



Dear Friends,
With the 4th of July weekend upon us, I hope you and your family are enjoying your summer, taking time to relax, and doing the things you enjoy most.

In this issue of *The Principle Quarterly*, we discuss *The Science of Happiness*, examine digital currencies and their digital database blockchain, and explore summer travel ideas.

Best wishes for a safe and happy summer,



Robert S. Paolucci, CFP®
Founder & CEO

What Makes You Happy?



By John Hannigan



The Science of Happiness is the most popular class ever offered at Yale University. Now available online to the general public as [The Science of Well-Being](#), demand soared when the pandemic began. More than 600,000 people signed up for “the happiness class” in March of 2020, alone, and there have been nearly 3.5 million subscribers to date.¹

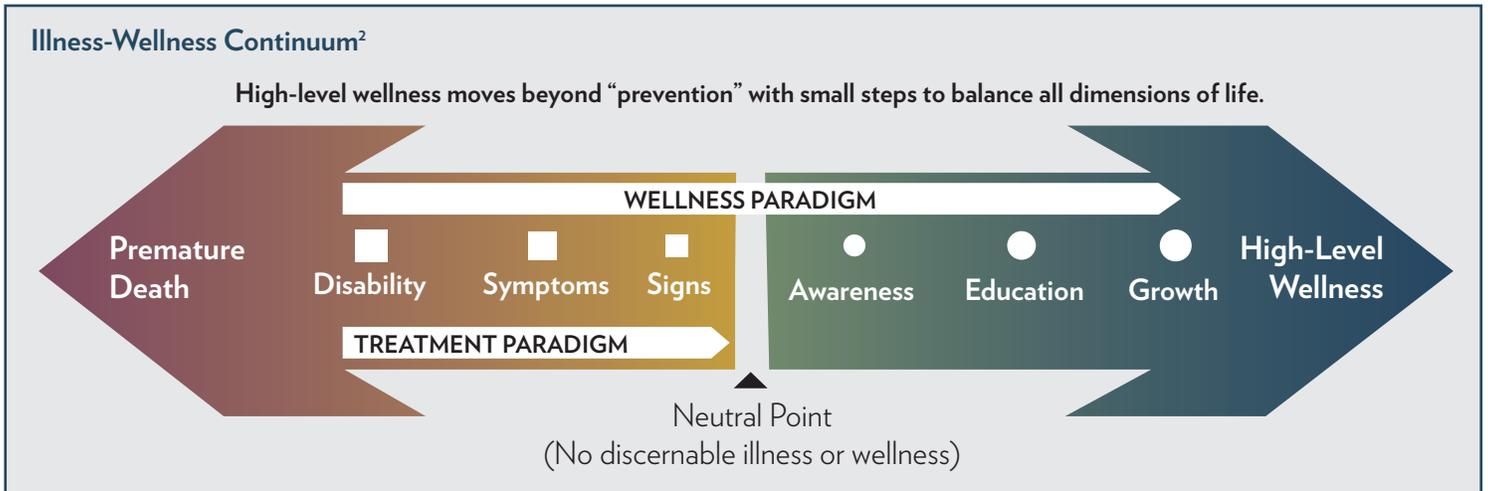
COVID-19 affected each of us differently, and for many people, it heightened the desire to find what makes us happy. While our focus is on helping you achieve financial wellness, we also care about your overall well-being and offer the following insights to help you, and your family, stay happy.

The Wellness Continuum

In 1972, Dr. John W. Travis, known as the grandfather of the wellness industry, introduced the concept of the “Illness-Wellness Continuum.” He argued that there are varying degrees of well-being, and everyone has the power to achieve a higher level. The continuum is a life path we all travel, and no matter where we stand at the moment, there are things we can do to be happier.

