



Financial

E-newsletter April 2016

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2016 Client Appreciation Event

With the transition to Wealthcare complete, it's time to celebrate you, our clients!

Please join us on Tuesday, May 17 for a fun and informative evening as we express our sincere appreciation for your trust and thank you for the great work we've accomplished together over the last year.

So come relax after work as we visit together and enjoy some delicious food. You will get to know our new team members and learn about the firm's future. We will also share insights on the new tools that clients have found most interesting over the last year.

Tuesday, May 17

The German Club of Virginia Tech | [711 Southgate Drive, Blacksburg](#)
Happy Hour & BBQ 5-6:30 pm, Program 6:30-7:30 pm

RSVP by Friday, May 6 to Beth Ashe

beth@joelswilliams.com | 540.961.6706 | 888.553.2211

Please let us know if you have special dietary needs.

Welcome George Taylor

JSW Financial is pleased to welcome George Taylor as our new Senior Advisor. George has over 30 years of experience in estate and trust administration, private banking, and most recently managed a retail investment advisory business for a community bank.

George is a graduate of the University of Alabama and has a law degree from The American University in Washington DC. George has served on the Virginia Bankers Association's Trust and Wealth Management Committee and the City of Roanoke Pension Plan Board of Trustees. George and his wife, Robin, have lived in the Roanoke/Blacksburg area since 1994.

He says, "JSWF is a breath of fresh air. Every client who walks through our front door is important. We work as a team and are intellectually engaged in getting the client's plan right and helping them achieve their goals. I'm looking forward to getting to know our clients and helping them at every stage of their life."

We invite you to welcome George by emailing him at georget@joelwilliams.com.

Upcoming Client Education Series

Be sure to join us for our upcoming Client Education Series beginning in June. We will be hosting these sessions multiple times in person and also as web conferences to allow for maximum participation. Stay tuned for more details! Subjects will include the following:

2 + 2 = 5 The Value Being Created in Your Portfolio, You May not Know About

Description:

Simple examples to help you understand the tactics we use to manage your portfolio. In this session, you will learn how householding saves you money and rebalancing makes crazy markets work in your favor.

How to Mess Up Your Estate Plan in Ten Easy Steps

Description:

A humorous look at common estate planning mistakes and frequently asked questions. Make sure you don't leave a big mess behind! This session will be led by a lawyer and former bank trust officer who has settled over 100 estates.

How I Learned to Stop Worrying & Love the Market (aka Dr. Strangelove)

Description:

Would you want to take more risk than you absolutely need to in order to get what you want? We don't think so! Come learn how we think differently about this.

Annuities: The Good, the Bad and the Ugly

Description:

The controversy around annuities is merited. Annuities offered to consumers today are a blend of insurance and investments. They have a lot of features and add-ons that are superficially attractive, but add to the cost. Additionally, a lot of marketing dollars are pushed into claims designed to get your attention. In this session, we'll go over the basics of annuities, discuss the common pitfalls and if and when they make sense for investors.

What is a Fiduciary?

You may have heard in the news that the Department of Labor (DOL) has finalized a change to the definition of fiduciary under the Employee Retirement Income Security Act (ERISA) that expands the scope of those who become fiduciaries. But what is a fiduciary and why is that important to you?

“Fiduciary” comes from the Latin word *fidere*, meaning to trust. Fiduciaries, by law, are held to the highest standard of conduct, meaning the client’s best interest always come first. Common law imposes many duties on a fiduciary, including the duty of loyalty - which really means “how can I best help my client?”

For decades, the retail investment industry was governed by “suitability.” Suitability was about whether the security or investment product being sold to a customer was a reasonable fit, given their age, investment experience, time horizon, ability to take risk and liquidity needs. All of these factors were assessed in a brief conversation with the advisor. The transaction was completed if the security or product lined up with what was discovered in a meeting that may not have lasted 60 minutes.

