

Flourish Wealth Management

Quarterly Newsletter

News from Flourish

Despite the mid-April cold snap and the fact that Jay was out shoveling snow while I was finishing up this newsletter, Spring has sprung here at Flourish Wealth Management and we are certainly grateful for it! With many milestones, news features, events and professional development experiences to share, it is hard to know where to begin. Along with the recent launch of our new website, we have rolled out quite a few professional initiatives to help the Flourish Team maximize our strengths and work together effectively. We were fortunate to have a colleague and friend guide us through the Clifton StrengthsFinder process in order to help each member of the Flourish Team discover their greatest natural talents and explore how we can most effectively integrate those strengths as a team to accomplish our shared goals.

We will celebrate our 5 year anniversary on April 16th and it has given me pause to reflect on how much has been accomplished in these past five years. I am proud of the growth of Flourish Wealth Management, grateful for the growth that I have experienced as a leader, and incredibly appreciative of the client and professional relationships we have developed. This has been a great opportunity to Flourish!

We will be participating in two important community events this May and we are looking forward to both of them immensely. [The YWCA Circle of Women](#) is an event that we have sponsored for the last few years, raising awareness and support of this great organization. Celebrating the power of women, children and families in our community is something I and my team care deeply about. The mission of the event is to create unlimited possibilities for all while working to eliminate racism and empower women and girls. For more information on the event and to donate or register to attend, visit: <https://www.ywcampls.org/event/circle-of-women/>. The other event we are participating in is [Noche de Colores](#) which supports the children and families of Guatemala who are committed to changing their lives in partnership with Common Hope and ending the cycle of generational poverty. To learn more about this event and to donate or register to attend, visit: <https://www.commonhope.org/noche/>.

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We will be sharing two articles from members of our team in this quarter's newsletter. Nicole Swanson is engaged to get married later this year and recently wrote an article on the financial planning aspects of marriage including how to approach finances, communication and merging money, savings, debt investments and more. Congratulations Nicole! In addition, Jay Pluimer will share his quarterly market commentary. I hope the spring season sheds much needed warmth and sunshine on us all. Enjoy!

Q1 2019 QUARTERLY ARTICLE

Getting Married...

Next Steps After the Big Day



By: Nicole Swanson, ChFC[®]
Wealth Manager

Planning a wedding can be a lot of fun! There is the excitement of picking a venue, inviting all of your friends/family, and planning the honeymoon. But there is also a ton of work involved and the work doesn't end once you are married. After the big day, there are many things to consider updating, such as beneficiaries on accounts, your legal name, identification, and estate planning documents. I am currently in the process of

planning my wedding, which will take place later in 2019, and I wanted to share some of the items on my checklist that are relevant to our long-term financial plan. Below are some things to consider.

Combining Finances: Many people have their own way of combining finances after marriage. The most common way is to open joint accounts, such as checking/savings, where all income and expenses come in and out of the same account. Depending on your bank, you can likely use one of your existing bank accounts and add your new spouse to it. I suggest using

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the bank account that has the most autopays set up on it already as those can be a pain to update. Getting on the same page for how you will pay bills and who is responsible for which bills will make things a lot smoother for both of you. This can be a difficult process as each of you likely have your own way you go about paying bills and budgeting. So, this step can take some time in getting used to each other's styles and it's an opportunity for a productive money conversation to explain why and how you handle finances.

Home and Auto Insurance: If you haven't combined home and auto insurance together yet, this is the time to do it as you will get a better rate once you are married and by bundling all of your insurance needs. An umbrella insurance policy may be worth considering too as this can provide additional liability protection on top of home and auto insurance limits. These policies are typically fairly cheap as you can purchase \$1 million of coverage for ~\$200/year.

Identification: If you plan on changing your last name, you will need to update your Social Security Number (SSN) card, your Driver's License, and your Passport.

Name Change: If you plan on changing your last name, you will need to update your name with all institutions you have accounts with, including credit cards, bank accounts, investment accounts and retirement accounts once your new Driver's License has arrived.

Account Beneficiaries: You will likely want to update your beneficiaries listed on all investment accounts, retirement accounts and life insurance policies to be your new spouse as the primary. You can add a contingent beneficiary too, which is the beneficiary if the primary beneficiary is also deceased.

