

Money Moxie®

TAILORED FINANCIAL STRATEGIES FOR YOUR LIFE

Retirement is Full of Surprises



SMEDLEY FINANCIAL SERVICES, INC.®

Sharla Jessop—President of Smedley Financial

Dear Friends and Financial Partners!

Smedley Financial Services, Inc.® is pleased to announce that Sharla J. Jessop, CFP®, was elected and has accepted the position as President of Smedley Financial, effective immediately. Sharla was elected by acclamation at our annual Board of Directors meeting in February 2017.

Sharla officially joined forces with Roger on March 1, 1994. Sharla had previously worked as an insurance agent for 10 years in Ogden and Salt Lake City. Shortly after starting, Sharla astutely passed four exams in four months.

Sharla became a Certified Financial Planner® certification holder on October 10, 2006. This includes meeting rigorous professional standards and passing multiple challenging examinations plus a 2-day, 10-hour comprehensive exam.



One of the best things about Sharla is her love for people. With Sharla, you, our clients, have always been first and foremost in her mind. She has always put your best interests first. Her ethics are above reproach.

Sharla has always been a powerhouse. From the beginning she has demonstrated great drive, energy, and ability. In so many ways Sharla has been fearless. She has met challenge after challenge. Sharla has always been teachable. If she didn't know something, Sharla wouldn't stop researching until she found the correct answer.

What you may not know about Sharla is that she is well-respected nationally. Many of her peers throughout the United States seek her input on a regular basis. Sharla has made time for mentoring new advisors throughout the United States.

So, at Smedley, we are entering a new era. I'll still be around as the Chief Executive Officer (CEO).

Bullish Best Wishes,

A handwritten signature in blue ink that reads "Roger".

Roger M. Smedley, CFP®
CEO

Attention All Women!



The Smedley Financial “*Just for Women*” event is just around the corner. Save the date Thursday, May 11, 2017.

Last year’s “*Just for Women*” event marked the beginning of our initiative to create a community to empower and inspire women in all aspects of their personal and financial lives. We hope to see you there!



Retiring to a new location could increase financial success.

Seniors continue doing what they love and often pay less to do it.



Retirement is Full of Surprises



Retirement freedom means doing what you want, when you want to do it!



Retirement offers the luxury of more time to be with loved ones.



Flexibility in retirement offers more time to live an active lifestyle.

By Sharla J. Jessop, CFP®

Retiring to a new location

Retirement was only a few years away for Dan and Patti, and they knew it was time to get everything in order. Living in sunny southern California was wonderful, but they felt it was not the best place for them to retire. It was crowded, the cost of living was high, the traffic deplorable, and it would not allow them to be debt-free at retirement. All things pointed to finding a new city to retire to.

We asked recent retirees to share their feelings and experiences as they transitioned to retirement

- Small but with services including a hospital and modern medical facilities
- Home price that allowed them to retire debt-free
 - Outdoor activities
 - Favorable tax structure
 - Growing economy
 - Community activities like continuing education

Five years ago, Dan and Patti started their search. Resources, such as Forbes 10 best places to retire, helped them create a list of potential cities. Some cities were easy to check off—they didn't meet Dan and Patti's list of must haves:

By 2015 they had created a short-list and began visiting the cities to get a feel for the local culture and people.

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One year from their proposed retirement date they started planting the seeds in their new city. They purchased a home that could be rented until they were ready to move. They started preparing their home in California to go on the market. The wheels were in motion.

Throughout this five-year process they planned, reviewed, and updated their retirement and income distribution plans. This helped them feel financially confident about this exciting, but unnerving, life transition. It also gave them the financial framework to make their important decisions.



“We don’t have to if we don’t want to because we are retired!”

Today, Dan and Patti are living their retirement dream. They are excited about building their new network of friends, doctors, and social connections in their new community. Their new favorite saying is “We don’t have to if we don’t want to because we are retired!”

