May – June 2016

Money Moxie®

TARGETED FINANCIAL STRATEGIES FOR YOUR LIFE

A Day For Women

Since 1982

SMEDLEY FINANCIAL SERVICES, INC.®

Control is the Operative Word!

Hello Valued Financial Partners and Friends,

Being in control of your own finances is one of the great blessings of living in America. But to make this a reality—and not just a dream—ultimately depends on you.

In life there are things you can control. A physician once explained, "When you are overweight, you can do something about it. Losing weight will enable you to discontinue most, if not all, of your prescriptions. You will have increased energy, greater mobility, and lower medical bills. You will live longer to see your grandchildren grow up. All of the benefits are good. There is no downside risk."

Continuing, the doctor said, "By contrast, a person with a fatal disease has little or no control over his or her circumstances. There is nothing he or she can do about it. But you can do something, in fact everything, about weight loss." Wow! Talk about a tipping point.

Again, quoting the physician, "While you may think your diet is determined by major decisions, it is actually made of hundreds of small decisions, basically your everyday decisions."

Gaining control of your life, whether it is diet, time, or money gives you power! Getting in control of those things you can control is empowering!

For example, consider being free of debt. Being free of debt has at least three tangible benefits. You will have more money for your future days, you will have more money to spend, and you will have more money to give. All of the benefits are good. There is no downside risk.

Being in control of your retirement is crucial. You want your money to last as long as you do! (That, of course, includes your spouse as well.) What is your plan for living longer? Who will help take care of you?

Many vital decisions await you. Decisions about Social Security benefits, pension plan options, 401(k) plans versus IRA, health insurance, life insurance, long-term care insurance, and so on…

We can help you. You don't have to go it alone. Call us. Your financial success is our passion!

Bullish Best Wishes,

Roger

Roger M. Smedley, CFP®
President

Your Identity and Qualified Charitable Distributions

Your Identity
If a distribution from your qualified account is going to a third party (Charitable Distribution) you can expect a call from our Broker/Dealer Securities America. They want to verify that you made the request and that someone has not fraudulently accessed your account information. This is mandatory and designed to protect your money.

Qualified Charitable Distributions (QCDs):
On December 18, 2015, the President signed a law which includes a permanent extension of QCDs. This is great news for clients who wish to have their Required Minimum Distribution go directly to a qualifying charitable organization. Contact us at 801-355-8888 for more information and specific guidelines.

Why You Should Care About
The Fiduciary Standard

By Sharla J. Jessop, CFP®

There has been a great deal of media attention surrounding the Department of Labor's (DOL) recent ruling regarding the "Fiduciary Standard," and with good reason. Tony Robbins, self-help author and motivational speaker, recently asked random people walking down Wall Street, "What is a fiduciary?" With the exception of one individual, the answer was, "I don't know."

This made me wonder – Do our clients understand the benefits of working with a fiduciary?

When Smedley Financial Services, Inc.® began back in 1982 as a registered investment advisor, we became a fiduciary. ***We have always believed that putting our clients' interests before our own is the best way to create a lasting partnership with the people we serve.***

What is the Fiduciary Standard?
The Fiduciary Standard requires that we avoid conflicts of interest. Our recommendations must meet your needs and be in your best interest.

In contrast, financial professionals such as brokers, insurance salespersons, and other advisors operating under the "suitability standard" are merely required to ensure an investment is suitable for a client when purchased. There is little obligation to offer a better investment nor a requirement to monitor those investments in the future.

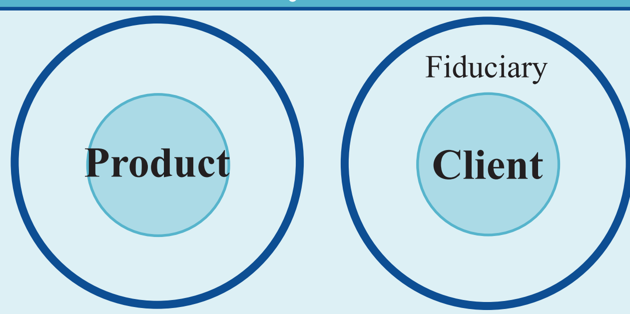
Why the big concern?
As company pension plans have diminished, Americans now must set aside more of their income to help supplement their own retirement income. This can be a daunting, time consuming task.

At the same time, the retirement investment landscape has only grown more complicated. Lack of investor savvy and awareness regarding retirement account types, not to mention the emerging number of investments available within those accounts, has led investors to rely on the counsel of professionals.

