

July – August 2016

# Money Moxie®

TARGETED FINANCIAL STRATEGIES FOR YOUR LIFE



*Unlock Your  
Creative*

*Genius*



SMEDLEY FINANCIAL SERVICES, INC.®

## *It's All about Energy, Your Energy!*

Greetings Dear Friends and Financial Partners,

Today hundreds of presentations, books, articles, and seminars exist and are focused on to-do lists, productivity, efficiency, time management, and so forth. But little is said about energy—your personal energy.

At an Investment Company Institute (ICI) Conference I attended in Washington, D.C., Maddy Dychtwald from Age Wave was one of the featured speakers. (FYI: Age Wave is the nation's foremost thought leader on population aging.)

With more than a thousand people present, Maddy asked the audience this question: "What distinguishes an older person from a younger person?" After several guesses, someone called out, "Energy!" "That's right!" Dychtwald enthusiastically responded.

Some of us have more energy in the morning. (To quote Lucy from the Peanuts cartoon series, "Morning people are hard to love.") Some of us have more energy in the afternoon. And some of us may have more energy in the evening. Personally, my best creative energy is in the morning. On the other hand, some moms I know perform routine tasks in the morning to save their best energy for the afternoon when their children come home. Besides homework, children often have dance and music lessons, sports' practices, and many other extracurricular activities.

At a seminar I once attended, the late Dr. Stephen R. Covey made this observation when asked about "Creative Energy." "We may not have all of the creative energy we want, but we have enough."

As you gradually age, don't think about your life just in terms of time management. At some point you will go through a paradigm shift from time management to personal energy management. Your own energy and drive may need to be front-and-center going forward.

Smedley Financial offers, "Investment Management to Maximize Your Time.®" Perhaps we should consider, "Investment Management to Maximize Your Energy." With all that is happening in your life, we can help by reducing your financial stress. Call us.

Bullish Best Wishes,



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.



**Peyton Manning: by Erik Wahl**

# Uncover Your Creative Genius to Find Fulfillment

By Sharla J. Jessop, CFP®

At a young age, Erik Wahl was told by an elementary teacher that art “just wasn’t his thing.” He colored too fast and was not able to stay in the lines. His teacher’s assessment is hard to believe, especially when seeing him in action creating art on stage in front of an audience. He is amazingly talented.

Erik is a well-known graffiti artist, motivational speaker, author, and entrepreneur. While on stage, he inspires his audience to look beyond the limitations they and others have imposed, and search inside for their creative genius. Something that he advocates we all possess in some form.


In his mid-30’s, Erik discovered his artistic creativity. With a college education and successful corporate career, Erik was living the American dream. However, the dot.com bubble and subsequent economic downturn brought things to a screeching halt. In Erik’s words, “I lost everything: my money, my investments, my security, my identity.” He found himself without a job and in financial ruin. As he struggled to gain control of his circumstances, he was told to get away from things for a while and do something to help clear his mind – travel or take up painting. With no money to travel, Erik took up painting and the rest is history.

Erik advocates that we all have creative genius. The challenge is to break out of the box that acts as a ceiling on our potential. Often we think of creativity as art. In reality creativity is following your heart, acting on your convictions, and finding passion in what you do daily.

If you were to ask a room full of five-year olds which was a good artist, it’s likely all of their hands would

shoot up. Asking the same question in a room of adults delivers a much different result. There may be only one brave soul to raise a hand. Over the years, our idea of creative ability becomes skewed and we make unrealistic comparisons. The group of adults are probably comparing themselves to Picasso and believing they fall short. While we may not be Picasso, everyone has some creative talent. It could be that you are a good communicator, or perhaps you think outside the box and find solutions to problems that others had not considered. In both cases, you are using your creative ability.

Applying Erik’s philosophy can help inspire us to live life more fully and enjoy greater success. Regardless of the stage of life we are in – just starting out, raising a family, building a career, or crossing the bridge to retirement – using creativity will help make the journey enjoyable and more fulfilling. Too often we think in black and white, left brain or right brain. The truth is there are two sides to our brain and using both delivers a better outcome. Combining mind and heart, logic and emotion, strategy and soul can deliver powerful results.

