



Financial

E-newsletter
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Save the Date!

2017 Client Appreciation Event
Tuesday, June 13
The German Club of Virginia Tech

More details soon!

Congratulations, Ashley!

We want to congratulate our very own Ashley Coake for becoming a CERTIFIED FINANCIAL PLANNER™ professional. This designation comes with extensive training in financial planning, estate planning, insurance, investments, taxes, employee benefits and retirement planning, as well as in CFP Board's Standards of Professional Conduct, which are rigorously enforced. As a CFP® professional, Ashley is required to uphold this certification through continuing education. It's little wonder that CFP® certification is the most recognized in the industry for personal financial planning - only 21% of all financial advisors in the industry can claim this distinction. (source: 2015 survey by Cerulli Associates, Inc.)

If you would like to congratulate Ashley, send an email to ashleyc@joelswilliams.com.

Tax Refund: Spend, Save or Give

According to the IRS, the average tax refund is around \$3,000. So, what will you do with yours? When you think about the infinite possibilities, they essentially boil down to three choices: spend, save, or give.

Spend

Hearing your financial advisor tell you to spend your money may sound odd, but you've worked hard to earn your income and should allow yourself to enjoy it. We do advise you to be intentional and wise while spending it – don't simply deposit it in your checking account and let your everyday purchases mindlessly consume it. Here are some ideas to get you thinking:

- Buy something that will provide lasting value to you. This will vary person to person, but think about something that would make your life easier or provide joy for years to come.
- Fund an experience like a weekend getaway.
- Enroll in a class where you can learn something fun and new or something that will increase your earning potential.
- Spend it on something you've already purchased. If you have debt hanging around, this is a great way to get your debt snowball rolling down the hill towards freedom. Apply your refund to the smallest debt first, and when it's paid off, use the payment you were making toward that to attack the next smallest debt.
- Spruce up your home or yard. Spring is a great time to make updates to your home and tax refunds are arriving just in time to facilitate those updates. These refunds likely won't foot the bill for a complete kitchen remodel, but you may find some low-cost projects that add big value.
- Get your legal documents (Will, Power of Attorney, Medical Directive) set up or updated. This is such an important task that we often put off until a later time. The peace of mind that these documents will provide to you and your family is worth every penny. Talk with us and we can help you find the right attorney for your needs and be with you every step of the way.

Save

We all know how important it is to save and that's essentially what you've done if you receive a tax refund. Even though it hasn't grown or drawn any interest, and whether you intended to or not, you have built up a small savings in the form of a tax refund and one of the choices you have is to continue to save the amount you receive.

- Build up your emergency fund. Ideally, we like to see folks have enough set aside to cover 3-6 months of essential expenses. At the very least, it's imperative to have some money set aside to cover small emergencies like your car breaking down or a trip to the hospital.
- Invest in your taxable account. There is such a thing as having too much cash on hand and that's when we recommend investing in a non-retirement, taxable account. Not only are you getting a better long-term return compared to a bank savings account, but we can use this account to take advantage of some tax strategies like lower capital gains tax rates or tax-loss harvesting, where we can write off losses against your income and future gains. Also, you can

withdrawal money from this account without penalty at any age, compared to a retirement account, such as an IRA or Roth, where you may pay a penalty for withdrawals before age 59.5.

- Save for college. If you have kids or grandkids and are planning to help fund their college education, using your refund to start or add to a 529 college savings plan is an excellent plan. Depending on the state you live in, there could be a tax deduction on the state level for contributing to a 529 plan.

Give

When you give, you receive. I'm not talking about the possibility of receiving a tax deduction for the next year, although that's nice. I'm talking about receiving something more meaningful, which is the joy and fulfillment that comes from giving. There are many ways to give, whether it's contributing to your church or your favorite charity, funding a mission trip or helping a friend or family member in need. We encourage you to think about a cause or need that's near to your heart.

When you receive your refund, you can choose to spend, save, or give or you could allocate some to each. The important thing is to carefully consider which decision is best for you because each of us has different priorities and goals. Keep in mind that we're always available to help!

— **Ashley Coake**

Summer Travel Tips

With the end of the school year in sight, many families are thinking about summer vacations. Here are a few simple tips that can help anyone, be it an experienced globe trotter or a travel novice.