Estate Planning Documents: These are documents/topics that many people don't enjoy thinking about, but they are incredibly important to have.

- a. **Power of Attorney** - This document puts someone in charge of your finances if you are ever incapacitated. You and your spouse will likely want each other to be your "attorney in fact" if you are ever incapacitated. You can also add successor attorneys that will be your "attorney in fact" if your spouse is also incapacitated. This document will need to be notarized and you should keep the original in a safe place as well as provide a copy to any agents that you have appointed.

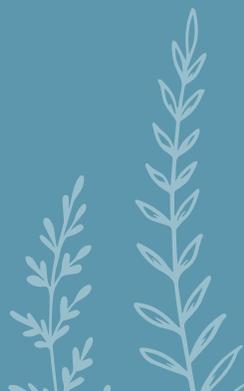
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If you ever move states, you will need a new Power of Attorney as they are not valid in other states.

- b. **Health Care Directive** - This document spells out your wishes on life sustaining treatments, organ donation and more. Again, you will likely appoint your spouse as your representative to execute your wishes if you are ever incapacitated. It is important to have successor representatives on this document, too. Depending on the state you live in, you will need to get this document notarized. You should keep the original and provide a copy to any appointed representatives and your doctor.
- c. **Will** - You can create a will describing what you want done with your assets upon your death. It is very important to have a will in place if you don't have beneficiaries listed on all investment accounts, or if you own a home, or especially if you have children. If you have children, a will is where you will appoint a guardian if anything ever happens to both of you.

Getting married is really exciting, but some of these items to complete once you are married can be boring and tough to talk about. They are also really important to do because completing these items will make things much easier down the line. Plus, once all of these are crossed off your checklist you can spend more time enjoying a new life together with your spouse.

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Market Commentary

First Quarter 2019



By: Jay E. Pluimer, AIF[®], CIMA[®]

Director of Investments

After a very difficult ending to 2018, the markets made a large recovery to start 2019. In fact, the 13.1% return for the S&P 500 Index was the best quarterly return since the third quarter of 2009, and the best first quarter since 1998. The big momentum change actually started at the end of 2018 with a combination of optimism that the US and China would reach an agreement to avoid a trade war along with comments from the Federal Reserve that future interest rate

increases may be less aggressive than anticipated. Since a trade agreement between the US and China is still pending, hindsight indicates that comments from the Fed had the biggest market impact. In fact, the general expectation in early December 2018 was that the Fed would increase rates 2-3 more times in 2019 after moving rates up to the 2.25% to 2.50% range. It takes some reading between the lines, but the big change is reflected in statements from Fed Chair Jerome Powell on December 19th that rates were at “the lower level of neutral” to comments on January 4th that slowing global growth would allow the Fed to “be patient as we watch how the economy evolves”. Economists are paid a lot of money to differentiate between those quotes and make substantive forecasts, but the real world implication is that the Fed is no longer expected to raise interest rates in 2019 (there are even some who predict a Fed rate *decrease*) meaning more stability for investors which provided a launching pad for a strong start to the year.

The changing market momentum hasn't made an impact on our long-term investment approach, but it has created a shift in our daily portfolio management focus. We were capturing tax loss harvesting opportunities at the end of 2018 and rebalancing client portfolios from Bonds into Stocks

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to maintain target allocations. Now we are making sure that Stock exposure doesn't go above our risk tolerance. Although there isn't a clear consensus on what the markets will bring for the remainder of the year, most investors expect that a combination of geopolitical concerns could create significant market volatility while slowing growth rates may limit additional upside. Key geopolitical issues continue to center around the potential US-China trade war, Brexit, and the Middle East. Growth rates have slowed in the US, China and Europe to start the year and projections are not optimistic for the next quarter or two. At this point we don't see anything pointing to a recession in the near term and we will continue to focus on maintaining diversified client portfolios with cash flow planning as an important consideration. Hopefully we can continue to find a "goldilocks" scenario where markets don't get too hot or too cold.

For more information on investments and the markets this quarter you can look at our [Quarterly Market Review](#).

CONCLUSION

As always, we are here to listen to our clients and share our perspective. We hope that our newsletter and articles provide you with inspiration and useful information. We encourage you to share our resources with family and friends who you think would benefit from them. Happy Spring!



Sincerely,

Kathy Longo & the Flourish Team