Erik is a great example of the principles he promotes. He inspires others by opening their minds to possibilities that most have not considered. He helps others find greater fulfillment daily by bringing passion to all they do. He gives back to the community in his unique way. Erik does not sell the art he creates on stage nor can you commission him to create a painting; rather he champions charities by donating his work. At the conference, where we heard Erik speak, he created several paintings while we watched in amazement. This painting of Peyton Manning was given to Securities America to be auctioned for charity. The painting subsequently sold at auction for \$5,500 and the proceeds benefited the Juvenile Diabetes Research Foundation. 

# Back to School College Planning

## Real Advice from a College Student

By Nashaela Lyons & Emma Gehmlich

College. When being described by those with a diploma hanging on the wall, it is a golden age of lasting friendships and high-stakes pranks. When imagined by youngsters that haven't flown the nest, it is an escape from the demanding thumb of the parents. True, college is a great place to meet new people and discover independence; it is also a challenging time of learning to balance life with money.

The average college student graduates with \$24,000 in debt, according to the Project on Student Debt.

College doesn't have to be four years of ramen noodles and Friday nights at home—with the right money management, any college student can have the same outlook (even if it is forty years in retrospect) as those that have moved their tassel.

### Tip #1: Look at the Long Run

For as many times as the incoming freshman has been told: "College opens up so many doors, do whatever you want to do," just remember that you cannot do everything that you want to do. Doing everything you want, satisfying every craving, or buying each impulse item will wipe out a bank account before the end of first semester.

Think about what will matter in a few years, rather than the latest craze or obsession. Will Jerusalem Cruisers last? Probably not. But having enough money to pay for next semester's rent will matter. Save money for the long run, rather than spend it on something temporary.

### Tip #2: Be Budget Friendly

The best way to manage money is to have a set budget and stick with it. Download one of the hundreds of budget-making apps (Mint is recommended), and decide how much you are going to spend and save each month. Don't just budget for bills and tuition; also budget for food, dates, books, and socializing. Being budget friendly goes beyond just having a reminder of how much you are supposed to spend though—you have to obey your own rules.

Find ways to cut back, whether it's buying used textbooks online, having a suburban mom's coupon book on hand, or trying your hand at a homemade meal. Many college campuses have fun free activities you can participate in. Having a budget will help you save money while still having enough for the essentials.

### Tip #3: Shop Savvy

Taking a trip to the store is a dangerous activity; financially, that is. There are hundreds of options and sales, not to mention the pushy salespeople. To stay safe, shop savvy. Know exactly what you need to buy before you even enter the store, and how much you can spend.


Paying with cash is a great way to keep from going over-budget. Swiping a credit card is easy—sometimes too easy. It is easier to spend less when shopping with tangible money.

Be careful about the 5-buck-or-less temptations; those little buys add up quicker than you think. Finally, avoid impulse buys by making a 30-day waitlist. Put random finds and wants on the list. If in a month you still want something, chances are it will really add to your life.

### Tip #4: Invest Early

Saving throughout college is the smart thing to do; automate your savings whenever possible. Leaving it in a bank or taped to the back of the toilet, however, isn't always the best choice. If you're not swimming in student debt or fishing coins from public fountains, it's a good idea to start investing.

Before you jump in and make rash decisions, read up. Use the library and find out what will work best for you.

Whatever path you choose, start small. Diversify your investments, and plan on a regular schedule. By investing early, you garner one of the greatest advantages: time. Even if your investments are small, they will grow with time. 

# \$24,000

Average debt for a  
graduating college student.  
(Source: Project on Student Debt)

# BREXIT Surprise:



## What Investors Hate More Than Uncertainty

By James R. Derrick Jr., CFA®

*“If you want to see the sunshine you have to weather the storm.”* This advice from Frank Lane describes well the fortitude needed to invest successfully, especially in 2016.