Some of the challenges they faced throughout the transition into retirement:

- Timing the sale of their home
- Continuation of medical coverage for a younger spouse
- Slow response from employer’s human resource department regarding retirement benefits
- Keeping important papers close at hand during the move
- Finding temporary place to live until their new home was ready
- Small things such as getting a library card while temporarily living outside of the city

Controlling your own time

Less stress and more fun is how Rolayne describes retirement. After a long and rewarding career she decided it was time to turn in her walking papers and she hasn’t looked back. Rolayne says she is busier now than she was before, but now she sets the pace.

Retiring gave Rolayne more time to help care for her

aging father before he passed away; something she is thankful she was able to do.

She lives an active lifestyle and as an outdoor enthusiast, regardless of the season, she can be found taking a hike or snow shoeing in the mountains. She also enjoys the flexibility retirement offers so she can spend more of her time volunteering for her church. Basically, she is doing what she wants, when she wants and loving every minute.

Retirement is delightful; however, there was some trepidation getting to this point. Navigating health care in retirement was a big concern.

Rolayne found that putting the various pieces of Medicare and supplemental coverage together was frustrating and overwhelming.


While there are numerous resources available, it was still difficult to make sure she had the right coverage for her situation. Rolayne sought help from a health insurance professional who could review her options and help her find the right coverage.

Rolayne is busier now than ever before. She describes retirement as “less stress and more fun.”

Without a pension to provide a stable monthly income, Rolayne knew she needed a plan for using the nest egg she had created. Longevity runs in her family; her income distribution plan is designed with the goal of helping her nest egg provide income throughout her retirement years.

Looking forward to retirement

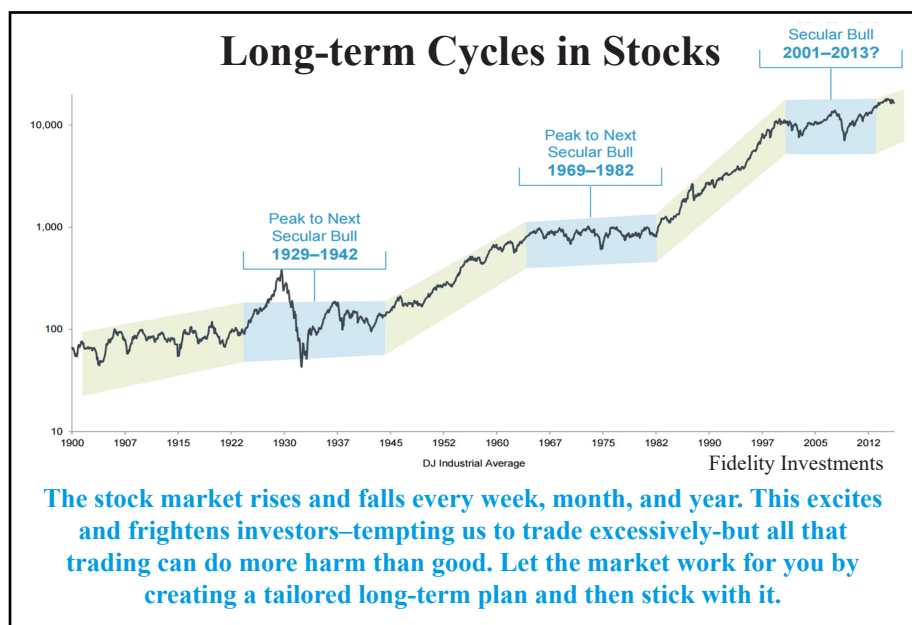
Retirement should be an exciting phase of life. While transitioning from a career into retirement can be stressful, a plan can help relieve some of that stress and provide a better understanding and framework for this chapter of life.

Using years of experience, we have helped clients navigate the many obstacles of this transition. Let us help you. 

Gambling— with Your Retirement?

By James R. Derrick Jr., CFA®

To encourage better investment behavior, the Nasdaq stock exchange plans to reward investors willing to commit. In 2016, the exchange introduced plans for an “Extended Life Order.” In today’s fast-paced world, how long a commitment does the Nasdaq want for an extended life trade? One second!