- Sign up for Scott's Cheap Flights (www.scottscheapflights.com). Scott will send you semi-frequent emails with low fares for places all around the world. If you have some flexibility and want to see more of the US or outside of it, sign-up and be spontaneous!
- When on your trip, remind yourself that you will almost never remember the price of an experience, but will definitely remember the experience. Get out there - explore and have fun!
- Photograph your hotel. This is simple, but effective! In some cities, there are hotels that have similar or the same names. This will help safeguard you a bit.
 - This also applies to Photo ID, Passport, Insurance, etc. Keep digital copies in your email so you can access them anywhere.
- Treat everyone the same, regardless of where you go. You'll be surprised to find out that a little kindness will go a long way.
- On a similar note, "you are an ambassador of your country and your culture." Remember, if you're traveling outside the country, you represent the US.
- Take twice the amount of money and only pack half of what you need. Some people might disagree, but I would much prefer the flexibility of spending more rather than the inconvenience of carrying around too much.

— **Andrew Cialek**

Beware of Hotel Scams

Now that you have our Summer Travel Tips, get ready to rest and relax, but don't let your guard down. Scammers do not take vacations! Let's learn about some of their more common hotel scams and how you can protect yourself while traveling.

1. The late night call from the “front desk”

Hotel guests at well-known hotel chains have been targeted with credit card number theft. One guest reported, “He (impersonating front desk clerk) told me the hotel had a glitch in their computer system and had lost all of the credit card numbers. My first reaction was, ‘OK, but you’re letting me know this at 2:30 in the morning?’”

The caller said the hotel needed to finish their audit by 3 a.m. and gave the guest two options: give the credit card number over the phone or come down to the lobby with the card.

The guest says the caller was polite and apologetic. He even offered a 40 percent discount to compensate for the inconvenience. Fortunately, the guest refused to give out the card number, hung up the phone and called the front desk to verify the situation.

Whether you're at home or on the road, the same rule applies. Never give your credit card information to an unknown caller, even if you're in a nice hotel and the person on the line claims to be at the front desk. Keep in mind that most hotels employees will never call you after 9 p.m. And they certainly wouldn't call to ask for your credit card number. Take care of all your financial business face-to-face at the front desk.

2. The pizza delivery “deal”

While we all know that room service can be prohibitively expensive in a nice hotel, don't be duped by fake delivery services. When the local pizza place slips a flyer under your hotel room door, you might be tempted to go the cheaper route of ordering up your favorite pizza.

While the pizza flyer may be legitimate, there's also the chance that it's completely fake, and that the only thing you'll receive after placing a phone order with your credit card is a bunch of fraudulent charges to your account.

If you want to order food up to your hotel room, make sure you're ordering from a legitimate business. And even if the name on the flyer belongs to an actual pizza place, check that the number matches the one listed with the real pizzeria. You can also check with the front desk for recommendations, or just go out and get some food.

3. The fake WiFi network

Recently, Comcast & AT&T reported [in this story about public WiFi hotspots](#) that it's very easy to fake a legitimate hotspot.

If you've ever gone looking for your hotel's WiFi network, you've probably seen a number of sound-alike hotspots available. Make sure you're using the correct connection or your computer and smartphone data could be compromised. When in doubt, ask an employee which connection is correct.

Additionally, while many hotel WiFi networks require you to enter a room number and last name so that any fees can be charged to your room's account, you should be suspect of any hotel WiFi that asks you to enter credit card information. This could be a fake trying to steal your identity.

As for vacationers and business travelers that use public computers, the Secret Service is warning against malware that logs keystrokes at shared computers in hotel business centers. This is why public computers — not just those in hotels — should never be used for accessing anything that requires a password.

When traveling, the most important part of preventing fraud or theft is to educate yourself and be aware. Be careful to avoid scams, but don't forget to have fun!

— **Beth Ashe**

Joel's Corner: Déjà Vu All Over Again

Written May 3, 2017

Looking into the past can tell us a lot about our future. Wise King Solomon told us, "What has been will be again, what has been done will be done again; there is nothing new under the sun." (Ecclesiastes 1:9) These days we like to talk about how history repeats itself or if you live long enough, it starts to feel like "Déjà vu all over again".

So let's take a quick ride down memory lane to see what history can tell us about the current state of affairs and what it means for your future - near term, and long term.

Some of you may remember the 1950s as Rock 'n' Roll came on the scene and was predicted to destroy the character of the youth. Censorship would only broadcast Elvis Presley from the waist up when he appeared on the Ed Sullivan Show. His wiggling legs and pelvis were just too much for TV! Anyone remember those days? We thought our parents and public authority were going a little overboard.

As the 60s rolled in, the Beatles stirred controversy with their long hair and risqué song lyrics (for the times). The Vietnam War brought bitter differences in opinions about love and war. There were many protests (just like today) and they often turned violent. In 1968, it was the Black Panthers and Yippies who almost shut down the Democratic National Presidential Convention in Chicago with police killing one student. In all, 153 police sustained various injuries and 101 citizens were injured in some way.

