



# BRUNING BANK

SPRING 2021

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## Look for the Positive

It is easy to look back and just see the negative things that happened, but why not look at the positives? This last year was full of stories of resilient people. Everything from dedicated healthcare workers, to adaptive educators and parents, to, well, everyone.

I am proud to see how Bruning Bank adapted to all the curve-balls 2020 threw at us and want to thank you for handling the changes with us. It was a year of new programs, hard work, adapting and continued community support to serve our customers in the best way possible.

We've had the opportunity to assist small businesses, farmers and ranchers through the Paycheck Protection Program (PPP). This government program helps businesses and agricultural operations survive and grow. Something we can all be thankful for!

Another positive are the near record low home loan interest rates. Our mortgage team completed many refinancing with customers, as well as those purchasing a new home or even their first home. If a refinance or home purchase is something you see in your future, give our mortgage team a call!

You have many options to bank on your banking experience with us. We have locations in Bruning, Hebron, Broken Bow, Holdrege and Kearney which all have kind, caring and smart employees to serve you. If you prefer to do your banking virtually, that is no problem! We offer Online and Mobile banking services at no cost to you. Not only are these services a click or a tap away, but they offer additional benefits: send and receive funds with Zelle, monitor your credit score, deposit checks and more! We offer online solutions for business banking as well.

Supporting our communities is a priority of ours. We try to contribute 5% of our total net income to the communities we serve annually. This is last year, we supported local eating establishments at all our locations by providing meals to our employees and giving away restaurant coupons through our drive-ups. We also started our Pay It Forward Program last year. This program allows each of our employees to donate allotted bank funds to a charity or cause of their choice. Supporting hospitals, churches, chambers, economic development groups, foundations, schools, etc. We had 100% employee participation and we look forward to continuing the program as a way to help our communities!

As more of the vaccines are rolled out, we hope this means the virus will be conquered and we can get back to our normal lives and business practices. We are proud to say Bruning Bank is here to help you and your family "Build and Maintain Wealth." We are a family and employee-owned bank that is here to **Build, Grow and Thrive** along with you.

May you all have a safe, healthy and prosperous 2021.



FRED D. BRUNING

-Fred D. Bruning, Chief Executive Officer

# Jerry's Journal



JERRY CATLETT

We are well into 2021 and just wondering what could happen next! As part of our management team here at Bruning Bank, we review how we perform in relation to our financial performance goals. For example, our budgeted goals for business growth and revenues, which in turn, impact our capital account (equity).

Capital is a very important aspect of commercial/community banking. Our bank, just like any other state and federally chartered financial institution, offers Federal Deposit Insurance Corporation (FDIC) deposit insurance coverage to mitigate risk to the depositors of the bank. As you may remember, the FDIC insures each deposit account ownership category to a maximum of \$250,000.00. You can find out more at [fdic.gov](https://www.fdic.gov) for specific details on account titling and FDIC coverage.

Banking is a highly leveraged business. What does that mean? Our bank ended 2020 with \$49.5 million in capital and total assets of \$419 million. That equates to a basic capital ratio of 11.82%. Just to give you

a little perspective, many home owners had to have 20% of the purchase price to put down (on \$100,000 house you needed \$20,000 down) to get loan approval.

Since we operate on leverage, FDIC insurance provides the safety net for depositors to know that as long as they are within the insurance limits, you don't need to lose any sleep worrying what would happen if the bank were to fail. Now that your deposits are safe, there are a few other things that you should know about. We buy the deposit insurance from the FDIC based upon the analysis they perform during our regular examinations which are approximately 18-months apart. Just like when you buy any kind of insurance, underwriting looks at several different factors in banking the key areas are:

- **Capital Level:** Adequacy based upon the bank's risk profile.
- **Asset Quality:** Loan quality, always receives a top priority to review, our investment portfolio which includes government, state and local bonds, pools of mortgages.
- **Management:** The regulators do some pretty sophisticated analysis of our policies and procedures.
- **Earnings:** How does our bank earnings compare with other banks based on asset size and geographic locations. The most widely used common measure is return on assets (ROA), though there are many other ratios that are used as well.
- **Liquidity:** I think the easiest way to explain is the phrase that past Chief Credit Officer Darrell E. Raum would say, "Let's keep some powder dry." Having funds available for the unforeseen or disruption.
- **Interest Rate Sensitivity or Interest Rate Risk:** You may hear the term market risk, meaning when interest rates move up or down what effect does that have on the banks earnings and balance sheet and most importantly, capital. With interest rates at or near historic lows, it would seem that a move up or down of 100 (1%) basis points is a big deal, just remember 100 basis points of 4.25% ,or 425 basis points, is 23.5%. No one likes it when something increases 23.5% if you are a buyer or user.
- **Information Technology (IT):** Digital everything, right? Has led to very high industry standards to combat an even more aggressive group of bad guys that got bolder during and continuing with the pandemic.
- **Anti-Money Laundering and the Bank Secrecy Act:** The bad guys aren't just challenging everyone's cybersecurity, they are also trying to launder and hide money for terrorist financing, money laundering from various illegal activities including income tax evasion.

