social, join a walking or hiking club for active outings. Local rivers or lakes can be great spots for birdwatching, fishing or kayaking.

**TRAVEL WITHOUT THE HASSLE**

If you want to go outside your hometown, try looking for spots that are less than a day's travel away. Ask around or look online for underrated locales that can satisfy your wanderlust. Skip the hotels and try nontraditional lodging, such as VRBO or Airbnb, for more unique experiences.

**CREATE MEMORABLE MOMENTS WITH FAMILY**

Sometimes the best memories to make are with family. Host a backyard potluck or barbecue and spur some inter-generational bonding by cooking together. If you're a grandparent, think of activities such as a treasure hunt or an outdoor movie night to keep your grandkids (and you!) entertained.

*BRAIN GAMES*

## Sudoku

**Game Rules**

Fill in each square with one of the numbers 1 to 9 such that no number repeats in any row, column or 3 by 3 box.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 3 | | | 1 | | | | |
| | | | | 6 | | | | 9 |
| | 8 | | 7 | | 9 | 4 | 5 | |
| 3 | 5 | | | | | 1 | 9 | |
| | | 4 | | | | 8 | | |
| | 6 | 9 | | | | | 2 | 7 |
| | 1 | 3 | 2 | | 6 | | 8 | |
| 6 | | | | 9 | | | | |
| | | | | 5 | | | 1 | |

# BACKYARD BLISS

## OUTDOOR GAMES FOR THE WHOLE FAMILY

Outdoor games are the perfect way to connect generations, from enthusiastic children to playful grandparents. With a bit of planning, your backyard can become a fun-filled arena for everyone.

### CLASSIC GAMES WITH A CREATIVE TWIST

- **CORNHOLE:** Make it fun with "challenge shots," such as tossing while standing on one foot.
- **RELAY RACES:** Add silly tasks — potato sack hopping or spoon-balancing water balloons.
- **RING TOSS:** DIY with pool noodles or glow sticks; use sand-filled bottles as targets.
- **WATER BALLOON TOSS:** Try catching balloons with buckets or towels for a cool spin.

### SIMPLE DIY BACKYARD GAMES

- **GIANT GAMES:** Stack painted wood blocks for oversized Jenga, or roll big dice on a picnic blanket for Yard Yahtzee.
- **OBSTACLE COURSE:** Combine hula hoops, pool noodles and cushions for a customizable family challenge.
- **BACKYARD BOWLING:** Use filled bottles for pins and a ball you have on hand.
- **NATURE SCAVENGER HUNT:** Create a list of things for everyone to hunt for, such as a red leaf or a smooth rock.

### ALL-AGES ACTIVITIES

- **PARACHUTE PLAY:** Use a big sheet to shake balls ("popcorn") or play "cat and mouse."
- **FRISBEE GOLF:** Aim for buckets or hula hoops as targets around the yard.
- **BALLOON VOLLEYBALL:** Set up a rope net; keep a balloon in the air for as long as possible.

Backyard games are about more than play. They create joy, connection and memories for all ages. Give these simple ideas a try, and start a tradition of outdoor fun with your family.

## *CENTER STAGE*

# Homesick Blues: Navigating the Challenges of RV Life

The beginning of any RV adventure is often the "honeymoon phase." Adrenaline and novelty fuel your days as you celebrate the freedom to chase good weather or follow a scenic backroad on a whim.

Eventually, however, the novelty fades. The reality of life on the road sets in, and homesickness often makes its first appearance. This is not a sign of failure; it's a natural response to profound change.

Several factors typically trigger these feelings:

- **Missing the Familiar:** Life on the road means constant change. You may crave the predictability of a permanent address or the comfort of your own neighborhood.
- **Loneliness:** Even if you travel with someone, leaving behind a network of friends and family can create a void.
- **Decision Fatigue:** The stress of constantly planning routes, finding campsites and monitoring weather conditions requires significant mental energy.

But these feelings don't have to derail your adventure. You can navigate homesickness with a few proactive strategies.

- **Stay Connected:** Schedule regular video calls to stay involved in the lives of family and friends. Even better, route your travels to include visits.
- **Create a Sense of Home:** Your RV is your sanctuary, not just a vehicle. Personalize it with photos and blankets to add comfort.
- **Embrace the Community:** Combat isolation by attending campground social hours, joining online forums or finding local meetups.

The road ahead offers breathtaking views and the chance to create a life that is uniquely yours. Embrace the entire journey — bumps and all.

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## *RECIPE*

### MAPLE BLUEBERRY CRISP

A warm, comforting blueberry crisp with a sweet, bubbly filling and a buttery brown sugar crumble topping. It's simple to make and perfect served fresh from the oven, especially with a scoop of ice cream.

### INGREDIENTS

- *4 cups fresh or frozen blueberries*
- *1/2 cup maple syrup*
- *2 tablespoons cornstarch*
- *1 teaspoon ground cinnamon*
- *1-1/4 cups all-purpose flour*
- *3/4 cup packed brown sugar*
- *1/2 cup cold butter*
- *1 teaspoon almond extract*

### HOW TO MAKE IT:

1. Preheat the oven to 375°F.
2. In a large bowl, combine the blueberries, syrup, cornstarch, and cinnamon. Mix until evenly coated.
3. Transfer the blueberry mixture to a greased 8-inch square baking dish and spread evenly.
4. In a small bowl, combine the flour and brown sugar.
5. Cut in the butter until the mixture resembles coarse crumbs, then stir in the extract.
6. Sprinkle the crumb mixture evenly over the blueberry filling.
7. Bake for 35–40 minutes, or until the filling is bubbly and the topping is golden brown. If desired, serve with vanilla ice cream.

## *BRAIN GAMES*

ANSWER KEY:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 9 | 3 | 7 | 5 | 1 | 4 | 2 | 6 | 8 |
| 5 | 4 | 1 | 8 | 6 | 2 | 3 | 7 | 9 |
| 2 | 8 | 6 | 7 | 3 | 9 | 4 | 5 | 1 |
| 3 | 5 | 2 | 6 | 8 | 7 | 1 | 9 | 4 |
| 1 | 7 | 4 | 9 | 2 | 5 | 8 | 3 | 6 |
| 8 | 6 | 9 | 3 | 4 | 1 | 5 | 2 | 7 |
| 4 | 1 | 3 | 2 | 7 | 6 | 9 | 8 | 5 |
| 6 | 2 | 5 | 1 | 9 | 8 | 7 | 4 | 3 |
| 7 | 9 | 8 | 4 | 5 | 3 | 6 | 1 | 2 |

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## UPCOMING DATES

### MAY

10 Mother's Day

16 In Person Monthly Market Webinar

16 Armed Forces Day

25 Memorial Day

### JUNE

14 Flag Day

15 Monthly Market Webinar at 12:30pm

19 Juneteenth

21 Father's Day