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Don't stress over headline news

(Continued from page 3)

- o Consumers paying down debt more; reducing credit card balances.
- o Student loan problem being aggressively addressed under new president, regardless of party.
- o Cost of college is decreasing.
- o Increasing taxes, regardless of party elected.
- o More people voting.
- o The market is crashing.
- o The market will hit 30,000.

The good news for you is that our new investment philosophy does not react to headline news. Why? Headline news is usually wrong, in my experience. Plus, the data is not sufficient to make decisions in advance of the market with any useful degree of confidence (ask me for research support). Also, human emotions cause us to do the opposite of what benefits us, most of the time.

You have a specific investment allocation determined by your future cash flow needs that succeeds at least 75-90% of the time when run against the above scenarios … and many more, up to a 1000…EACH QUARTER! Wealthcare evaluates the investments daily and we contact you if changes need to be made in your specific plan, which drives the investments. So we (you and JSWF team) control how and what tweaks need to be made to your financial wealth plan, not the headline news.

End of story: Isn't it nice to no longer stress over the headline news?!

Until next time,
Joel

Contact Us
Office hours: Monday -Thursday | 8 a.m. - 5 p.m.
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Investment advice is provided by Wealthcare Capital Management LLC, an SEC registered investment advisor.

Citations:
[1] http://www.forbes.com/sites/robertwood/2013/03/24/13-surprising-facts-about-your-taxes

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Financial Partner

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JSW Financial

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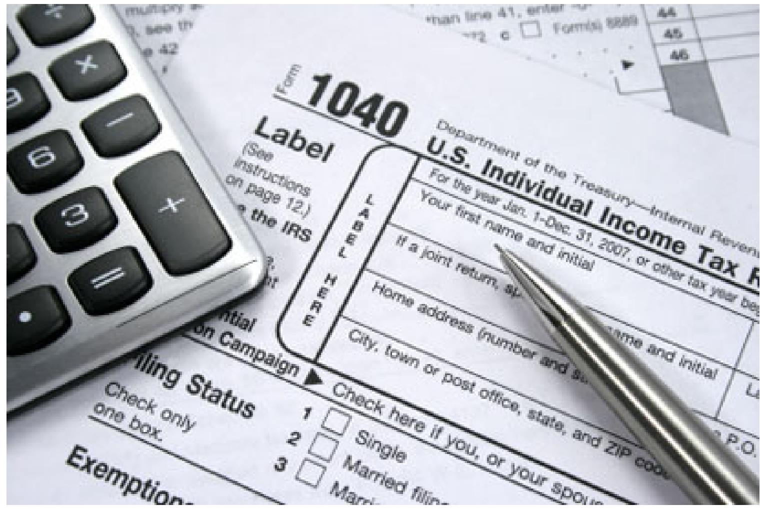
In The News

Tax document mailing schedule and tax tips



It's the time of year that requires all of us to turn our attention to preparing year-end tax returns.

Due to our transition last year, some clients will receive 1099s from both VSR and TD Ameritrade. Both firms have mailed their 1099s, so if you have not received them, please contact our office for assistance.

As you gather tax documents for your CPA, please keep the following in mind:

- You will not receive a 1099 for an IRA unless you received a distribution from the account.
- If you do receive an amended 1099, please make sure you provide your CPA with both the amended and original 1099. Capital gain and loss information, as well as cost basis, may only be reported on the original 1099.
- Schedule K-1s (for some mutual funds and partnerships such as oil & gas, Triton Pacific, note programs, etc.) are mailed by the general partner, not First Clearing or TD Ameritrade. The mailing deadline for Schedule K-1s is Tuesday, March 15.

Our advisors strongly encourage you to talk to your tax professional about your situation and consider filing an extension. Please remember that even if you file for an extension, you must still estimate and pay any taxes owed by April 15, not the extension date.

Other Important Dates:

- The last day to make a 2015 IRA contribution is Monday, April 18. Please note that our office encourages everyone to make your contribution as soon as possible to take advantage of tax-sheltered growth for as long as possible and avoid any potential delays or problems.

– Andrew Cialek

Tax return facts

- The IRS receives over 140 million individual tax returns and collects over $950 billion in taxes.
- Our tax code is wordy, about 4 million words and it's always changing. Since 2001 alone, there have been more than 4,500 changes.
- E-filing is now nearly universal. Almost 90% of individual tax returns are now e-filed.
- The average tax refund is almost $3,000, $2,953 to be exact. In all, over $325 billion in tax refunds are paid out.[1]

To learn how Americans plan to spend their returns and how you can get the most out of yours, see page 2.

Ops Center

Benefits of Wealthcare's householding strategy

One of the many great benefits of the Wealthcare approach is the household investing strategy. At many firms, each account is traded separately and has its own mix of equities (stocks), fixed income (bonds) and cash. Wealthcare is unique in that each household, the combination of your accounts, is traded as one. This approach is advantageous for a few reasons.