Unfortunately, not all professionals are alike. The new DOL rule seeks to level the playing field, requiring all financial professionals to follow the new Fiduciary Standard. Isn't it sad that a law must be put in place forcing financial professionals to do the right thing?

Will the rule protect investors?
The new DOL rule will require more work for financial professionals, but hopefully it will also protect investors saving for retirement.

Fiduciary Difference



A salesperson focuses on product, but as a fiduciary, SFS places you at the center of our business. We focus on your needs!

The DOL also states that cheaper is not always better. Price cannot be the only determining factor when making a decision, especially one as important as your financial future.

Consider what you are getting for the fee you are paying. Does your fee include an advisor that will help you determine your financial goals, prioritize those goals, and design a plan to help reach your goals? Will you get ongoing monitoring of your goals and the investments you are making? What if something changes? Who will be there to help address the changes in your life that may impact your financial destiny? What will happen during periods of increased market volatility and who will help you determine if your investments are too aggressive or too conservative?

These are just a few of the concerns that must be considered, but are often overlooked when the primary focus is having lower fees.

You are our primary concern. We invite you to call or come in and sit down with us anytime you have questions. We welcome your call. SFS

Just for Women

Thank you to all who came to enjoy a wonderful morning with SFS at our *Just for Women* event! We had a delightful time visiting with you and listening to the informative presenters. For those who missed the event, we include this recap.

Be Informed on Your Nutrition!

In one of our breakout sessions, we were fortunate to hear from Sarah Keil, a Registered Dietitian from Harmon's, as she helped empower us to make more nutritious choices.

Sarah started by having us pick which cereal we thought was most nutritious. We were shocked when the one we assumed was the least healthy was actually the most healthy! It's all about the labels.

These are a few of the things we learned:

- Look at ingredients (in descending order by weight).
- Look for vitamins and minerals that help you increase nutrients for your daily recommended value.
- Study the carbohydrate section to increase fiber and decrease sugars.
- Limit sodium, saturated, and trans fats–reducing your risk of heart disease and high blood pressure.
- Look at percentages of daily value to determine if foods are high or low in nutrients. Anything over 20% is high (good or bad). These are based on consuming 2,000 calories per day so you may have to make adjustments for yourself.
- Nutrition facts are based on a serving of the food, but these servings and the number of servings per container may not be what we expect.

Get Started with Container Planting!

Becky Pulver from J&J Garden Center guided us on some great ways to add color and pop to our porch, deck, or window. She showed us that container planting is a simple and beautiful idea.

To make your container stunning, remember these tips:

1. Choose plants based on where your container will be placed, i.e. sun or shade.
2. Use 1 plant for every 2 inches of pot size. For example: A 12 inch pot will use 6 plants.
3. When selecting plants use this simple formula:
   - Thriller – An attention getter for the center or back of the container.
   - Filler – A mounding and spreading plant to fill in the top of the container.
   - Spiller – A cascading plant that will spill over the edges of the container.
4. Fertilizing and watering are the most important things you can do for your new container.
5. Water every day during the summer.

Stay Active!

Julie Roberts, NP at IHC LiVe Well Center of Salt Lake, presented insightful and fun ways for people to remain active throughout their lives.

Where to start? Find your motivation. Whether it is to lose weight, keep up with grandchildren, help with depression, reduce high blood pressure, reduce stress, or just be healthier, whatever your reason, find it and stick to it.

Change your mindset about exercise. Exercise needs to be a part of your daily life, just as brushing your teeth. Move more. Sit less. Make time to allow your body the benefits of an enjoyable 30 minutes of exercise.

Studies now show that it is better to be overweight with an active lifestyle than it is to be at an average weight with no activity. This information is valuable for everyone; each of us should spend more time becoming active every day for a healthier and more enjoyable life.

Amanda Dickson

Our key note speaker, Amanda Dickson, was one of the highlights of our time spent together. She regaled us with some of her life's lessons, thoughts that impact every one of us.

Amanda reminded us that life is too short to surround ourselves with negative people. She also reminded us that we need to be positive with ourselves, focusing on the good we do each day, and the value of having a best friend that we can give our support to as well as receive support from. Amanda shared one way that she handles the emotional side of challenges in her life by telling herself: It's Going To Be Okay (IGBOK).

Overall, we shared a wonderful day with each of you. Thank you for your feedback regarding our *Just for Women* community. Watch for more information regarding Smedley Financial's *Just for Women*.

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the ROAD HOME.

Thank you for your generosity

With your generous aid, we were able to provide countless supplies to the Road Home Shelter. Your donations, dropped off after the *Just for Women* event, will help sustain women and children staying at the Road Home as they work to get back on their feet.