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What Makes You Happy?, continued



A Holistic Approach

In order to optimize our well-being, Dr. Travis recommends viewing ourselves holistically because everything in our bodies is connected. He proposed a dynamic model comprised of 12 dimensions, as illustrated in the Wellness Wheel below.²



Once you’ve determined where modifications are needed, set goals, just as we do with your financial plan, encouraging yourself to take small steps that can make a big difference. Oftentimes, there is a direct connection between our mental health and physical well-being. For example, improving your diet, exercising more, and practicing mindfulness may reduce stress and improve your overall health. Setting aside time dedicated to friends and family each week will go a long way toward improving your communication and relationships.

Dr. Laurie Santos, creator of Yale University’s happiness course, also has a podcast called [The Happiness Lab](#) in which she shares research and life lessons that can make our lives better.

Dr. Travis suggests looking below the surface to understand how your lifestyle, motivations, and values impact your health and the energy you send into the universe. For each of life’s 12 interconnected forms of energy, you can assess where you stand, determine whether you’re content with what you’re experiencing, and decide if, and how, you’d like to change. Dr. Travis and co-author, Regina Sara Ryan, have created a [workbook](#) to help you achieve your wellness goals.

¹ How to gain a sense of well-being, free and online, Bill Hathaway, Yale News, April 14, 2021. <https://news.yale.edu/2021/04/14/how-gain-sense-well-being-free-and-online>

² The Wellspring, © 2018, Wellness Associates, Inc., <http://www.thewellspring.com/index.html>

Digital Currencies and Blockchain: The New Paradigm

By Andrew Cialek



Cryptocurrencies, like Bitcoin, Ethereum, and Dogecoin, have dominated the financial news in recent months due to their meteoric rise in values. Fascinated by this promising new asset class, a

growing group of both DIY and professional investors are working hard to determine when and how to best transact in this market.

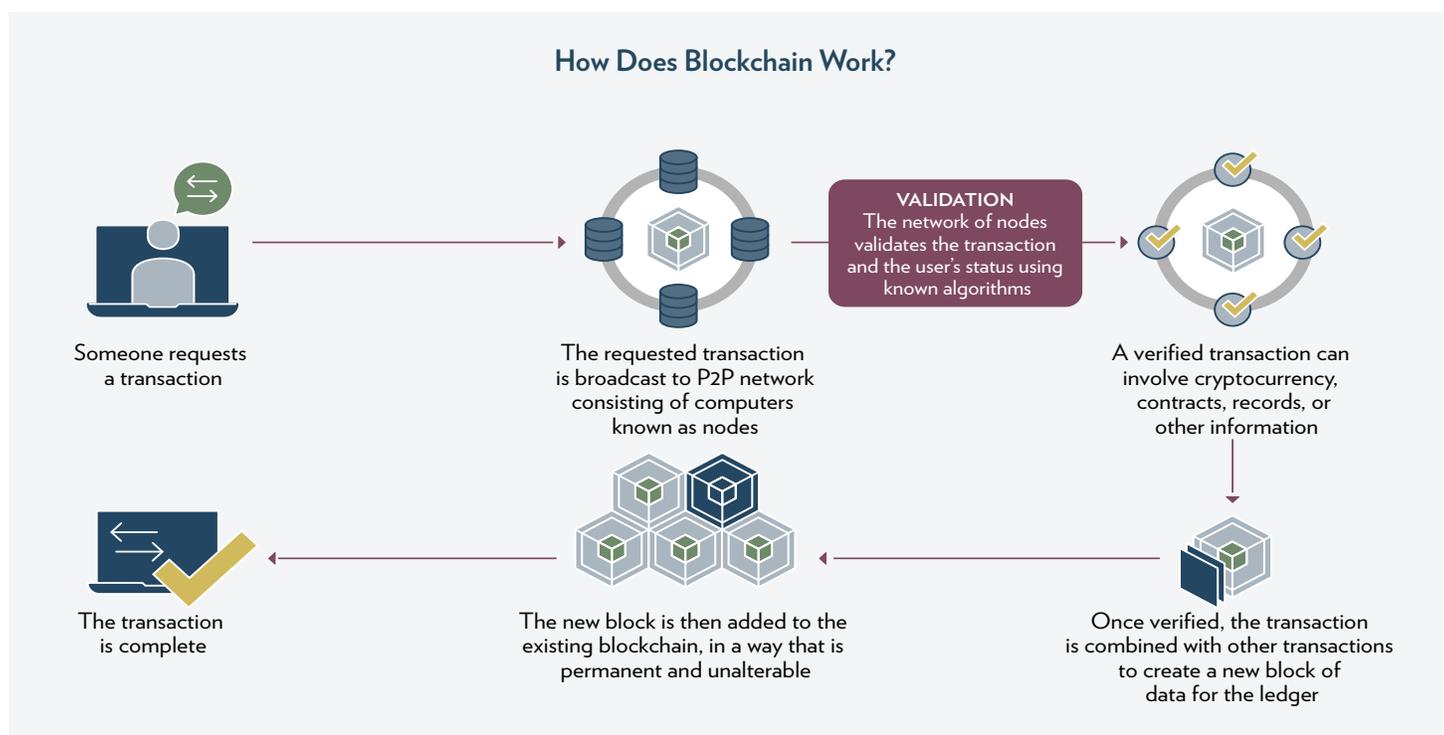
How did we get here? In the years following the 2009 introduction of Bitcoin, the first cryptocurrency, there was significant skepticism in the financial community concerning the value and viability of a digital currency. The early use of Bitcoin as a means of anonymous exchange by nefarious actors on the dark web did not help its image. A paper examining the use of cryptocurrencies for illegal purposes estimates that approximately 25% of Bitcoin users and almost 46% of Bitcoin transactions are involved in some sort of

