



## Measuring Success Newsletter

### January 2017

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*CERTIFIED FINANCIAL PLANNER<sup>™</sup>*



Happy 2017! It is brand-spanking-new! One of my favorite things about beginning a new year is getting a new Planner Pad (one that is tidy and empty). It gives the illusion of control. While it is up to me to define my activities, books to read, educational programs to attend, and my personal schedule, I now realize that the unexpected will occur anyway. These changes can impact our lives in drastic ways.

As a financial planner, I have learned to control the things I can and let go of the things I cannot. This is what we try to do for you.

We look forward to being intentional about our financial planning reviews. We want to know what your aspirations and concerns are, so we can develop a strategy with you to accomplish your goals. Additionally, we will be sure you understand how you are paying us and how those fees are calculated.

This year, I will celebrate my 35th year in this industry and in business for myself. I must say, it is daunting. My plan is to continue working as long as I can rise to the challenge. My guess is that I will easily work another 10 years. Though seemingly far away, I have begun training the next generation of

advisors to take care of you. (Remember, whoever takes over my practice will have me for a client, so I want them as knowledgeable and hard working as you do.) Before an advisor can meet with and render advice to a client, they must be appropriately licensed (which means they can "sell" the products). At Phillips Financial, they must also have 5 years of experience and have the CERTIFIED FINANCIAL PLANNER™ certification (or Chartered Financial Analyst if running a portfolio).

We use the team approach, which means that all of us in some way or another work on each of your cases. Currently, Lauren and I work on the financial planning strategies together and we are making arrangements to add a registered assistant (who will join us as support for the investment research and plan design).

We cannot begin to tell you how valuable you are to us! Without you, we wouldn't have a reason to do the vocation we love. Happy New Year!

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### **Addressing Your Feedback**

For each of you who filled out our survey and gave useful feedback, we thank you. Here are the things we will address as a result of your feedback:

1. Helping you understand fees (assessing them annually and helping you understand how they are determined).
2. Communication of our planning for the firm and future succession.
3. Resolving any issues that arise/ Additional opportunities to routinely give your feedback.

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### **Market and Economic Outlook**

Riverfront's Rod Smith calls 2017 a "passing of the baton" year. Lots of changes are in the making. At the Advanced Planners Study Group Conference, Bob Rice spoke and said that we are no longer in a market driven world but more a policy driven economy, so watching policy is important. And boy, will we have some changes.

As I write this column, Ford made a decision not to build another plant in Mexico, opting to build in Michigan. This is an example of the anticipated change in policy that the Trump Presidency will bring. I am almost hesitant to state other expected changes, because no one knows what will come about or exactly how it will look. From the onset we expect the following:

1. Increases in interest rates, inflation, and growth.
2. Less regulation in some industries.
3. Infrastructure building.
4. Tax cuts.

### **Asset Allocation and Why Bonds Are Still Appropriate**

With this said, remember that our portfolios are built within an asset allocation framework. So, you will not have your money running from asset group to asset group to try to catch a winner. Instead, we will keep you positioned so you have the diversification to give you exposure to the winners, but also keep you grounded, in the event of the unexpected.

Additionally, with the prospect of rising interest rates in the U.S. and relatively weak performance for fixed income in recent months, you may be questioning the role of fixed income in your portfolio. Fixed income investments may not provide the same yields and returns as they have in the past. However, they continue to play a role in helping offset potential downturns in equities.

Your portfolio managers know this and are prepared, making moves to areas in the bond market they think best for this environment.

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### **Department of Labor Rule**

In April, the Department of Labor Rule related to fiduciary standards becomes effective. With all we've learned about the rule thus far, advisors will need to prove the four major areas in which they effectively manage qualified assets.

1. Identify the client's Investment Objective (IO), then define what that means.
2. Align all investments in each IRA to meet the IO.
3. Document advice given.

4. Review every IRA, then start the process over again.

Because we always approach our advice from a financial planning standpoint, this puts our firm and clients in a good position moving into this new territory and we are hopeful there will be minimal adjustments needed.

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### **Clemson, Alabama Vie for College Football Crown in Raymond James Stadium**

When No. 1 Alabama and No. 2 Clemson face off for their second straight College Football Playoff National Championship, Raymond James Stadium will be in sharp focus in millions of households. The stadium, named for Raymond James Financial when it opened in 1998, is located only 13 miles from the firm's international headquarters.