3 Ways to Have a Better Conversation

By Nashaela Lyons

We have all received advice on becoming better communicators: look people in the eye, nod, and smile. This shows you are paying attention. Forget all that!

There is no reason to show you're paying attention, if you are, in fact, listening and paying attention. Here is some of the latest thinking on better conversations.

1. Be in the moment. Be present with the person you are having a conversation with. Don't multitask. Don't think about what you are going to say next. Don't think about dinner. Stay focused. Be in the moment!

2. Listen and go with the flow. According to the National Center for Voice and Speech, "The average rate of speech for Americans is around 150 words per minute." However, we can comprehend 500-700 words per minute. Since we are able to think faster than the other person can speak, our minds wander.

When thoughts enter our minds, we should learn to let them go. It takes effort and energy to actually pay attention and truly listen to someone else.

3. Don't equate your experience with theirs. If you're conversing with a friend about her injury, don't tell about your injury. If she is talking about the death of a family member, be careful about sharing the time you lost a family member. When in doubt, just remember, it's not about you.

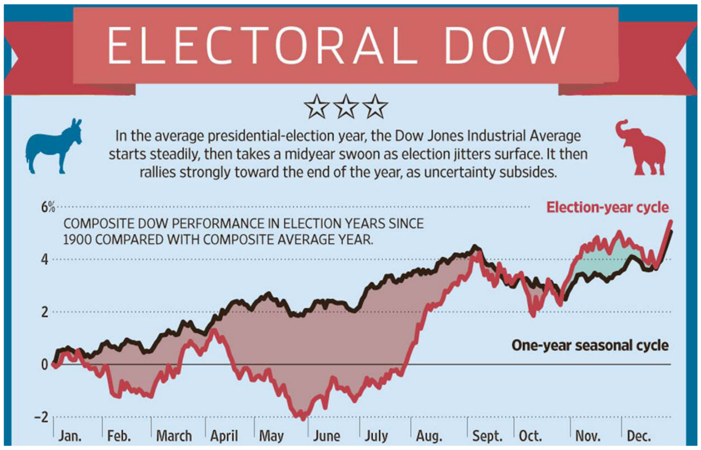
If you practice these three skills, you will be on your way to enjoying better conversations.

To hear more about these ideas and others from Celeste Headlee's TED talk: "10 Ways to Have a Better Conversation," visit TED.com.

Election Year Update on Markets

By James R. Derrick Jr., CFA®

The bull market is seven years old. Global growth is anemic and corporate profits are no longer rising. These suggest that bad times are ahead, but I don't believe it. I believe the U.S. consumer and the U.S. economy will continue to rise.



In January I made three predictions for the New Year. This month I would like to review these predictions with a special emphasis on the election—not only because I have been right (so far), but because each is helping the economy press forward.

(1) The Fed will move slowly.
The Federal Reserve entered the year expecting to raise rates four times. In recognition of slow global economies, it now plans to encourage growth by keeping rates low. Moving rates up only twice this year could be better for stocks and bonds.

(2) Election years are not recession years.
Investors fear uncertainty, and election years have experienced greater fluctuations than other years. The stock market typically begins the year a little slower and then recovers before spring. Summer slowdowns occur most years, but in election years they come earlier.

Regardless of which party has a candidate in the lead, stocks typically improve as the election gets nearer. In fact, many investors are tempted to stay away until after Election Day. This simple strategy would have only delivered lost opportunity in most election years. The greatest gains actually occur in the months leading up to the election. By the way, keep an eye on the market in September and October, because a strong stock market preceding the election also appears to favor the incumbents and their parties.

I do not expect the current rally that began in February to continue without disruption. From February 11, 2016, through the end of March 2016, the S&P 500 rallied 12.6 percent. If it continued at that rate for the rest of the year, we would have a whopping 150 percent return. The market will slow down and election year history suggests this will take place in April.

Since 1927, the U.S. stock market has been positive in election years 80 percent of the time. Remember, there are no guarantees. An election year had not had a bear market loss of -20 percent anytime in the last 50 years, then came the worst presidential-election year. In 2008 the Dow lost over 38 percent. The best election year was in 1996 when the Dow gained 26 percent. Since 1900, the average has been a positive 7.3 percent.

I don't recommend sticking our heads in the sand or placing our investment dollars on the sideline. Staying invested for the long-run is a critical part of a solid strategy.

(3) The United States will grow and the dollar will slow.
The 500 companies in the S&P 500 index receive roughly half of all their sales from overseas. So, when the dollar rises by 30 percent like it did in 2014 and 2015, it really depresses profits and makes stocks look less attractive.