Investor

An investor purchases ownership in a company to help it raise money for profitable projects. As an owner, investors may even receive dividends.

Attributes for Success

To help determine what kind of investor you are, ask yourself, “How much would you accept in a year instead of \$1,000 right now?”

Information travels fast in 2017 and the stock market seems to hit highs every week. Nevertheless, I believe it is the patient, long-term investors that should benefit the most.

It’s hard to define long-term perfectly, but it is a lot more than one second—possibly somewhere above 315 million seconds, which is around ten years.

With this in mind, I think it is a good time to consider what kind of investor we want to be and what attributes we need to be successful.

Speculator/Gambler

Investing is different than gambling in many fundamental ways. However, it is still possible for investors to speculate with their savings. A speculator trades often based on short-term events hoping that a price will continue to rise or fall—anticipating a quick exit in a couple months, weeks, days, or less.

Sources: “Enhancing Long-Term Liquidity-Nasdaq Introduces the Extended Life Order” Nelson Griggs, Nasdaq.com, August 18, 2016
“Investor or Speculator: Which One Are You?” Jason Zweig, *WSJ*, December 10, 2016

Research by SFS. The Dow Jones index is often considered to represent the U.S. 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.

Let’s hope your answer isn’t too far off one thousand dollars. The greater your number, the less financial patience you have—and patience is crucial to gaining wealth. It impacts spending, savings, and investing.

Combine patience with a little courage and then an investor truly has a chance at participating in the long-term opportunities that the markets have to offer.

Warren Buffett is one of the wealthiest individuals in the world. He built his fortune by being greedy when others were fearful and fearful when others were greedy. He purchased stocks in some of the most frightening times like during the Great Recession of 2008-2009.

Is Buffett a speculator or an investor? He certainly has patience and courage. When asked about his ideal time frame for holding an investment, Warren Buffett replied: “Forever!” Now that is an “extended life” commitment! SFS

Ransomware Gets Personal

By Shane P. Thomas



It was an ordinary Tuesday late afternoon for John Doe; catching up with friends and family on Facebook and sifting through his email before dinner. As he was scrolling, he noticed an email from an old acquaintance he hadn't heard from in a while. Normally, John is hesitant to click on an email that is unfamiliar as he knows it typically is junk, but he hadn't heard from this person in ages and was curious what the email was about. John clicked on the attachment and that is when the problems began.

When opened, the attachment appeared empty and didn't include any information. John responded to his friend. While waiting for a reply, he noticed his computer was really slow and then a large pop window appeared on the screen with an ugly picture of a clown and the words, "Your computer files have been encrypted...you must pay the ransom or your files will be deleted."

What just happened? John was hacked with a malicious file by cybercriminals under the guise that it came from someone he knew. He subsequently paid the ransom to the hackers to get his files back.

Does this happen often? Alarmingly, YES! Cybercriminals are no longer just going after companies, but individuals like you and me, and they are doing it at an alarming rate. These online scams infect your computer in different ways including opening email attachments, clicking on links in emails, or sometimes even visiting a valid website that has been compromised by cybercriminals.

So what can we do to protect ourselves from these attacks?


- **Backup all of your files religiously.** Use an online backup that does it automatically for you like Backblaze, Crashplan, or Carbonite.

- **Ensure that you are doing updates on your computer** for both Mac/Windows operating systems and the various software programs that you have installed including Java, Adobe Reader, Flash, etc. This will ensure that any vulnerabilities that have been discovered and pose a threat are eliminated.

- **Handle email with caution.** Cybercriminals are getting better at disguising their phishing emails.

No matter how authentic the email looks, don't open attachments or click on links inside unsolicited emails from friends, businesses, the IRS, or your bank. If it seems strange, call that person and verify they really sent you the file or link. Is it inconvenient? Yes, but it's better than paying money or losing all of your files. It'll be worth the extra precaution in the long run.