This year began with two extremes: one of the worst starts ever for the stock market followed by a sharp reversal into positive territory. The second quarter gave us something completely different: calm—that is, until Britain’s exit vote from the European Union (BREXIT).

### Surprise!

Most experts did not expect the “exit side” to get 51 percent of the vote on June 23<sup>rd</sup>. This shocking outcome sent global stocks into a tailspin. After all, there is one thing investors hate more than uncertainty—surprise!

Then a reversal: **Six days before the vote and six days after, the S&P 500 index was roughly equal.**

We can’t dismiss this historical event completely. The BREXIT vote is profound, not just for its economic impact, but because it clearly demonstrates the extent of anger in Britain and the world with slow growth. The change is contrary to the way the world has been moving since WWII—a time of globalization that has been relatively peaceful and prosperous for the world.

Now, Pandora’s box has been opened and the discontented individuals around the globe may feel emboldened by the BREXIT outcome. The British will now try to stop Scotland and Northern Ireland from leaving the country, as well as businesses in the UK.

### Global Trade

If the movement against global trade continues, there may be adverse effects. These could include lower growth and higher inflation.

### U.S. Dollar

Uncertainty sends investors to “safer” areas like the U.S. dollar. As the dollar strengthens, imported goods become more affordable and “Made in the U.S.A.” goods become more expensive. A strong U.S. dollar can also hurt U.S. companies because their exports are more expensive to consumers outside this country. Of course, as investors, we are owners in many of these companies.

The strong dollar was a problem in 2014 and 2015 for corporate earnings and the stock market. How big of a problem it is in the future depends on how high it goes.

### Interest Rates

Low interest rates may be around for a while longer. The Federal Reserve wants to raise rates back to “normal.” However, it can’t risk destabilizing the markets and it wants to stay away from influencing the election.


### Consumers

Short-term benefits to consumers will come in the form of lower interest rates and a strong dollar. Rates could be even more attractive on mortgages, auto loans, and other forms of debt.

A strong dollar should also help make international travel and international goods a little less expensive. Even the rise in oil prices should slow down, which will help keep gasoline prices down for consumers.

Volatility in stocks may increase as investors adjust to the new realities. I would consider any significant drop as an opportunity.

**BREXIT is unlikely to have a major impact on U.S. consumers’ jobs, wages, debt, or spending. U.S. consumers are strong and their spending drives 70 percent of U.S. economic growth!**

This surprising storm has passed and the sunshine has appeared again. While uncertainty may drive the market over short periods of time, economic growth will drive it in the coming years. 

# Get Your Social Portfolio Together

By Sharla J. Jessop, CFP®

When juggling work and family, your idea of retirement may be fewer responsibilities and unlimited time to do the things you want. The reality is too many people get to retirement and find that their social connections revolved around work. They lose daily connections with co-workers as well as clients and customers.

Suddenly they are out of the loop with day-to-day happenings at the office. They miss hearing from friends and lose the camaraderie of lunch conversations.

The Stanford Center on Longevity found that traditional social engagement is waning. Today's 55-64 year olds are less engaged with family, friends, neighbors, community, and religious activities than their predecessors 20 years prior (Sightlines report).

Building a social portfolio for retirement is just as important as building an investment portfolio. Meaningful relationships and participation in communities do not just happen once you retire. Building strong social connections before retirement is a key to increasing social connectivity in retirement. As a matter of fact, it is directly linked to wellbeing and a long life. The hurdle is knowing when and how to build new connections. Here are a few suggestions to get you thinking:

## Family

If you value spending time with family, find ways to connect regularly. Get your family together a few times per month for a dinner. Rotate from house to house so everyone has a chance to host the group and you have the opportunity to get out of the house.

Make it a point to get together for an activity once per month. Play a game that involves family members at all

age levels, or go to the pool, bowling alley, or park. Plan a family vacation annually or bi-annually so that you can get others away from the day-to-day demands of life and create a backdrop for building memories together.