The good news is that this trend has slowed down and maybe even reversed. The U.S. dollar declined in value by 4 percent in the first quarter of 2016. I view this as a positive, since we are coming off such lofty highs. The changing value of the dollar should improve U.S. growth in 2016. SFS

*Research by SFS. Data from Federal Reserve Bank of St. Louis. Data on election years from *The Wall Street Journal*. Investing involves risk, including potential loss of principal. The S&P 500, S&P 600, and Dow Jones Global are indexes considered to represent major areas of stock markets. One cannot invest directly in an index. Diversification does not guarantee positive results. Past performance does not guarantee future results. The opinions and forecasts expressed are those of the author and may not actually come to pass. This information is subject to change at any time, based upon changing conditions. This is not a recommendation to purchase any type of investment.

How Much Money Should You Give Your Children as an Inheritance?

By Mikal B. Aune, CFP®

"Part of the reason for believing that my wealth should be given back to society, and not, in any substantial percentage, be passed on to my children, is that I don't think it would be good for them. They really need to get out and work and contribute to society. I think that's an important element of a fulfilling life." –Bill Gates, richest person in the world.[1]

Bill Gates touches on a defining question with which many parents struggle: How do we provide financial security for our children while ensuring they will achieve it on their own? How do we ensure a financial inheritance will help and not hinder their life's journey? Too many times we see the rising generation become entitled and trapped by the very assets that are supposed to give them freedom. One unfortunate fact is that 70 percent of "rich" families lose their wealth by the 2nd generation and 90 percent by the 3rd generation.[2]

This same fact applies to most families; most assets that are accumulated by the 1st generation are squandered by the 3rd generation.

So, what can be done to pass on assets to children successfully and how much should you give?

Communicate with your children
The number one rule is communicate, communicate, communicate. The "we're not going to talk about it" mentality often breeds mistrust and misinformation. If you don't involve your children in the process, you are robbing them of financial training as well as ownership. You need your children to be involved in the process so that it becomes their future and not just what mom and dad "want." That being said, financial discussions can be a very touchy subject and each family dynamic is unique. As you start into the process, remind everyone to work to keep the process open and honest.

Define a purpose
"If you don't know where you are going, any road will take you there."[3] Successful families don't just pass on assets, they pass on their legacy. Together, with your children, you should define the meaning and purpose of your money. Often this takes the shape of family stories that share values. These values direct how the money is used to benefit the family and society. Based on this you can then take some time to translate your values and legacy into goals.

Define an amount
When you have goals established, then you can assign monetary values, which will help determine the appropriate amount to pass on as an inheritance. For example, if you value the freedom to give back to the community, you could establish a base level of income for your children that will give them the freedom to pursue careers that may not be very lucrative, but have a high impact on the community. Other examples can be funds for education, a down payment on a primary residence, a family cabin to promote family togetherness, a medical emergency fund, a business opportunity fund, or a security fund.

The intent would be to provide a measure of freedom without dramatically changing the child's lifestyle. Any amount that goes beyond providing a measure of freedom is discretionary and is not needed. Excess money can also lead to a shadow side of freedom – dependence or freedom without self-discipline.

There is a large difference between passing on assets and passing on a legacy. If you involve your children in the process and base your inheritance decisions on a purpose, you can leave the right amount of money to your children while creating a rewarding experience for both.

1. http://www.forbes.com/sites/luisakroll/2016/03/01/forbes-2016-worlds-billionaires-meet-the-richest-people-on-the-planet/#71fac38041cb
2. http://time.com/money/3925308/rich-families-lose-wealth/
3. Alice in Wonderland

Smedley Financial and its employees do not provide legal advice. It is important to coordinate with your legal advisor regarding your situation.

Your SFS Team

Smedley Financial Services, Inc.® is an independent registered investment advisory firm. We work for our clients. Our wealth managers have the flexibility to implement our financial plans, retirement plans, and income distribution plans using the strategies that work towards each client's needs and goals. We work with individuals, businesses, and family estates. We provide financial solutions for your life.

Wealth Accumulation
•Managed Accounts
•Indexed Investing
•Mutual Funds
•Exchange Traded Funds (ETFs)
•Stocks and Bonds
•Alternative Investments

Family Protection
•Term Insurance
•Whole Life Insurance
•Universal Life Insurance
•Variable Universal Life Insurance

Retirement
•Social Security Maximization Strategies
•Medicare Supplement
•Guaranteed Income (Annuities)
•Lifetime Income Planning

Disability (Injury)
•Short-Term Disability Insurance
•Long-Term Disability Insurance

Elder Care
•Long-Term Care Insurance
•Hybrid LTC

Employers and Self Employed
•Health Insurance
•401(k) Plans

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