

What is Important to You About . . .

Financial ~ Mental ~ Physical ~ Spiritual ~ Social

NEWSLETTER

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"Obstacles do not block the path. They are the path."

~Zen proverb

After reaching a new high just before the end of last January, the S&P500 has spent the last 4 months climbing out of the hole it dug at the beginning of April. Since then it has continued to move to the upside with a series of advances followed by pullbacks and then another advance. During that time, it tested critical support levels at least 4 times and each of the rising trends saw higher highs and lower lows. All good technical indicators of a strong economy and relatively optimism on behalf of investors.

Working consistently against this trend has been the concerns over trade tariffs and the potential trade war it could ignite. One look at a stock market chart for the S&P500 will reflect how this worry has impacted the stock market. After a relatively calm year in 2017, volatility in the stock market has returned in a big way. The most often cited measure of volatility, the CBOE Volatility Index or VIX, has averaged 16.94 so far this year. That compares to a VIX of 11.85 for all of 2017. The 2018 number is still a very reasonable number, but we were quite spoiled in 2017!

Also weighing in on investors' minds is the continued gradual increase in the interest rate as the Federal Reserve has increased the cost of borrowing. From the beginning they have been very transparent about their intentions and the rate hikes have been measured, and modest. Yet investors worry about the cost of money. Here is a news flash: we have enjoyed some of the lowest rates in history for an extended period of time (2008 – 2015). In 2006 the Feds had set the interest rate target at 5.25%. Today the upper range of the target is 2.0%. As low as that number is you would think the investment community would be more relaxed about rates, but they are not.

As of the first of August, nearly two thirds of S&P 500 companies (65%) have reported 2018 Q2 earnings and the quarter is on track to set new records. Companies are beating high earnings expectations at a record rate and earnings growth is expected to be the strongest second quarter since 2010 Q2. Another little bit of information related to the second quarter earnings is that Apple Inc. (AAPL.OQ) just jumped into the lead over Amazon to become the first company to be valued at \$1 Trillion!

There has been some worry on the earnings of the FAANG stocks. These stocks Facebook, Amazon, Apple, Netflix and Google are the big boys in the technology index and they have been leading the charge in the markets for several years. With this last earnings season, 2 of the 5 disappointed and the tech heavy Nasdaq index faltered. Is this a change in market direction or a mid-term correction? As always we will let the markets make that call and we will await the reaction.



The Battle Against Loneliness

By Sara Elizabeth Adler (www.aarp.org)

When it comes to your health, loneliness may be as bad as smoking and worse than obesity. That's the conclusion from the journal *PLOS Medicine* of nearly 150 studies on social relationships and mortality. Researchers also found that people with stronger social relationships had a 50 percent increased likelihood of survival than those whose relationships were weaker, meaning that maintaining a social life isn't just good fun — it's good for you.

Earlier this month, we asked readers to share how they stay connected. Here's what they had to say.

For some, strong social connections start at home. "I look forward to every other weekend," wrote Kathy Brodock. That's because she spends this time with her grown children and granddaughters. For grandparents and grandkids in particular, the benefits of quality family time go both ways. Studies show that grandparents who help babysit live longer, while children whose grandparents are involved in their upbringing report greater levels of well-being.

For others, new activities were the key to making connections. "I retired at 58 ten years ago filled with anxiety and depression," wrote Chuck Fink. "I started a men's group based on open personal disclosure and social networking." Now, he said, there are 15 groups in his city.

Many readers said that volunteering helped them get involved. Ramona Kemberling fosters kittens for her local animal shelter and volunteers at their fundraisers, while Tony Triche volunteers part time doing homeless outreach. Research shows that those who spend time serving and supporting others experience significant benefits to their physical and mental health — and starting small can make a big impact. Just two hours of volunteering a week are all that's needed to have a positive effect on your life and health.

Some activities, like exercise, offer the chance to bond with people with like-minded interests in addition to the health benefits. "When I cut way back on my work schedule, I started attending the Silver Sneakers exercise classes offered in my area," wrote Carol Cochran. "Class members range in age from 55 to 90. Everyone works at their own pace. Made lots of interesting new friends." Marcia Sherman's experience was equally beneficial. "I joined the Y senior aquatics group," she wrote. "I've made new friends. Six of us went on a cruise together in April."

Exercising your brain — whether through classes, clubs or other forms of learning — has similar upsides. Gloria Miles wrote that she's an "avid reader" who remains active largely through her church, where she's a book club member and teaches Sunday school. She also attends classes geared toward those 50 and up at a community college. According to the American Association of Community Colleges, she's in good

company. It estimates that 10 percent of community-college students are 40 or older.