Just last Thursday was the 47th anniversary of the Kent State shooting where in 1970, the National Guard opened fire with 67 rounds over a period of 13 seconds into protesting students, killing four and wounding nine others. Let that chill in your mind for a few seconds.

During sit-ins, college students did not simply prevent speakers from coming to campus, they took over the administration buildings and held administrators hostage so a minority could be heard. No different than today.

Just like today, many before us have asked, "What is this country coming to?" We still worry about our youth just like our parents worried about us. But just look at us. The country has survived. Those of us that grew up in the 50s and 60s have enjoyed a career, raised a family, maybe paid off a home, have saved for retirement and can still practice our faith.

Today we stress about ISIS, North Korea, Putin, Iran or even Trump. We may think this is the worst it's ever been. Yet our parents and grandparents lived through Hitler, Stalin, Mussolini, Khrushchev, Castro in Cuba and the Bay of Pigs and others.

If you doubt there have been scary times before, watch those Oliver North programs about our previous wars. In fact, watch the Patriots programs about the American Revolution and the Civil War. To reiterate my point: our parents went through bad times and dealt with similar stresses – "there is nothing new under the sun."

So, let's be real and put the worry aside for a minute and focus on information. Below are some of my thoughts about the possibilities over the next 2-10 years.

There are two *extreme* scenarios:

1. Optimistic: Tremendous US Growth for our young people and elimination of the \$20 trillion debt. OR
2. Pessimistic: Increase of debt by \$2.5 trillion (10% higher) that will take years to recover and it may possibly bankrupt the country.

Requirements for the optimistic outcome:

- Tax reform for people and corporations
- Education reform to meet jobs created
- Cuts in gov't spending (e.g. simple tax; we wouldn't need the IRS)
- Infrastructure rebuilt
- Multiplier effect in economics: pour more money into middle income pockets and thus generate more revenues in taxes to pay down debt; we would also not need as much welfare.

Factors that could cause the pessimistic outcome:

- My biggest concern is that politicians will not work together; therefore, Trump will not be given the opportunity execute his vision.

- My second biggest concern is that Trump will not realize that his rhetoric is what's keeping half of the country from working with him. He must learn to communicate in a way that brings about progress, not division.*
- Debt could increase by 10% (\$2.5 trillion) and take years from which to recover.
- Bankruptcy of the US would be possible (it happened to many world powers: Roman, Spain, France, British Empire, etc.).
- Only a partial number of programs will be implemented (e.g. infrastructure gets through but tax cuts for corporations and middle income do not).

*I remind you, these are simply my opinions. Because the opposition is so visceral, impeachment of Trump may be attempted for behaviors before he took office. It happened in the first President Johnson era.

Meanwhile expect:

- The market could continue to roar upwards into risky levels. This will happen until the majority figures out that the optimistic outcome is impossible due to either Trump's rhetoric, opponents who just won't cooperate or both.
- The market increase will likely take 12-18 months. Meanwhile, expect the Dow Jones to reach 25k with a big risk of collapse (as far down as 6-8,000).
- In my opinion, the optimistic and pessimistic outcomes are about equal for the moment. However, if the republicans are still in control of all three branches after the 2018 elections, then the optimistic outcome pulls a little ahead.
- Eventually, I expect Trump to get something passed on infrastructure and possibly immigration reform.

So no matter what life throws our way in the next couple of years, we will deal with it. That's what Americans do. It's in our DNA.

In conclusion, let's focus on what we can do about the situation.

Our current planning/investment position:

- Patience is continued. That is the hardest thing in the world.
- I feel fortunate we have the Wealthcare planning tool. We run it quarterly for each household. The data analysis keeps me sane during these insane times and helps keep life in perspective.
- Your investment portfolio is tweaked and balanced to your specific plan (Oh, the benefits of technology!).

Action steps for you:

- Realize that we have an excellent tool in our Wealthcare Plan. It's by far the best in the industry, as evidenced by 13 patents.
- Review your quarterly reports. These reports are reviewed for adjustment every single quarter. Call or email us with any concerns or questions.
- Do go forward and implement the goals you have established in your plan.
- Do not revert to letting the market delay those plans. If in doubt, call us for a meeting and "what ifs" stress-testing.

So, which outcome will it be? Only time will tell, but this is the first time in three decades that I've felt the optimistic outcome I described above is achievable. Let's all remain cautiously optimistic!

Until next time,

Joel

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

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