I'll stop there for now as the list can go on and on. Just like any business, we have challenges and we also have some great people helping us measure up to the exams and still available to serve your banking needs.

Thank you for your business!

- Jerry Catlett, President, COO

## ATTENTION MEDICARE RECIPIENTS

Medicare Advantage companies are sending out "final notice" letters that appear to be from Medicare about official businesses. However, the sender is just trying to entice the recipient to purchase these Medicare Advantage plans. These plans are run by private insurance companies, not the government. Switching to a Medicare Advantage plan completely changes how seniors get medical coverage and how medical bills are paid. Calling the number on the letter takes the caller to a salesman who may not fully explain what they are trying to sell.

People can try stopping this type of junk mail by either calling 1-888-567-8688 (1-888-5-OPT-OUT) or by visiting [www.optoutprescreen.com](https://www.optoutprescreen.com) and choose not to receive offers for new credit cards and insurance.

If you have any other questions, please give our agents at Bruning Insurance Agency a call at 402.353.2085.

Not FDIC Insured. Not a guarantee of the Bank. Not a deposit of the Bank. Not insured by any federal government agency. May go down in value.

# Trying Something New, Not So Bad



The year was 2003 and my wife and I had started dating seriously, not so seriously that we were talking about marriage, but serious enough we thought a long road trip would be a good idea for a vacation. We had a great time, confirming our suspicions that maybe this would work out.

The final stop on the journey was to meet up with her family for a day at

Adventureland Park near Des Moines. We were both a little leery of the situation, my family was not amusement park people and so I'd never been to one. Alyson on the other hand, had been to Adventureland multiple times, but failed to have much fun there due to severe motion sickness. We went into it with good attitudes and had a fun day.

As it was my first time, I decided that I would try something new and go on a roller coaster, but not just any roller coaster. Four years prior, Adventureland had debuted their Space Shot which promised to take riders up 225-feet in the air experiencing 4.5 Gs only to then drop them into a free-fall of -1 G. While I had little idea how G-Force worked, I can say that sounded terrifying and as we walked up to the Space Shot, it continued to get taller and taller. Alyson's sister and future sister-in-law would be going on the journey with me and as we stood in line, I must have looked a tad pale because Alyson's sister turned to her future sister-in-law and said, "If he throws up on me, I'm going to be really angry."

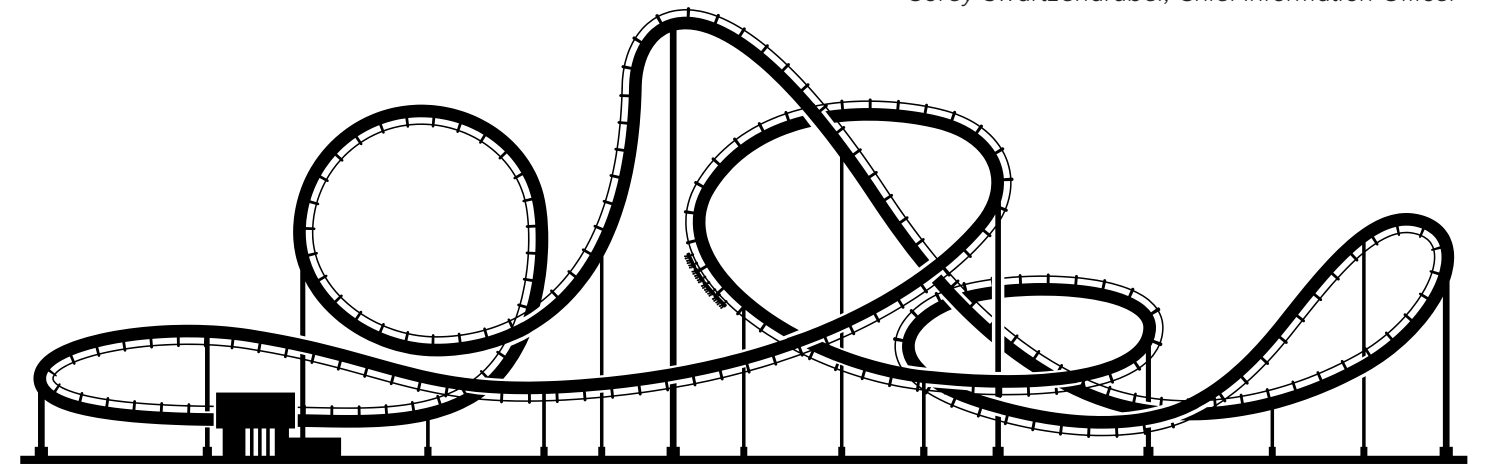
Trying new things is one of the wonderful parts of life. We have spent the past four articles together telling stories and talking about new products that Bruning Bank would either soon be offering or had recently rolled out. All of them were designed to take us a little closer to the level of virtual customer experience that allows you as our customers to interact with the bank in a self-service manner, yet always having our friendly staff ready to answer questions and troubleshoot as you needed.