illegal activity.¹ Over the years, however, the acceptance of Bitcoin and other cryptocurrencies has risen dramatically, largely based on the proven solidity of blockchain, the technology on which most cryptocurrencies are built, and the undeniable benefits of digital currencies as inexpensive, secure, and convenient forms of exchange.

Blockchain and Cryptocurrencies

Blockchain is a specific kind of digital database. It stores information in blocks of data, attaching a unique, time-stamped new block to a chronological chain when each previous one is filled. While different types of information can be stored on a blockchain, it has been used most often as a ledger for digital currency transactions.

In the case of Bitcoin, the blockchain is used in a decentralized way, which means that all users collectively retain control of the ledger. All transactions are permanently recorded in the chain, and no one individual can alter any piece of data along the chain without others on the chain knowing about it. This makes the blockchain immutable, and the data entered irreversible.



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Digital Currencies and Blockchain: The New Paradigm, continued



This approach to transacting has several advantages in our present systems of exchange. Currently, if you want to pay for something with cash (when you're not with the counterparty in person) you need to have your financial institution "wire" the money to your counterparty's financial institution. Even if you use a third-party payment app like Venmo, PayPal, or Apple Pay, the actual transfer of funds has to be implemented by the two financial institutions. This process takes time as account balances and transfers are validated by the institutions involved. It also may cost money as the institutions charge for some aspects of their services. For example, Venmo charges a fee if you send money to people from your credit card. While there is no fee for making a purchase using PayPal, there is a fee to receive a payment for an item you sell (such as on eBay).

With a Bitcoin or cryptocurrency transaction, the decentralized blockchain is, in effect, the intermediary and any transaction fee generated is minimal. Blockchain, in the form of the first public ledger made for transactions using Bitcoin, was first implemented in 2009 by a mysterious developer or developers operating under the pseudonym "Satoshi Nakamoto."

Essentially a publicly available software program, Bitcoin and blockchain do not have any employees or central group behind them so there is no one to pay and no one who is being paid to run an official organization. Furthermore, the transaction is almost instant and can be sent 24 hours a day.

Because of the unique structure of a decentralized blockchain, transactions are safe and secure from outside attacks. Of course, if you make a mistake with a Bitcoin transaction, once it's validated on the chain it cannot be changed. You cannot get your money back.

