Wilson Advisors Financial Briefs   November, 2018

Wilson Advisors, LLC

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Wilson Advisors, LLC

"We align your behaviors with your intentions."

Did You Know?

Did you know that 40% of small business owners have $0 saved for retirement? That is a startling statistic! Many business owners believe that they don't have time to plan for retirement, they put every cent into their business, their business is their retirement plan, etc. By thinking that their business is their retirement plan they violate one of the key rules in retirement planning...don't put all of your eggs in one basket! The business may be doing well now but have they answered some of the key questions? How much is the business REALLY worth? When and how will I exit the business? What happens to the business if I become disabled or pass away? What happens if competition suddenly moves in? Wilson Advisors can help in all of these areas. We are experts in retirement planning, and our partners are exit planning and succession planning experts. If you are a business owner, call us for a free consultation.

Social Security Corner

If I turn 70 years old and begin collecting Social Security benefits and continue working, will my income impact the calculation of my benefits?

Once you hit full retirement age, your income will no longer reduce your Social Security benefits. As a result, you will receive your full Social Security check each month. Earning an income, however, can impact the taxability of your Social Security benefits.

For those living exclusively off of Social Security in retirement, their Social Security benefit is generally tax-free. As you earn more income, however, your Social Security will begin counting as taxable income. You can have between 50% and 85% of your Social Security benefit taxed as income.

To determine the taxation of your Social Security benefit, start by adding the following numbers

Social Security Corner (Continued)

Income
+ 1/2 of Social Security benefit
+ Non-taxed interest (such as municipal bonds)
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- If the total of these three items is below $25,000 your Social Security is tax free. ($32,000 if filing Married Filing Jointly)
- If the total is between $25,000 and $34,000 you'll need to add 1/2 of your Social Security benefit as taxable income ($32k to $44k MFJ)
- If the total is above $34,000 you'll need to add 85% of your Social Security benefit as taxable income (above $44k MFJ)

https://www.ssa.gov/planners/taxes.html

Contributed by: Kevin Janeway

Who's Who, Finding the Right Financial Advisor

The financial world is full of various advisor names that are used interchangeably, so it becomes very confusing for the consumer. Two of the most commonly used are Registered Representative and Investment Advisor Representative.

A Registered Rep is sometimes called a broker, wealth manager, financial advisor, etc. They can typically handle stocks, bonds, ETFs, mutual funds, options, life insurance products, etc. However, a Registered Rep. will typically provide non-continuous point-in-time help and investment services. They are paid a commission for that help and they have a "know your customer" type of suitability.

An Investment Advisor Representative is sometimes called a Financial Advisor, Wealth Manager, etc. They typically offer mutual fund "wrap" accounts, separately managed accounts with outside managers, and investment advisor representative managed accounts. They provide continuous advice on investments and other financial-related matters. They are typically paid on a fee-basis and their standard of care is that of a fiduciary since they are giving investment advice on a continuous basis.

When finding the right advisor for you, you need to first ask **yourself** some questions. Do you want a simple account with infrequent trading activity, limited reporting, occasional recommendations, a suitability standard of care and paying a fair commission? This type of account can be lower cost than fee-based but with a lower service level. Or do you prefer ongoing advice and oversight, with an advisor that will act on your behalf with detailed reporting and account monitoring, a fiduciary standard of care and an acceptable ongoing fee for those services. This model can be higher priced over time for the consumer but provides more services and may result in better returns.

Along with the questions that you need to ask yourself there are several questions that you should be asking your current advisor or a new advisor. The key here is to listen to their answers and to see if what they provide is a good match for you and your situation. There are too many questions to cover in this article but the list of questions gets to the heart of the matter of how they will service your needs and how that matches your situation. I will cover these questions in next month's issue of WAFB. In the meantime if you are interested in learning more about the questions to ask your advisor or prospective advisor, please contact me and I will review those questions with you one-on-one. (734) 864-7440 X102

My Adopted Charity for 2018

The Hope Network is a Christian organization in Michigan that helps people with disabilities live independently. Check out their website for more details!

Toll Free: 800.695.7273
https://hopenetwork.org

Brindley's Market Commentary

Wow! What an October. As I mentioned in the October newsletter leading up to the election, "Hang on it is going to be a wild ride!" As it turned out it was a little wilder than I expected! The market doesn't like uncertainty and we certainly have uncertainty leading up to the election. My belief is that after the election the market will start to recover. I don't expect an instant recovery but more of a slow recovery back to new highs sometime in 2019. Performance over the past few years has been in the growth stocks and growth mutual funds. Many analysts believe that value stocks and value mutual funds will start to outperform growth in the coming months and years. I personally agree with that belief and will keep a close eye on how that plays out in the coming months.

We have seen a downturn of just under 10% in the market as of this writing on October 30. This is a healthy adjustment in the market and I believe that the fundamentals are still good. The market was a little overbought but now with this adjustment appears to be oversold. That does not mean that if you got out of the market that you should jump back in at this time. Many times markets continue down even after signs that the market is oversold.

As always, we will continue to watch the market and make adjustments that we believe are in the best interests of our clients.

It would be an inconvenient rule if nothing could be done until everything can be done. – Winston Churchill