Today's product is somewhat interesting as you may or may not use it but we look at it as a way for us to better serve you and your needs. We will soon debut a product called MicroNotes which will present you with a short one or two question quiz about possible product offerings to you in Online and Mobile banking. On the fence about a mortgage? Our software will allow you to get in touch with a mortgage officer to talk it through with no commitment. Maybe you just had a baby and are thinking about a savings account? Answer our quick quiz and someone will be in contact with you. The nice part about this software is that it won't trouble you if you don't want to answer questions. Both the layout of the questions and when the questions are presented will be tailored to not affect your busy day if you just want to get in to check a balance. We believe with MicroNotes that we will be able to better serve your needs, check it out soon!

The guy working the Space Shot strapped us in almost with glee. I don't remember much about the ride except the blur of color and all of those 4.5 Gs on my body, but I apparently yelled so loudly that it could be heard in every area of the park. Alyson's family members in other parts of the park came over to the Space Shot to make sure nothing was wrong. The coming down was nearly as bad as the going up. My future father-in-law, a man of few words, but one who generally finds the humor in any situation, immediately went to the gift shop to get me a deck of cards with a picture of the Space Shot on the back. He presented it to me and softly said, "This way you'll never forget the fun you had today," and then laughed heartily. We laughed about it for years to come.

Sometimes friends, the best part about trying something new is the story you get from the experience. We appreciate that you are going on this journey with us and for all of the products and services you have tried. As we continue to innovate and improve, we are always curious about your thoughts and are interested in your feedback. Stop by or drop us a line, we're always glad to talk!

- Corey Swartzendruber, Chief Information Officer





# Make This Your Most Focused Year Ever



I was introduced to Craig Groeschel, senior pastor of Life Church, at the end of last year. He offers leadership podcasts and has written several books. In his latest leadership podcast, he discusses how to identify goals, destroy distractions and make 2021 your most focused year yet.

In his podcast, he says you cannot do what you don't define. In other words, you need to set goals. He reminds us that wishes are different than goals. If you say you want to get in better shape or you want to do better with my finances, those are wishes, not goals. Goals need to be more specific. You need to write down what you want to do and by when.

Dr. Gail Matthews, a psychology professor at Dominican University, found that people who write down goals and tell someone what your goals are, are 78% more likely to reach their goals.

Look back on 2020. Did you accomplish what you wanted to accomplish? Did you achieve what you wanted to achieve? Did you become who you wanted to become as a leader, as a person, as a friend, as a spouse, as an employee? If you didn't clearly define your goals, you have no way to know for sure. When we don't define our goals, we tend to drift, float, exist and somehow survive for another year of our life. For us to become more focused and to overcome distractions, Craig defines three steps:

1. Clearly define your goals.
2. Distance the distractions.
3. Obsess about the process, not the results.

Clearly Define Your Wins - In order to do this, you need to write down specific goals and share with someone. Be specific. For

example, "I want to get better at my finances," is a wish, but can be turned into a goal by instead:

- A) Create a budget by the end of March
- B) Pay off our credit card by September.

Distance the Distractions - The best way to increase your focus is to decrease your distractions. In the podcast, Craig says the biggest distraction is our cell phones. According to Business Insider, the average person is on social media two and a half hours each day. Not to mention the time spent looking at news, weather, emails, texts or games. You will never meet your goals if you are constantly distracted by things that have nothing to do with your goals. If you want to be successful at meeting your goals, you need to be intentional about them. Often times, appealing opportunities arise that don't fit with our goals. Just because an opportunity arises, doesn't mean you should act on it. If it's not in line with your goals, it will distract you from concentrating on your goal. True success isn't about doing more. True success is about doing more of what matters most.