The new DOL standards change is a good thing for consumers in general. Although the media has launched stories on how disruptive and detrimental this is to business at the large institutions, we don’t expect to see much impact (other than potentially more paperwork!) JSW Financial has been operating under the fiduciary standard from day one. Helping clients achieve their goals with state-of-the-art tools and investment strategies is how we’ve always done business. At JSW, we have clients, not customers. We seek relationships instead of transactions. What sounds better to you?

– **George Taylor**

Joel's Corner: The Best Ways to Buy Happiness

We all know that money can't buy you happiness, right? As it turns out, this is not exactly true...up to a point.

So what do you think? Can greater wealth increase your happiness? Research suggests there is a relationship between money and happiness. Let's explore this subject and then email your comments and opinions to us at team@joelswilliams.com.

A recent study by University of Michigan economists Betsey Stevenson and Justin Wolfers, examining data from more than 150 countries using World Bank data, has shed new light on the interaction between happiness and the size of your bank account. Their first conclusion: the more money you have, the happier you tend to be, regardless of where you are on the income spectrum. They concluded that multi-millionaires don't think of themselves as "rich."

However, there do seem to be income levels where a person's happiness can be increased faster than others. Princeton University economist Angus Deaton has found that peoples' day-to-day happiness level rises until they reach about \$75,000 in income—a point where a person can comfortably afford the basic necessities of life without worrying where his or her next meal is going to come from. After that, this type of happiness levels off.

In fact, a report in Psychological Science magazine found that the wealthier people were, the less likely they were to savor positive experiences in their lives. Another study found that lottery winners tended to be less impressed by life's simple pleasures than people who experienced no windfall. Once you've had a chance to drink the finest French wines, fly in a private jet and watch the Super Bowl from a box seat, then a sunny day after a week of rain doesn't produce quite the same jolt of happiness it used to. The additional money tended to have a cancelling effect on day-to-day happiness.

It's another kind of happiness, which focuses on something the researchers call "life assessment," that continues to rise at all levels of wealth. The more money people have, the more they feel like they have a better life, (Deaton hypothesizes) possibly because they feel like they're outcompeting their peers.

Is there any way to more efficiently buy happiness with money? A study by the Chicago Booth School of Business found that people experienced more happiness if they spent money on others than when the money was spent on themselves. Treating someone else—or, more broadly, charitable activities—are among the most powerful financial enhancements to personal happiness.

Other research has shown that you get more happiness for your buck if you buy experiences rather than things. An epic trip to Paris, or a weekend at a bed and breakfast near the coast, can be more enduringly pleasure-inducing than buying a new watch or necklace. The watch or necklace quickly become a routine part of your environment, contributing nothing to happiness. But your travel experience can be shared with others and reminisced about.

Finally, you can buy time with money—decreasing your daily commute by moving closer to work, hiring somebody to help around the house, hiring an assistant to clear your desk—all giving you more leisure

time to pursue your interests. With the free time, take music lessons or learn to dance—and you'll be happier than somebody with millions more than you have.

So think about the discussions we have had over getting those goals tweaked for your Wealthcare Plan. And why that "Priority Table" may come in handy someday, as you discover opportunities for your life or whether curveballs come your way. Much of the underpinnings of the Wealthcare Planning Process is about determining your personal values and how we can help you manage your wealth to enhance those values. Over 90% of your fees go to pay for this, not investment costs.

It's not about the performance of your portfolio, rather the performance of your Wealthcare Plan...mid-80s is where we want your Comfort Zone score to hang out!

Until later,

Joel

Have a Suggestion?

Do you have a suggestion for a future newsletter topic? We want to hear from you! Send your topics to team@joelwilliams.com and stay tuned!

Investment advice is provided by Wealthcare Capital Management LLC, an SEC registered investment advisor.

Citations.

<http://fortune.com/2013/05/01/proof-that-money-does-in-fact-buy-happiness/>

<http://www.scientificamerican.com/article/can-money-buy-happiness/>

<http://www.nydailynews.com/life-style/health/money-buy-happiness-article-1.1458890>