Connections don't have to happen face to face to count, either. For many readers, social media is a way to stay in touch with friends and loved ones. "I appreciate how Facebook has enabled me to reconnect (or stay connected) with so many people from my past," wrote Kevin Carroll. "I live in Northern California, but my friends (not virtual) live in Jamaica, Japan, the Bahamas, Ireland, the Philippines, and in all corners of the USA." For those who want to improve their skills, technology training classes can provide the tools to start connecting digitally.

You don't have to wait to feel the effects of loneliness to take action. For Chris Knoblauch, being proactive was key. "I saw how isolated my mom became," he wrote. So, in anticipation of retirement, he joined clubs, connected with old colleagues, and started taking online classes. "I will be retiring in three years," he wrote, "but should be in good shape for that."

Experts agree that planning for retirement means more than managing your finances. It's a process that should also take into account the connections you want to cultivate going forward. Tom Sightings, author of *You Only Retire Once*, calls companionship one of the four horsemen of retirement. "If you're going to ride on to enjoy retirement in paradise," he writes, your companionship needs must be "considered and conquered."

To keep your social connections strong, take a two-part approach: Nurture existing relationships and hobbies while seeking out new activities and ways to connect. "I think the key to connection is looking for the great things life has to offer," wrote Sue Stephens. "A positive outlook goes a long way in staying connected."

Market Statistics

	7/31/2018 Close	Change YTD
Dow Jones	25,415.19	2.82%
NASDAQ	7,671.79	11.13%
S&P	2,816.29	5.34%

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7 common estate planning disasters and how to avoid them

By Michael Feinfeld (www.marketwatch.com)

An approximately \$30 trillion transfer of wealth is currently under way in the U.S. as aging baby boomers pass their assets to successive generations.

This transfer, together with the recent increase to the lifetime federal estate and gift tax exemption (to \$11.18 million in 2018), has created a favorable situation for U.S. citizens and residents seeking to transfer wealth to their loved ones during lifetime and at death. Despite the encouraging estate planning horizon, we still see many who make common mistakes which can thwart their intentions.

Dying without a will. Many fewer adults have a will than should. For individuals who are unfortunate enough to die intestate (without a will or living trust), the price can be high. State and local laws determine who manages and inherits a deceased person's property that is not transferred by a beneficiary designation or by law. Family members who are entitled to inherit an intestate decedent's estate often have to spend significant amounts of additional funds proving their relationship to the decedent or setting up guardianships or trusts for minors or disabled beneficiaries.

Moreover, relatives whom a client may not wish to benefit may inherit their assets, and disabled heirs receiving government benefits such as Medicaid or Supplemental Security Income could have their benefits terminated or disrupted.

Neglecting to plan for incapacity or disability. It is equally important to establish documents appointing agents to manage one's health care and business affairs in the event of incapacity as it is to have a valid will. Health care proxies and durable powers of attorney are typically the primary means of appointing agents to make health care and business decisions in the event of incapacity, whether temporary or permanent. Without these documents, state and local law will determine who can make health care decisions and a guardian may have to be appointed to permit financial and health care decisions to be made for an incapacitated person.

Trying to 'DIY' important documents. Documents or plans made by clients who think they can accomplish their planning on their own or from self-help websites are frequent sources of estate planning mistakes. Often clients ask whether their printed form or handwritten document can constitute a will, durable power of attorney or other estate planning document. Even if the document form itself is valid, very often the client will not know how to correctly execute the document. An improperly performed will execution ceremony, for example, invalidates the instrument. There is generally no substitute for hiring a

qualified attorney to ensure that one's documents are properly drafted and executed.

Improper beneficiary designations and joint accounts. Bank and brokerage accounts with beneficiary designations (such as transfer-on-death or in-trust-for accounts) or accounts that are jointly owned are often attractive because they will automatically transfer to the beneficiary or joint owner at death. Clients who are unaware that their wills do not control the transfer of these accounts at death often title their accounts without paying attention to how the transfer fits into their entire estate plan. For retirement accounts such as IRAs or 401(k) plans, properly designating beneficiaries is essential to avoid the loss of further income tax deferral at death. Clients engaged in estate planning should consult their attorney about all of their account titling and beneficiary designations to ensure that such designations reflect their plan's design and do not circumvent it.

Not re-examining an estate plan. People should not create and forget about their estate plan, as changes in the law or family structure can invalidate prior planning. For instance, the birth of a child, marriage, death or divorce will normally change the emphasis of a plan, whereas an increase in the amount that can pass free of estate and gift taxes may change the type of documents needed. To avoid obsolescence, families should typically re-examine their estate plan with an estate planning professional every five to seven years or after a major life event such as a death or a marriage.