Obsess About the Process, Not the Results - Most people focus on the outcome and not the process to get to the outcome. You don't get results by focusing on results, you get results by focusing on the actions that get results. When you figure out what the process is to achieve your goal, Craig suggests you sell out to it. Fall in love with it. Attack it. He says you need to realize that success isn't achieving the goal in the future. Success is pursuing the process today.

As we begin a new year and you are thinking about goals, take in to consideration these ideas from Craig. You can find more from him on [www.craiggroeschel.com](http://www.craiggroeschel.com).

Best wishes for a goal setting, less distracted and more obsessing over your processes in the coming year. And remember, just because January 1st has come and gone, it's never to late to set goals.

- Kim Schipporeit, Vice President, Director of Deposit Operations

# Avoiding Fraud During the Pandemic



As if 2020 didn't throw enough at us, scammers are hard at work. Make sure you are staying alert because it seems that Coronavirus scams are spreading nearly as fast as the virus itself. According to the Federal Trade Commission as of February 1, 2021, Coronavirus related scams have cost Americans \$320 million so far.

From phishing emails and texts to robocalls and imposter schemes, fraudsters are out there in full force to take advantage where they can. They closely follow the headlines so they can adapt and change their messages and tactics as new medical and economic issues arise. Some popular scams include contact tracing scams, stimulus payment fraud and COVID-19 treatment and testing frauds.

I recently spoke with a fellow banker friend who was helping a customer out with a fraud situation. When they confronted the scammer on the phone, his response was that he has to make a living too. I think it's important to bring this up because scamming people out of money is a full-time job for these people. They don't go to work and clock in like we do to make an honest living, so it is so important that we keep talking and educating on this subject so we can all remember to be aware and vigilant.

Here are some tips to help you avoid being a victim of these Coronavirus scams:

- Never share your personal or financial information via email, text messages, or over the phone. This is a good rule to follow all the time, even if you think you're speaking to someone trustworthy. Just don't do it.
- Do not respond to calls or texts from unknown numbers or any others that appear to be suspicious.

- Be cautious if you're being pressured to share any information or make a payment immediately.
- Scammers will often spoof phone numbers to trick you into answering or responding. Remember that government agencies will never call you to ask for personal information or money. No reputable business will do this either.
- Do not click any links in a text message. If a friend sends you a text with a suspicious link that seems out of character, call them to make sure they weren't hacked. Clicking on a link could lead you to a phishing site or infect your device with malware designed to compromise your system and harvest sensitive data like your online account logins and passwords or credit card and bank account details.
- Always check in to a charity before donating. You can do this by calling or looking at its actual website. You can also use the following organizations to help you research: BBB, Wise Giving Alliance, Charity Navigator, CharityWatch and GuideStar. By doing a little research beforehand, you can ensure that the dollars you're sending will count and actually go to the cause you care about.

If you think you've been a victim of a Coronavirus scam, contact law enforcement immediately and notify Bruning Bank.

Additionally, if you think you could be a victim of identity theft, call or stop in to your local Bruning Bank so we can connect you to a dedicated CyberScout Fraud Specialist. This person will advise you, place fraud alerts, call creditors, help you obtain replacement documents and stick with you for as long as it takes to restore your good name and peace of mind. To learn more about this complimentary customer benefit, please visit the website [identitytheft911-bruningbank.com](http://identitytheft911-bruningbank.com).

- Kristen Swartzendruber, Personal Banker

## Mark Your Calendar

### MARCH:

- **15** - Sales closing for 2021 Multi-Peril (Row Crop) Insurance
- **20-27** - National FFA Week
- **23** - National Ag Day

### APRIL:

- **15** - National Tax Day
- **22** - National Teach Children to Save Day

### MAY:

- **3-7** - Teacher Appreciation Week
- **6-12** - National Nurses Week
- **7** - Mothers' Day flowers available in the lobby or drive-up
- **31** - CLOSED - Memorial Day

## I MAY BE A VICTIM TO A SCAM, NOW WHAT?

Remain calm, it will be okay. Call your local law enforcement and Bruning Bank asap. You can turn off your debit card on Mobile Banking or one of our employees can do so for you. Someone at the bank will then ask you what happened and walk you through what to do going forward, including contacting a CyberScout Fraud Specialist.

Don't sweat not having access to a valid debit card. Bruning Bank is proud to offer Instant Issue debit cards that can be activated and picked up the same day. This will be your temporary card until your permanent card arrives through the mail.

If you ever have a question about scams or fraud, give any Bruning Bank location a call! We are happy to talk through it and discuss additional tips to stay safe.