## Friends

Too often we talk with friends about getting together only to find months later that nothing has happened. This is a common experience for most people. Scheduling time to get together with friends regularly may seem excessive but it's not. Getting your activities scheduled and on the calendar increases the chances that you will actually spend time with your friends.

Your friends are also looking for ways to make connections and get out of the house. Plan regular activities, such as meeting for lunch or taking tours of the city or surrounding areas that interest your group. If you enjoy being outdoors, find a new trail to hike each week or join an off-road riding club.

## Group Involvement

Volunteerism is a great way to share your time with purpose and find fulfillment in retirement. But just like relationships, it is better to look for opportunities with charities before you retire. Understanding the needs within your community or religious group will help you gauge your time and availability. The Sightlines report states that while people want to volunteer their time, they feel like they don't have enough information or nobody asks them.

Lining up opportunities and building a social portfolio before retirement will lead to a smooth transition and more enjoyment during your golden years. SS

# Women Should Save 2 Percent More Than Men

By Mikal B. Aune, CFP®

In an age where women have an increased influence in the workforce, it doesn't seem right that women have to save more than men for retirement. However, that is what the research from Hewitt Associates suggests.


There are several contributing factors to this need, some inherent and some that can be corrected. An inherent factor for women is a longer lifespan—living an average of three years longer than men after retirement. The extra 2 percent is needed for the additional insurance cost for a longer life. The lower average yearly salary for women (\$57,000) compared to a man's (\$84,000) indicates that a woman should save a higher percentage to match the dollar amount men save. Some correctable factors include: waiting longer to start saving for retirement, investing more conservatively, and not taking advantage of the company match in a 401(k).

Women are able to close the retirement gap by taking a few simple steps.

- Invest early and increase contribution rates. One goal should be to contribute 10-20 percent of gross income

into a retirement account. This doesn't have to be done at once; contributions can be marginally increased each year.

- Ask for advice. Many women feel insecure about managing finances. A wealth management professional can help determine personal risk tolerance and how aggressively to invest money.
- Leave a 401(k) invested. If suspending work due to family reasons, don't cash out a 401(k)—this avoids taxes and hefty penalties. A 401(k) can be rolled-over into an IRA or professionally managed account.
- Put off retirement for a few years. This may be painful but could mean a great deal down the road. Don't sacrifice the future for the present.

Women have several challenges that make retirement preparation more difficult. Recognizing these issues and making small changes in their saving and investing habits can have a significant impact. 

## Aging in Your Home

By Lynette S. Watts

One of the great debates for people who are entering retirement is “Should we move or remodel our current home?”

Here are three resources that can help with this decision.

1. Harvard University wrote “Housing America’s Older Adults: Meeting the Needs of an Aging Population.”

Harvard came up with a list to help identify the safest accessible homes.

The top four on the list are:

- A no-step entry
- Single floor living

- Switches and outlets reachable at any height
- Lever-style door and faucet handles

Ninety percent of all existing homes have at least one of these. Only 57 percent have more than one. For more information you can visit their site [www.jchs.harvard.edu](http://www.jchs.harvard.edu) and highlight “Research.”

2. The National Association of Home Builders has a checklist with 100 suggestions to help homeowners live safely, independently, and comfortably in their own home.

Their list includes:

- Low-maintenance yard
- Wide hallways and doors
- Bright lighting

The complete list can be found at [www.nahb.org](http://www.nahb.org)

3. AARP has a report on how to create a “lifelong home.”

Regardless of your age or ability, these lists can be helpful as you consider a remodel or a move. Go online and find out how “HomeFit” your home is.

# 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

## Disability (Injury)

- Short-Term Disability Insurance
- Long-Term Disability Insurance

## Family Protection

- Term Insurance
- Whole Life Insurance
- Universal Life Insurance
- Variable Universal Life Insurance

## Elder Care

- Long-Term Care Insurance
- Hybrid LTC

## Retirement

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

## Employers and Self Employed

- Health Insurance
- 401(k) Plans



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