



Measuring Success Newsletter August 2018

Market & Economic Outlook

Given the role your wealth plays in your life, you require your own individual strategy to guide your way. People often think financial goals are relatively straightforward. But in reality, when we consider market turbulence, news headlines, an environment of complex investment choices, and the changes in your own life, it's rarely a simple matter.

As financial planners, we begin with the plan because we keep all these issues in mind. Entrepreneurs don't start a business without a plan and contractors don't start a house without blueprints. Even more imperative is continually adjusting your financial plan for all these changes, which prompts us to look at both your comfort level with risk as well as your portfolio's ability to weather risk and continue serving its purpose in supporting your long-term vision for the future. You'll see below, Lauren discusses a new tool we're excited to walk you through that helps us harness your risk tolerance in order to stay aligned with your goals.

Every market has a cycle (one that even investment experts cannot predict). However, we still keep a watch on how the market and the economy stand in recent news, as well as investment trends. You might find the summary below informative, which includes excerpts by investment strategists at Raymond James.

- Over the last month, the S&P 500 has moved higher as investors digest strong earnings growth, which was the highest growth level since 2010, aided by U.S. tax reform. S&P 500 earnings continue to be revised upward for 2018, with projected earnings growth of 19.8%.
- We continue to believe geopolitical tensions are likely the biggest overhang for the market; they can flare up at any time on multiple fronts (North Korea, China, NAFTA).
- Tighter monetary policy ought not to have a significant impact on the U.S. economy

in the short term, but higher intermediate and long-term interest rates (a consequence of rising short-term interest rates) should dampen economic growth over time.

- While concerns about rising transportation costs, higher oil and commodity prices, increasing U.S. dollar, potential for rising wages, and higher interest rates continue to fuel the “peaking” earnings narrative, earnings growth and economic conditions remain favorable.

For your reference, included in this newsletter are market recaps, other commentaries and articles of interest, and updates from the team. If you haven't yet met our newest team members (Amber Avent and Abby McKibben), please read below for a synopsis of the tasks they can help you with. Thank you for continuing to allow us to serve you!

Warmly,

Lynn Phillips-Gaines, CFP®, CLTC
CERTIFIED FINANCIAL PLANNER™



Turning Risk Aversion into a Tool

Did you know human beings are two and a half times more concerned about avoiding losses than they are about achieving potential gains? That's one reason people without a regularly maintained financial plan tend to sabotage their own investing.

When we're able to talk about risk, those we advise are able to make the right decisions. Investors are individuals and cannot easily be defined by the old adage that your concentration in equities should be '100 minus your age'.

One of our new processes helps us give you an edge in understanding risk, with subjective semantics based on age in order to act in the best interest of the investor and prove it quantitatively. Instead of fighting against human nature, this tool aids in turning risk aversion into a strategy to help stay invested for the long-term. We're able to import

current portfolios and compare how your investments (as they stand now) align with what your plan calls for and the cost of not adjusting appropriately. It also elaborates on how when the DJIA and S&P are high, why your portfolio may not beat the market (“because it’s not designed to and here’s why”).

We look forward to presenting this new tool to you as you come in for review meetings. If you know of a family member, business associate, or friend who might benefit from this type of planning, we’d love the opportunity to provide a consultation and see if we’re the right fit for their needs.

Sincerely,

Lauren Black, MBA, CFP®

CERTIFIED FINANCIAL PLANNER™



Social Security Taps Trust Fund. Should You Be Worried?

For the first time since 1982, Social Security is dipping into its trust fund to pay benefits. What does this mean for future recipients? (June 11, 2018)

The board of trustees for Social Security recently issued their 2018 annual report. Once again, this year’s report provided a dark reminder that the fiscal health of the program has further deteriorated. Like last year’s report, Social Security’s trustees said the program’s trust fund would be depleted in 2034. However, unlike last year, for the first time since 1982, Social Security has to dip into the fund to meet its obligations. Treasury Secretary Steven Mnuchin said in a statement that “lackluster economic growth in previous years” and an aging population have contributed to the shortage.

What does this mean for you? [Click here](#) to continue reading.

New Longevity Planning Resources

Medicare Partnership

Medicare can be a complicated, time-consuming process, but with the right tools and information, it doesn't have to be.



Aging Care Manager

Personalized case management supports those caring for loved ones who are aging or disabled and helps protect the interests and assets of those involved while ensuring a high quality of life is maintained.



Putting More Life Into Your Retirement Plan



Lindsey Johnson
*Client Services
Coordinator*



Amber Avent
Officer Manager



What Are Market Experts Watching Right Now?

Watch Chief Portfolio Strategist Nick Lacy, CFA, discuss the various challenges currently facing financial markets.

Assists with:

Executing the financial plan, account opening and maintenance, rollovers, transfers, and money movement.

Update: Required Minimum Distributions (RMDs) are being completed as meetings are held (if you're over 70 1/2). Many wish to gift directly from your IRA to charity. We ask that you notify us of all gifting prior to November 15th. (Any RMDs not completed before year-end are subject to a heavy 50% penalty by the IRS.)



Abby McKibben
Relationship Manager

Assists with:

Maintaining the office, primary person to answer the phone, greets you as you enter the office, and assists with client servicing (account opening, money movement, and troubleshooting, as needed).

Update: Those subject to the annual retirement fee can now receive \$15 off for going paperless! For more information on if this applies to you, how to go paperless, or if you have additional questions, email us by [clicking here](#).

Menu of Services

Is there an area of financial planning where we can help?



Lauren Black, MBA,
CFP® Ranked



Market Recap: Uncertainty Ahead?

Domestic investors are facing two distinct periods of uncertainty.



Best in Brief: How to Prepare for a Changing Bond Market

The words 'bear market' have been bandied about a lot lately.



Virtual Moats Proactively Protect Your Assets

Owning a business can have great rewards, but also great risk.



Nurturing Moneywise Children

Teach Them to Treasure Their Financial Legacy

Assists with:

Scheduling meetings, preparing agenda letters and reports for review meetings, and coordinating your documents.

Update: We've now implemented a new scheduling system with a link providing access to our calendar with available appointments times, allowing you to pick the time that truly works best!

Among Starkville's
Rising Stars Under
35



Raymond James
2018 National
Conference for
Professional
Development



**Sorting Through
Complicated
Compensation Plans**

For corporate executives, taking the next step toward retirement means managing your earnings in the most tax-efficient way possible.

Thank you for reading!

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The S&P 500 is an index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones is an index of 30 large company stocks. The indexes are unmanaged and cannot be invested into directly. Past performance does not guarantee future results.

Rising Stars Under 35 recognizes the city's up-and-coming business leaders under the age of 35. In order

to qualify for consideration individuals must have been 35 years of age or younger and reside and work within Oktibbeha County. This list seeks to identify and recognize individuals who have made significant contributions to Starkville's overall economic progress. The candidates were nominated by business associates or colleagues who best know their professional and local civic involvement. Candidates then completed an application and were reviewed and selected by the Greater Starkville Development Partnership, in conjunction with the Starkville Daily News. Rising Stars Under 35 have involvement that go beyond normal working hours and their days are extended by civic and community activities. This ranking is not based in anyway on the individual's abilities in regards to providing investment advice or management. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Raymond James is not affiliated with the Starkville Daily News or the Greater Starkville Development Partnership.

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