## TURNING OFF A DEBIT CARD WITH MOBILE BANKING:

1. Log into Mobile Banking
2. Select MORE
3. Select Manage my cards
4. Enter your password
5. Select Block Card
6. Call Bruning Bank asap



KATHY ROBERTS



KRISTEN MONTEFORTE



LARY HOLTZEN

## Double Check Your Coverage

New purchases and lifestyle changes can have a profound effect on your insurance needs. Start 2021 off right by reviewing all your insurance coverages. Consider the following questions:

### Are all individuals or entities insured on your policy?

- Change in marital status?
- Change or creation of a Trust, LLC or Corporation?

### Is your home insured properly?

- Do you have coverage to rebuild your home if it's destroyed?
  - The maximum paid on a claim is the coverage limit stated on the policy.
  - Penalties can apply if coverage isn't written to at least 80% of full replacement cost.
  - Have you made home improvements and/or renovations?
- Does your policy provide adequate coverage for detached structures? Such as garage, shed, gazebo, etc.
- Can you replace all your personal property/household goods if everything was lost?
  - Dishes, clothes, electronics, exercise equipment, appliances, furniture, jewelry, guns, golf clubs, electronic equipment, fine arts, cameras, etc.
- Are you working from home?
- Have you covered any vacation homes, secondary homes or a potential retirement home?
- Is flood insurance needed?
- Is your child or other family member renting an apartment, dorm or another home?
  - Renter's coverage may be needed to provide both liability and coverage for personal property.

### Is your auto insurance coverage adequate?

- Are all vehicles listed on the policy?
  - Liability coverage is required on all licensed vehicles.
  - Coverage on newly purchased vehicles may not be automatic if all vehicles aren't insured by the same company!
- Are all drivers and vehicle owners listed on the policy?
  - Coverage can be declined if an undisclosed driver in the household has an accident.
- Are liability limits sufficient to protect you if there is a major accident?
- Your savings and assets could be at risk without adequate insurance coverage.

### Don't forget about these:

- Motorcycles
- ATVs
- Golf carts
- Campers
- Classic cars
- Farm trucks
- Personal Umbrella Liability Insurance
- Multi-Peril Crop and Crop hail Insurance
- Health
- Life
- Disability
- Long Term Care Insurance

### Is your farm coverage sufficient?

- Are all structures not attached to your home listed on the policy?
  - All garages, buildings, sheds, grain bins and other structures need to be scheduled for coverage to apply.
- Are your irrigation pivot systems insured to full replacement cost value—including the pivot system, irrigation motor, underground wiring, electrical panels, etc.?
- Are cattle, hay and grain insured to value using today's market prices?
- Are all implements, equipment, tools, etc. included on the policy?
- Is liability coverage sufficient?
- Do you have coverage for the following?
  - Replacement cost on qualified homes & buildings
  - All-risk (special form) coverage on buildings & blanket personal property
  - Custom farming
  - Extra expenses incurred due to a loss
  - Livestock freezing or suffocating
  - Collapse from the weight of ice and snow

We are here to help you be prepared for whatever 2021 may bring. We thank you for your business and look forward to working with you in 2021!

- Kathy, Kristen & Lary  
Bruning Insurance Agency



## Crop Insurance Reminders

Did your multi-peril crop and/or crop-hail insurance policies provide sufficient protection in 2020? Does your policy provide the protection you need in 2021?

**The deadline to sign up for, make changes or cancel multi-peril crop insurance coverage for the 2021 spring crop season is March 15th.**

Multi-peril policies provide continuous coverage, so any new policies, policy changes, corrections or cancellations must be done by the sales closing date.

Remember to review all information on your policy as all information and coverage **must** be correct to avoid any penalties later.

Contact Bruning Insurance Agency for your 2021 crop insurance needs. We appreciate your business and look forward to working with you in 2021!

- Kathy, Jeff, Lary & Shari  
Crop Insurance Agents



## Keeping it Rural



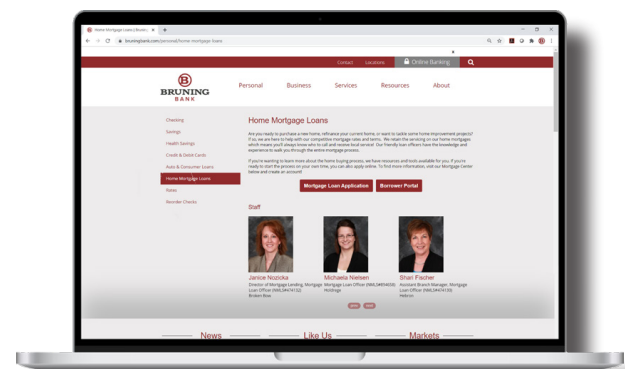
Shopping local has been a major theme in our small communities over the past year. Now more than ever, it's important to remember all that our local businesses have to offer. This is especially true when it comes to your community banks. Lately, it seems that the big-name online mortgage companies are plastering ads everywhere about what low interest

rates they can offer and how quick and easy they can make the process. Many times, the online mortgage companies make promises they simply cannot fulfill. It is a form of bait and switch! They make you think that an online system takes away any need for interaction. But what happens if you do have questions and cannot get ahold of a live person?