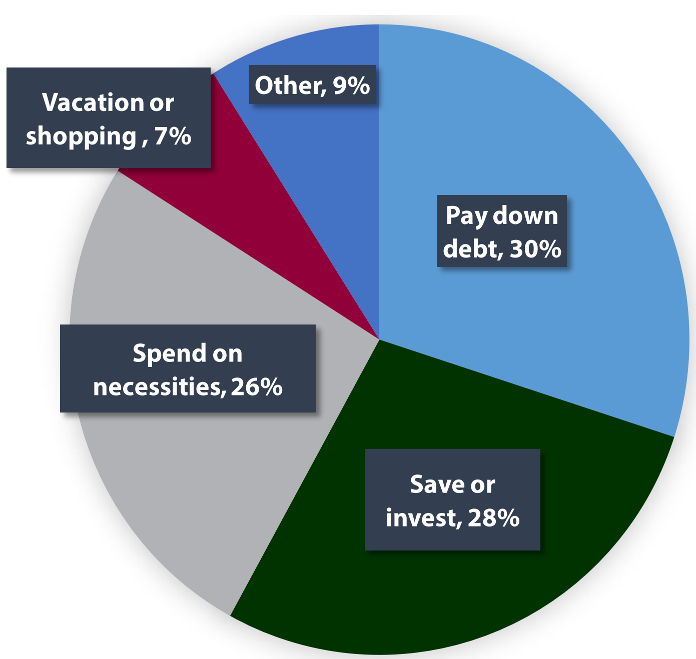
By trading the entire household as one, there are often opportunities for tax savings. Generally, equities are placed in taxable accounts, which allows for tax loss harvesting. The IRS allows you to claim $3,000 per year of losses on your tax return. You are not allowed to claim losses from a tax-sheltered account like an IRA or annuity, so placing the equities in a taxable account is a strategic way to lower taxes. Additionally, we know that stocks tend to grow over time. The capital gains tax, the amount you pay on the growth of a stock when you sell it, in a taxable account is lower than the ordinary income tax that you pay when you make a withdrawal from an IRA.

Another benefit of household investing is fewer trades, which means lower fees. Commonly in the Wealthcare investing strategy, the largest account in the household contains a mix of equities and fixed income assets. Our firm is constantly monitoring your portfolio to make sure you are on track with your financial plans. When a household requires rebalancing due to changes in the market, we are able to make a few trades for the entire household rather than a few trades for each account within the household.

Again, these are just a few of the ways that we are continuously looking out for our clients' best interest by carefully considering the tax implications during investing and attempting to place fewer trades to keep your fees low. If you have any questions about how household investing works, please contact us.

– Ashley Coake

How Americans plan to spend their tax refund



Princeton Survey Research Associates International.
http://www.bankrate.com/finance/taxes/how-americans-will-spend-their-tax-refund-1.aspx

Our recommendations for your tax refund

1. Pay off debt.
2. Start or add to your emergency savings.
3. Contribute to an IRA.
4. Take a continuing eduction class or learn a new skill.
5. Improve your home.
6. Buy life insurance.

Budgets and plans

If our January e-newsletter inspired you to set a budget, track your spending and pay off your debts, but you don't know where to start, call Beth at 540.961.6706 or email betha@joelswilliams.com. She has the tools you need to get started.

Also, If you have not yet scheduled your information gathering session for your Wealthcare Plan, please contact Beth for a list of information and to schedule an appointment.

Joel's Corner

Don't stress over headline news

My researching for this article reminded me of my days practicing for the state Future Farmers of America debate competition in high school. (Hessmer High was the undefeated State Champion 1962-65!) A good debate team has to have good arguments for any angle of an issue.

Today there is ample fodder to present a conclusion anywhere from the economy going into a recession, to we may be entering the next bull stock market. As in most cases, the truth is probably somewhere in between and that is always determined by looking back.

I do not fully embrace either of these conclusions and have my opinion on both (shocked?). A recession is not likely, in my opinion, with the current data. Here are my reasons:

- The US economy is inching along with positive signs in several areas: small, but meaningful job growth in some industries; consumer sentiment has not been yet affected by banking issues, mostly credit, due to the oil industry. No contagion, yet!
- The Global economy however is in a global recession, in my opinion. Major developed countries are lowering the value of their currency in a battle to sell goods abroad to help bring in revenues to pay the bills. All countries would like their currencies to fall when revenues dry up, including the US. Because the US economy is doing "a little" better relative to everyone else, that makes the dollar stronger. But a super strong dollar is not good in the long run because it makes US exports more expensive. In the long term, we want more stability and balance among all currencies.

"...in my opinion, this is a 'bull bounce in a bear market.'"

In regards to the stock market, some feel this could be the beginning of a new bull market. I am not in that camp. At best, in my opinion, this is a "bull bounce in a bear market." We have two fundamental factors holding back broad stock market movement: domestically, it is the return of decent paying jobs; and globally, the credit card of most countries is overdrawn.

My opinion on likely outcomes:

- Domestically, jobs will continue to grow slowly because some sectors of the economy are growing: namely technology, health care and some of the industrial sectors. Consumers have not been scared off from the banking problems around the oil industry. This surprises me a little since about 20% of the labor force can be impacted directly or indirectly by the energy sector. Examples of strong consumer strength are recent good numbers from Home Depot and Macy's.
- Globally, commodity prices are still down due to low demand for raw products, which are the engines of all goods and services traded among countries. Example: Baltic Dry Index is the lowest in about two decades. The numeric relationship is around 11,500 to 600 (tonnage discussion we can have). This is very sensitive to interest rates, currency exchange rates and oil prices and can be wildly volatile. These shipping companies are running at losses now simply to keep operating because it takes at least two years to bring one on line. All this says is that no one is buying much.
- Headlines at which not to be surprised:
  - Companies in the energy sector going bankrupt.
  - Emerging market countries in the energy sector asking for bailouts from the International Monetary Fund (e.g. Venezuela).
  - Janet Yellen and the Fed changing the number of interest rate rises from four to two or less in 2016.
  - Interest rates on mortgages NOT increasing much over now.

(Continue on page 4)

Markets

February 23, 2016

DOW | 16,431.78

Nasdaq | 4,503.58

S&P 500 | 1,921.27