Investing in Cryptocurrencies and the Future

It has been hard to ignore the dramatic gains and declines in various cryptocurrencies in recent months. The extreme volatility in cryptocurrency prices suggests a market in its infancy that is still highly speculative and subject to significant downside risk.

The fundamental challenge for investors in this rapidly evolving market, particularly those with a longer-term perspective, is valuation. How do we determine, with an acceptable degree of probability, the relative value of digital currencies going forward? Trusted methods of valuation widely used for stocks, like price-to-earnings ratios or discounted cash flow models, are not applicable to cryptocurrencies. Industry analysts and investors specializing in digital currencies are developing valuation methods specific to this market that include such factors as utility, scarcity, and perceived value, but these are still largely untested. So for now, we have to consider cryptocurrency investments as promising but highly speculative.

Most would agree at this point that digital currencies are viable means of exchange and that their use is likely to expand rapidly in upcoming years. Blockchain is also proving to be a remarkably useful structure with a broad array of applications both in and outside of finance and payments. As developments are made across these new technologies and systems, we will keep you informed on areas relevant to you and your portfolios.

¹ *Sex, Drugs, and Bitcoin: How Much Illegal Activity Is Financed through Cryptocurrencies? The Review of Financial Studies, Oxford Academic, April 4, 2019. <https://academic.oup.com/rfs/article-abstract/32/5/1798/5427781?redirectedFrom=fulltext>*

Oh, the Places You'll Go!

By Megan Maruzo



U.S. travel spending fell by an unprecedented 42% last year, with international travel down 76% and business travel down 70% as a result of the pandemic.¹ However, now that

summer is upon us and COVID-19 vaccinations are well underway, many people are thinking about taking a vacation. If you're planning to travel, here are some things to consider.

How Travel May Change

During non-pandemic times, nearly 70% of family travelers would have planned a summer getaway;² however, this summer we can expect:

- More travelers will stay close to home and visit places that are drivable (such as beaches and national parks), many in an upscale RV. If you are renting a vehicle, remember to ask in advance about the sanitization process used by the company.
- There will continue to be mask and social distancing mandates enforced by [airlines](#) and other modes of transport, hotels, and some states. Before you select a destination, review the rules.
- Some vacationers are opting to stay in private residences, via [Airbnb](#), [VRBO](#), or hotels that have stepped up their sanitization procedures. You can visit their websites to learn the procedures in place.

Precautions That Can Keep You Safer

If you feel ready to leave home, the following steps can help protect you and your family, physically and financially, when you travel:

Health and safety tips:

- Have a copy of your vaccination card available (you can take a photo to store on your phone). Scan other important documents, such as your passport, driver's license, Power of Attorney, and Healthcare

Power of Attorney to share with a loved one in the event of an emergency, and make sure someone close to you has your itinerary.

- Review your health care coverage to ensure it will be valid where you're traveling. For example, [Medicare](#) may not provide coverage abroad. You may need to purchase a supplemental policy for international travel.³

Financial protection tips:

- Look into purchasing travel insurance to cover you in the event someone in your group gets sick. Make sure all travelers in your group have purchased travel insurance, and read the policy carefully so you fully understand what is covered.



- For travel abroad, choose a credit card without foreign transaction fees and alert the credit card company of your travel plans so your card is not declined.
- Do not post travel information on social media. You never know who will share your information, alerting burglars that you're away. In addition, never post photos of your plane ticket or boarding pass, as they may include information that can be used to steal your identity.
- Stay cyber safe by avoiding public wi-fi (disable auto connections) for financial transactions, make sure your passwords are strong, back up your files, update your operating systems, and install anti-virus software.

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Oh, the Places You'll Go!, continued

Travel Virtually

If you are not yet ready to travel, there are ways to see the world from the comfort of your own home. Armchair travel can whisk you away and give you ideas for booking your next trip.

- Watch one of the many [Rick Steves'](#) Europe episodes; he's covered just about every location.
- Dive into Italian culture through [Dream of Italy](#), a PBS travel series that explores the food, art and culture, and communities across the region.
- Take a virtual tour of world-famous museums such as the [National Gallery](#) in London, [The Rijksmuseum](#) in Amsterdam, the [Art Institute of Chicago](#), or [The Frick](#) collection in New York City.