The stadium can accommodate more than 75,000 with expanded seating and is known for its 103-foot replica of an early-1880s pirate ship featuring eight cannons that blast when the home team Tampa Bay Buccaneers score during regular season games. Having broken ground in 1996, Raymond James Stadium is also home to the University of South Florida Bulls as well as the Outback Bowl and has hosted a number of star-studded musical productions.

In addition, Super Bowl XXXV and Super Bowl XLIII were played at the stadium, which boasts the second-longest continuous active stadium naming rights partnership in the NFL. Raymond James' long-lasting relationship with the Buccaneers and the league extends beyond the stadium and into the community through programs such as Sack Hunger, a food drive that helps feed thousands of hungry families each year, and Kicking for Kids, which benefits children's hospitals in Tampa, St. Petersburg and Orlando.

Last year, the 13-1 Alabama Crimson Tide won the CFP National Championship title, holding off the undefeated Clemson Tigers 45 to 40.

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**Tax Returns, 1099s, and K1s -  
Oh My!**

**Important Dates**

January 16th

The dreaded 1099 and K1 season is almost here. Beginning this tax season, C corporation's tax deadlines have changed from March 15th to the same as individuals (April 15th), so plan for tax documents to potentially arrive later.

For those with more sophisticated investments (many of our clients), consider filing an extension. We have been told by several of our CPAs, they recommend the standard practice of filing an extension for their clients with more holdings. This allows time to receive the information needed and work through the client's file appropriately, giving it the attention it needs.

If you plan to file an extension, please let your tax advisor know, so they can coach you on what to do as far as paying estimated taxes, etc. In this case, instead of filing every March or April, you might now file every May or June.

The deadlines for 1099s and such were put into place when corporate and investment filing was much simpler and products were different. As investments and regulations have evolved, the reporting has become much more complicated, making it difficult for companies to get the 1099s and K1s to clients early.

As always, we will keep you updated on when you should receive 1099s and

4th Quarter 2016 Estimated Tax Payments Due

**April 18th**

Individual Returns for 2016 Due  
Extension Forms Due  
1st Quarter 2017 Estimated Tax Payments Due  
IRA & Roth IRA 2016 Contribution Deadline.

**June 15th**

2nd Quarter 2017 Estimated Tax Payments Due

**September 15th**

3rd Quarter 2017 Estimated Tax Payments Due

**October 16th**

Extended Individual Tax Returns Due  
Last Chance to Recharacterize 2016 Roth IRA Conversion

**January 15th, 2018**

4th Quarter 2017 Estimated Tax Payments Due

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## **Commentaries We Love**

### [Freedom Commentary](#)

by Nick Lacy, CFA, Raymond James VP of Asset Management Services

### [Weekly Economic Commentary](#)

by Dr. Scott Brown, Raymond James

if requested, we will e-mail them directly to your CPA.

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## Required Minimum Distributions

**Gifting:** For 2017, there will be a minimum of \$500 for gifting to a non-profit directly from your IRA.

**Automatic RMDs:** One way to keep track of your RMD each year (Starting at age 70½), is to schedule an automatic withdrawal. Our system at Raymond James will keep track of your RMD amount (and federal taxes to withhold) each year. You'll never need to worry about your RMD again because it'll happen at the same time every year. This is possible for Traditional, Simple, SEP, and Beneficiary IRAs.

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## Technology Enhancements

**E-signature:** Moving forward, E-signature will be our standard way to process paperwork. It is made for your convenience and for secure and improved processing speed through

Chief Economist

## Investment Strategy

by Jeff Saut, Raymond James Chief Investment Strategist

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## Blog Updates

[The Election and The Economy](#)

[Social Security Increased Benefits by 0.3% for 2017](#)

[When Your Children Leave Home, Will You Save More for Retirement?](#)

[The Uncovered Costs of Increased Longevity](#)

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## Join Starkville Bridges for a Day 1 Training!

During this training, attendees will gain knowledge about understanding the causes of poverty, exploring concrete experiences of people in generational poverty, and how adopting the Bridges constructs can lead to better collaboration and aid in the fight to eradicate poverty.

our home office.

**Become a Paperless Household:**

You now have the option to be a completely paperless household using one spouse's Investor Access login (without having to create a secondary username and password).

The training will be held on January 28th, 2017, at Starkville Church of Christ (613 East Lee Blvd, Starkville) from 9 a.m. – 4 p.m. Admission is \$50, which includes lunch and materials. To register and purchase your ticket, [click here](#). For more information, please contact Kim Coble at 662-648-9406.

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**Thank you for reading!**



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