Bruning Bank has you covered! Not only do we have a safe and secure online system, but a mortgage professional is just a simple phone call away with locations in Bruning, Hebron, Broken Bow, Holdrege and Kearney. Bruning Bank not only has competitive home loan rates and products, but we pride ourselves on quality customer service during and after your loan has closed. We can offer Home Equity Lines of Credit (HELOC), construction loans and a variety of mortgage products for permanent financing of your home. Our mortgage professionals are happy to visit with you in person or over the phone to find which product is the best fit for you. Our online option has also become more widely used over the past year. This is a great way to fill out an application on your schedule. Once submitted, a mortgage professional is able to review it and get in touch with you right away. Whether you are buying a home for the first time, refinancing or wanting to do some remodeling, Bruning Bank wants to help you succeed!

- Corin Blowers, Mortgage Loan Officer (NMLS #1923708)

**Get prequalified online!**  
**Visit [bruningbank.com](http://bruningbank.com) to get started!**



## Home Loan Experts by Location

### BRUNING



**JEFF HAMMER**  
NMLS#474128  
402.353.2555  
[jhammer@bruningbank.com](mailto:jhammer@bruningbank.com)

### HEBRON



**SHARI FISCHER**  
NMLS#474130  
402.768.7473  
[sfischer@bruningbank.com](mailto:sfischer@bruningbank.com)

### BROKEN BOW



**JANICE NOZICKA**  
NMLS#474132  
308.872.2757  
[jnozicka@bruningbank.com](mailto:jnozicka@bruningbank.com)



**CORIN BLOWERS**  
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[cblowers@bruningbank.com](mailto:cblowers@bruningbank.com)

### HOLDREGE & KEARNEY



**MICHAELA NIELSEN**  
NMLS#894658  
308.995.3880  
[mnielsen@bruningbank.com](mailto:mnielsen@bruningbank.com)



**JILL SUTTON**  
NMLS#1631544  
308.995.3880  
[jsutton@bruningbank.com](mailto:jsutton@bruningbank.com)



## Don't Forget About Honesty and Integrity



As we move on from 2020 and into 2021, I have hope that this year will be better in many ways. I have tried to look at ways I can make a difference. It is overwhelming to see all the changes that need to be made in our country and I wonder how I can make a difference.

Honesty and integrity are character traits that seem to be missing more and more in our country. It is very intimidating to think of ways I can help to change this pattern, but I do know I can control who I vote for. If a candidate has not shown honesty and integrity, I will not vote for that candidate, no matter the party. My goal is always to act with honesty and integrity. I will continue to act in this manner so my actions may be seen by others and may change the actions of others.

The political environment in our country is out of control, with the lack of respect for people with differing political views. Not so many years ago, we could have different political opinions from our neighbors, but we still were able to respect each other and to be friends. In a world with social media and mainstream media, people with differing views can hide behind the computer or their phone, treating people with an utter lack of respect. This is unacceptable! Just because someone has a different political view, does not mean they are bad people. I have deleted my Twitter account, as it was becoming a source of stress and negativity in my life. Letting go of things in my life that cause stress should allow me to be more patient with people I interact with in my daily life.

We can all find ways in our life to try and make a difference in our country. Some may be small changes and some may be big changes. Acting with honesty, integrity and with respect for others is a great start.

- Ken Mehlin, Chief Credit Officer

## Knowledge and Wisdom



As I walked towards the door of the home improvement store, I passed a man in the parking lot unloading his cart when I hear him say, "The trick when you go into one of these big stores is to find an old guy to help you." As I took my next step, I whispered under my mask, "Knowledge and wisdom."

On the drive home it made me wonder, am I the old guy? How does it apply to my life and where I work?

What is knowledge? What is wisdom?  
Knowledge is the accumulation of things that you have

learned about or experienced. Wisdom is the ability to apply that knowledge, knowing the meaning or reason why something is and what it means to your life.

Since joining Bruning Bank, I have found that the level of financial knowledge and wisdom within our organization is truly amazing. Everyone's willingness to promote and develop learning through teaching and sharing of life experiences allows us all to gain insight and apply wisdom where needed.

At Bruning Bank we are your friends and neighbors. We want you to have comfort in knowing that your financial questions, needs or concerns can be met.

Please do not hesitate to call or stop by any of our five locations. Let us use our knowledge and wisdom to put your mind at ease.

- Sonny Manley, President - Hebron

**zelle**<sup>®</sup>

**Send. Request. Receive.**  
Zelle is a fast, safe and easy way to send and receive funds directly from Mobile Banking!

Learn how to get started at [bruningbank.com](http://bruningbank.com)

1 Transactions typically occur in minutes when the recipient's email address or U.S. mobile number is already enrolled with Zelle. 2 Must have a bank account in the U.S. to use Zelle. 3 In order to send payment requests or split payment requests to a U.S. mobile number, the mobile number must already be enrolled with Zelle.

# BRUNING

## WEALTH MANAGEMENT

### 2021 Economic and Markets Update



DAVE FROOM  
VICE PRESIDENT &  
LPL FINANCIAL PLANNER

Economic predictions are notoriously difficult. What I find helpful is reading and listening to multiple economists and researchers to see if I can find some consensus. Even though we know economic forecasts can be similar to weather forecasts – so much unpredictability – it is still helpful to have some baseline assumptions to help guide our investing.

According to a Wall Street Journal survey of economists, the U.S. economy is projected to grow over 4% GDP in 2021. To put that in perspective, the average annual GDP from 2010 – 2019 was about 2.3%, with the highest year being 2.9% in 2018.

Much of the positive outlook for 2021 is due to vaccinations reducing the devastating effects of COVID-19 and allowing the economy to “open up” again, especially in the second half of 2021. There is potential for pent-up demand for goods and services. Also, many economists believe the government stimulus will boost the economy in the short term.

Many economists predict that inflation will creep up this year above 2%.

Despite the risk of inflation, it seems the general consensus is the Federal Funds rate will stay low for longer. This is not good news for savers and fixed income investors. It will continue to be very difficult to find quality fixed income investments. Although fixed income may not provide high interest payments, they still provide an important role in diversification and managing portfolio volatility.

U.S. stocks – especially Large Cap – remain at high valuations – making them expensive. This could inhibit growth in the stock market. If the pent-up demand from consumers is realized, that should help with the valuations.

There appears to be more opportunity in International stocks for the first time in a few years and have relatively cheaper stocks than U.S. The market and economic analysts are also pointing to opportunities in Value stocks over Growth stocks for the first time in a couple years, and I’m also hearing opportunities in Small Caps again this year, which, prior to 2020 had lagged Large Caps for a few years.

More than ever, it seems that having resources to sort out the noise from the data, and make solid selections in the stock and fixed income markets is key to long-term investing success. Bruning Wealth Management partners with the best minds in the industry – BlackRock, Vanguard, American Funds, First Trust, DFA, etc., to bring professionally designed and managed investment portfolios to our clients. As always, we strongly believe all investing is best started with a plan to determine your goals, risk tolerance and time horizon. From there, we can provide investment resources to continue our mission of “Assisting our clients to build and maintain wealth.”

Don’t forget to check out our new website: [bruningwealth.com](http://bruningwealth.com)!

Disclosures: The information provided here is for general information only and should not be considered an individualized recommendation or personalized investment advice. Any economic forecasts set forth in this material may not develop as predicted. All investing involves risk including loss of principal. No strategy assures success or protects against loss. Past performance is not indicative of future results.

The prices of small cap stocks are generally more volatile than large cap stocks.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Fixed income investments are subject to many different risks including general market risks.

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## We Need to Laugh a Little



I always enjoyed spending time and conversing with Frank Bruning as he was so full of wit and made you laugh! We need more of this today as Covid and politics fill our days, it’s easy to be negative. We all really need to smile and laugh more. It’s better for your health!

Even the Bible tells us to laugh.

Abraham was told by the Lord that he

was having a baby at the age of 100 which has to make Abraham and others laugh and be joyful!

When the doctor says I need to lose 30 pounds, I laugh though he is serious, because that is how I am going to get through this reality. I like to eat; I like to eat a lot. But I know I

need to do it and smile!

I don’t laugh much when I think what my grandkids will have to look forward to with all this government spending and a very large debt to pay back. I bet they will look at our generation as being very selfish and not happy with what they have to deal with and I can’t blame them.

I seem to complain way too much today which is sad because we all have so much to be thankful for. We need to set our mindset to be happier and pray for those that are going through tough times.

Jokes and funny stories are my favorite, but it seems like I don’t hear as many as I used to, but my favorite joke teller was Jim Ostgren. I miss his ability to tell a great joke!

I will leave you with a couple jokes and hopefully they will make you smile.

An elderly couple had dinner at another couple’s house, and after eating, the wives left the table and went into the kitchen. The two gentlemen were talking, and one said, “Last night we went out to a new restaurant and it was really great. I would recommend it very highly.”

The other man asked, “What is the name of the restaurant?”

The first man thought and thought and finally asked, “What is the name of that flower you give to someone you love? You know, the one that’s red and has thorns.”

“Do you mean a rose?”

“Yes, that’s the one,” replied the man. He then turned towards the kitchen and yelled, “Rose, what’s the name of that restaurant we went to last night?”

Two hunters are out in the woods when one of them collapses. He’s not breathing and his eyes are glazed. The other guy whips out his cell phone and calls 911. “I think my friend is dead!” he yells, “What can I do?”

The operator says, “Calm down. First, let’s make sure he’s dead.”

There’s a silence, then a shot. Back on the phone, the guy says, “OK, now what?”

A turtle is crossing the road when he’s mugged by two snails. When the police show up, they ask him what happened. The shaken turtle replies, “I don’t know. It all happened so fast.”

- John Boehler, President - Holdrege

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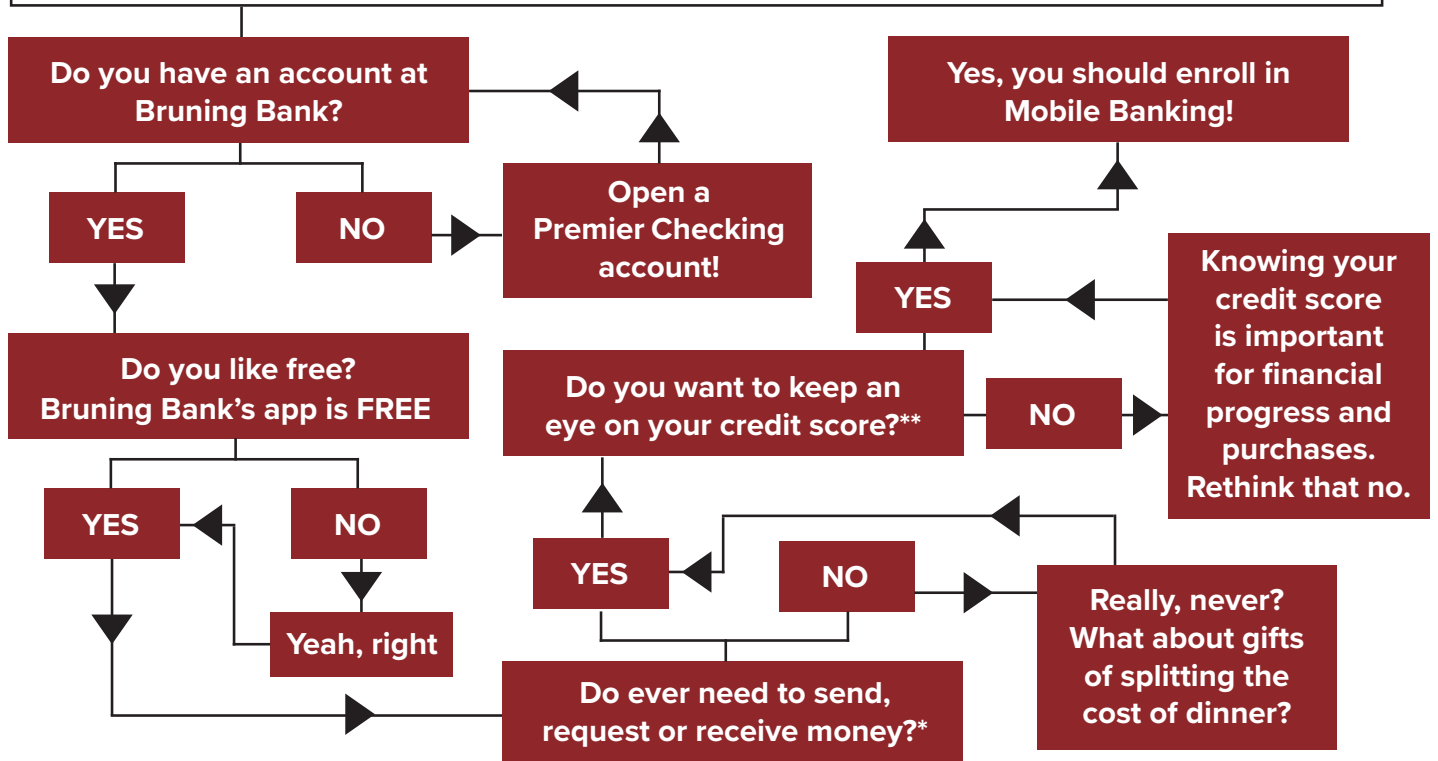
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