Make Your Home a Vacation Destination

After spending so much time at home, you may be thinking about a renovation or putting in a pool to make your home a staycation destination.



Social distancing has given us a greater appreciation for travel and spending quality time with friends and family. Whether you choose to go far or stay in your own backyard for your next vacation, we can help you incorporate bucket list travel into your budget.

Thinking About Purchasing a Second Home?



Now may be the right time to pursue the vacation home of your dreams. Whether you prefer the slopes or the beach, a lake house, or a cabin in the woods, review the pros and cons of purchasing a vacation property.

Pros:

- Interest rates are low.
- A vacation home is an appreciable asset that offers the potential to build equity over time.
- You may be able to generate rental income.

Cons:

- It's an illiquid asset, and should you need emergency cash, you may need to sell it at a loss.
- There are additional fees to consider, such as property taxes, association dues, insurance, utilities, maintenance, and repairs that can add up over time.

¹ COVID-19 Travel Industry Research, U.S. Travel Association, <https://www.ustravel.org/toolkit/covid-19-travel-industry-research>

² Nearly 100 Million Americans Will Embark on Family Vacations this Year, AAA Newsroom, 3/21/2019, <https://newsroom.aaa.com/2019/03/100-million-americans-will-embark-on-family-vacations/>

³ Travel, medicare.gov, <https://www.medicare.gov/coverage/travel>

Christopher J. Macca, AWMA®, Has Joined Our Team



Chris, an Accredited Wealth Management Advisor™, has joined Principle Wealth Partners as a Client Service Manager.

He shares our core value of guiding clients toward their financial goals and chose

Principle Wealth Partners because of our deep commitment to clients' well-being. Chris enjoys working with clients and getting to know them, and will be assisting several of the firm's advisors.

Wellness is a priority for Chris. He enjoys preparing healthy Mediterranean recipes he learned when living in Sicily. His friends and family are so interested in his culinary skills that he now shares his meals via Instagram — and, he has gained over 3,000 followers!

“The past year taught us that we need to make health a priority. The Italians take a siesta each day to recharge. I re-energize by meditating or going for a run,” states Chris who believes there are lessons to be learned from different cultures and states.

Chris feels it's important to help others and that charitable giving is “not something you can turn on and off.” In addition to supporting causes he believes in, he assists individuals in need by keeping a bag of cans in his trunk to give to those who are collecting.

Please join us in welcoming Chris to the firm!

Horses and Humans Improving Lives



High Hopes, located in Old Lyme, CT, helps veterans, children, and adults with disabilities through therapeutic interactions with horses. Started by a small group with big dreams and a few borrowed horses, the organization is now

widely recognized for both its services to the community as well as nationally for its leadership in educational, service, and training standards within the industry.

Principle Wealth Partners was a proud sponsor of this year's Big Barn Tailgate held on June 12th. This annual fundraiser was a lively event where people danced in the barn, dressed in anything from blue jeans to ball gowns. What is typically a gala was turned into a tailgate party this year, to allow for socially distanced fun.

The firm was also honored to participate in the recent ribbon award ceremony at the barn, recognizing the achievements of their participants. “It's wonderful to recognize the positive relationship High Hopes fosters between the horses, veterans, and the disabled, the bonds they build, the lives they touch,” shares Senior Wealth Advisor Theresa Donatelli, “Being on a horse provides a multitude of benefits for people with certain disabilities, and the benefits impact the whole family.”

If you are interested in learning more about High Hopes, [visit its website](#) or call to schedule a tour.



Looking Back at 1st Quarter 2021



Election 2020: It's over. What's next? provides insights on what we can expect in terms of COVID-19 and the economy, taxes, labor rights, civil rights, and the financial markets.