Forgetting that multiple marriages need planning. Entering into another marriage and blended family situations can be stressful, so couples getting remarried often do not create agreements to determine how their assets will be divided at their deaths. Without proper planning, a surviving spouse or children and grandchildren from a prior marriage can be left penniless or without proper resources upon the death of the first spouse. Creating trusts, buying additional life insurance and titling joint accounts can be an important means for second spouses to provide assets for each other as well as their descendants at death. Planning ahead can help ensure family harmony and reduce costly litigation.

Keeping secrets from your estate planner. Sometimes people are reluctant to provide complete information regarding their family or finances and only provide incomplete or vague details. An accomplished estate planner may be able to make suggestions that will avoid future family conflict, increase the value of an estate and

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Foam-rolling: Total Body Benefits

Courtesy of Brynne Elliott (www.muscleandfitness.com)

If you are still of a mind that foam rollers are for everyone else, then you are missing out on one of the most effective tools at your disposal for physique-building, recovery and injury prevention. Rollers are the most popular mechanism for self-myofascial release, or SMR, and are gaining popularity among elite athletes of all walks because of the drastic and usually immediate impact it has on their performance and overall health. Here are some of the most frequently discussed aspects of SMR as it pertains to dedicated lifters.

What is self-myofascial release? Self-myofascial release is often called the “poor man’s massage.” Myofascial release is a hands-on technique that therapists have been using for years. To achieve this release, a therapist would apply a low load, long duration dragging force across layers of soft-tissue in the body. After a period of time, through some different mechanisms in the body, the body will “release” the tissue and mobility between those sliding surfaces is restored. To make these changes on oneself, a foam roller can be used *in place of* therapist’s hands. While the foam roller will never completely replace therapists, it serves as a great alternative.

What are the benefits of SMR? SMR can have a wide range of benefits for the everyday gym-goer. Some of the basic, most obvious benefits will be increased blood flow throughout the body, better movement and increased range of motion. These benefits can decrease the chance of injury and decrease recovery time after a workout. A decreased recovery time means more training sessions per week/month and results can come quicker. Increased circulation is huge for recovery and greater ROM means you get to work muscles more thoroughly on lifting days.

What are the most basic things you can do on the foam roller to start seeing performance benefits? The first thing to do to start seeing results is to foam roll your calves. Most of the things we do negatively affect our calves. From the shoes we wear to the way we sit in a chair, our calves are in a shortened position most of the time. This limits the range of motion of the ankle and reduces function up the rest of the body. To address this, begin by placing one leg on the roller, then place the other leg on top of it. Raise the hips and slowly begin to roll to the knee. If you find an extra tender spot, stop and hold. After about 20 seconds continue to roll through the area four times. Then set the hips on the ground and rotate the leg four times side to side.

The second best thing is to foam roll the quadriceps. Again, from the things we do, this area can become shortened and affect the function of the hips and put additional stress on the low back. Begin by lying down in a plank position and place the GRID Roller just above the kneecap. Slowly roll down (about an inch per second) towards the hip. If you find

a tender spot, stop and hold for about 20 seconds. Then resume the rolling. After four rolls, bend the knee 4 times. Make sure to breathe through all of the rolling.

The third best thing to do is foam roll the upper back, the thoracic spine. This area is designed for rotation and extension. With the postures most people are in, this area gets stuck. Begin by sitting on the ground and lay back to where the roller is just below the shoulder blades. Support your head with your hands and lean back into slight extension. Raise the hips and begin to roll towards the shoulders. Make sure not get pressure onto the neck. This area normally does not feel as tender as the others but if it does, again feel free to stop and hold pressure on one spot. Roll through the area of the spine four times with the hips up. Then, set the hips down and perform four crossfrictions, by mimicking an oblique crunch (side to side) with pressure on the roller.

When should SMR be done? Pre-workout as part of a dynamic warm-up? Post-workout? Both? In a perfect world SMR would be done both before a workout as part of a dynamic warm-up and as part of a cool down. As part of the warm-up, it should be the first thing done, before any stretching or cardio. Here, it serves to get the blood flowing the areas that maybe aren’t receiving as much blood flow and helps to reduce tension in muscles. As part of a cool down, the rolling helps to flush out blood that has pooled in the working muscles and allows fresh nutrients and oxygen to come in and begin the healing process. If one is limited with time (as most of us are) and can only choose one time to roll, pre-workout will get them the best results. For the benefits stated earlier, rolling for as little as five minutes before a workout can have a great impact on the quality of each training session.

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minimize taxes. These objectives are not possible, however, if the planner doesn’t have accurate financial information or a complete picture of the family dynamics. Often involving other professionals (like a financial adviser) and developing the relationship with the attorney will provide the necessary background to formulate the proper strategy.

The key to avoiding costly estate planning mistakes is generally a willingness to spend the time and the resources to ensure the family is protected in the event of their death or incapacity. Often, a little time and money spent planning can prevent spending a lot of time and money later correcting planning errors.