If you have been hit by ransomware, you have some difficult decisions to make. If your files are not backed up, you can either pay the cybercriminals for an encryption key to unlock them, or lose all the files and start over.

If your files are backed up with an online company, you can have someone help you wipe the hard drive and download your back up files. All of this takes time and is extremely inconvenient. It's better to be cautious and verify the sender before clicking on attachments or links. If you are a victim of an attack, the FBI asks that you file a complaint through their IC3 site at IC3.gov. 

2017 Tax Update

By Mikal B. Aune, CFP®

2017 Tax Deadline: April 18th

For you procrastinators, there is some good news regarding taxes this year: the tax filing deadline has been moved back to April 18th because the 15th falls on a Saturday and Monday the 17th is a holiday in the District of Columbia. However, you should not wait until the bitter end.

Even if you have to pay, we recommend submitting your return a week in advance just to avoid any possible issues. If you are due a refund, why wait? Get your money now! If you have more questions about tax brackets or other important numbers, please check out our website.

IRA/Roth IRA Contributions

Don't rob from your future self. Make a payment to your future security. As with taxes, you also have until April 18th to make contributions into your IRA or Roth IRA. (But don't wait that long or you risk missing the deadline!) Remember that IRA contributions lower your current taxes. They make sense if you are in a high tax bracket now and you will be in a lower one at retirement.

Roth contributions do not lower your current taxes, but they do grow tax free. If you are currently in a low tax bracket and will be in a higher one at retirement, or if you are a long way from retirement, then Roth contributions may be the best option for you.

You can contribute \$5,500 total per person to an IRA or Roth. If you are over age 50, you can make a catch-up contribution of \$1,000 for a total of \$6,500 per year.

If you are eligible for a 401(k) through work and if your income exceeds a certain amount, your ability to deduct IRA contributions or make Roth contributions may be limited. Please consult with your CPA or check out our website to get more information regarding the phase-out limits.

Source: <http://www.smedleyfinancial.com/financial/2017-key-numbers.php>

Tax advice is not provided by Securities America representatives; therefore it is important to coordinate with your tax advisor regarding your specific situation.

Tax Forms

All of the tax forms have been mailed out, including the delayed tax reporting on non-retirement accounts. We are sorry (especially to the accountants) that the IRS has allowed delays in order for reporting companies to provide more accurate information.


If you still haven't seen your tax forms, log in to your myStreetscape account and download the forms under the documents section. If you do not have a login, go to www.mystreetscape.com and click "register." Then follow the prompts to create an account. You can use the same myStreetscape login to go paperless for the future.

In April, myStreetscape is being renamed to WealthscapeSM. You will be able to use the same login credentials after the transition.

Qualified Charitable Distributions

We've had several questions, from clients and accountants, regarding Qualified Charitable Distributions (QCD) that were sent directly to charities. A quick recap: If you are over 70 ½ years old, a QCD allows you to donate part or all of your Required Minimum Distribution (RMD) to a charity and avoid paying tax on it.

The 1099-R's sent by National Financial Services (NFS) show the total amount of distributions and are not reduced by the amount of the QCD. So, the tax preparer should reduce the amount reported on the 1099 by the amount of the QCD to come up with the taxable amount of IRA distributions.

The QCD should NOT be included as an itemized deduction. The potential benefit of the QCD is to remove the IRA distribution from your income, which may lessen the amount of Social Security subject to tax or help you avoid Alternative Minimum Tax (AMT). Smedley Financial does not give tax advice. Please consult a qualified CPA to get additional detail. 

myStreetscape® is Now WealthscapeSM and It's Mobile

Streetscape Users: *Streetscape* has changed its name to *WealthscapeSM*. Your login credentials remain the same. A mobile app is now available. Search the App Store for "Wealthscape". Call us at 800-748-4788 for more information.

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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CEO
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Joined 1994



James R. Derrick Jr., CFA®
Vice President &
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Joined 2000



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Alli Osgood
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Joined 2016



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Joined 2013



Shane P. Thomas
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