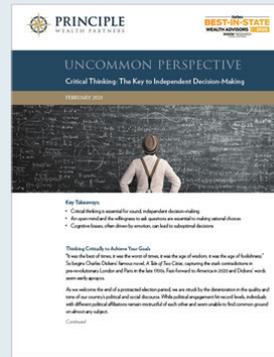


What the 2nd Round of Stimulus Means for You? details the \$900 billion stimulus package President Trump signed into law on December 27, 2020 and how it is expected to impact the economy.



The Year Ahead with Matt Ko, CFA®, T. Rowe Price, provides a market outlook for 2021 and beyond. Julina Ogilvie leads this conversation that offers tips for identifying investment

opportunities and covers the biggest decision you need to make for your portfolio.



Critical Thinking: The Key to Independent Decision-Making offers Bob Paolucci's perspective on thinking critically to invest soundly. Read this issue of Uncommon Perspective to learn how to avoid emotional biases that can lead to poor investment decisions.



Market Update: Q1 2021 features world capital market performance, the returns of U.S. and international stocks and bonds, and illustrates the benefit of diversified portfolios on returns over time.

Watch your inbox for our monthly commentary, follow us on LinkedIn and Facebook, and now you can subscribe to our YouTube channel!



We are pleased to share that Robert S. Paolucci has been named to the Forbes Best-In-State and Barron's Top 1200 List of Financial Advisors for 2021! Congratulations!

Forbes
BEST-IN-STATE
WEALTH ADVISORS 2021

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TOP
1200

BARRON'S
Financial
Advisors
2021



Join us for a Virtual Conversation: Navigating Social Security

Social Security is an important part of your retirement income. As reliance on Social Security continues to grow, it is important to understand your options and how to optimize your benefits.

Join us on July 22, 2021 at 5:00 pm EST

[Register here](#)

Julina Ogilvie, Meg Maruzo, and John Hannigan will lead a conversation about:

- Social Security essentials
- Qualifying for Social Security
- Filing strategies (& income considerations)
- Special circumstances



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The 2021 ranking of the Forbes' Best-in-State Wealth Advisors¹ list was developed by SHOOK Research and is based on in-person and telephone due-diligence meetings to evaluate each advisor qualitatively and on a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria (including assets under management and revenue generated for their firms). Overall, approximately 32,725 advisors were considered, and 5,000 (approximately 15.3 percent of candidates) were recognized. The full methodology² that Forbes developed in partnership with SHOOK Research is available at www.forbes.com.

¹This recognition and the due-diligence process conducted are not indicative of the advisor's future performance. Your experience may vary. Winners are organized and ranked by state. Some states may have more advisors than others. You are encouraged to conduct your own research to determine if the advisor is right for you.

²Portfolio performance is not a criterion due to varying client objectives and lack of audited data. SHOOK does not receive a fee in exchange for rankings.

Methodology: : <https://www.forbes.com/sites/rjshook/2021/02/11/forbes-best-in-state-wealth-advisors-methodology-2021/?sh=1606c4e96d22>

Source: Barron's "Top 1,200 Financial Advisors," March 2021. Barron's "Top 1,200 Financial Advisors" bases its ratings on qualitative criteria: professionals with a minimum of seven years of financial services experience, acceptable compliance records, formal succession plans, high client retention, and more. Financial Advisors are quantitatively rated based on varying types of revenues and assets advised by the financial professional, with weightings associated for each. Because individual client portfolio performance varies and is typically unaudited, this rating focuses on customer satisfaction and quality of advice. The rating may not be representative of any one client's experience because it reflects a sample of all of the experiences of the Financial Advisor's clients. The rating is not indicative of the Financial Advisor's past or future performance. Neither Principle Wealth Partners nor its Financial Advisors pay a fee to Barron's in exchange for the rating, however Principle Wealth Partners does pay to use the award ribbon for marketing materials. Principle Wealth Partners is not affiliated with Barron's or Dow Jones & Company, L.P. All of the information provided has been obtained from sources considered to be reliable, but we do not guarantee its accuracy or completeness, and does not constitute a recommendation. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved.