



**LILANI WEALTH MANAGEMENT**  
*educate. empower. experience.*

## FINANCIAL TEA TIME

*Your freshly brewed cup of financial updates*

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### **Greetings!**

According to a study by the National Alliance for Caregiving and AARP, approximately 43.5 million caregivers provided unpaid care to an adult or child over the previous year. Most caregivers feel ill-equipped, and the myriad of responsibilities and decision-making takes a physical and emotional toll on the individual. 45% of caregivers report having serious chronic conditions including heart attack, heart disease, cancer, diabetes, and arthritis. ([www.dailycaring.com](http://www.dailycaring.com))

Join me this month for "The Prepared Caregiver", a workshop for current and future caregivers. I will provide education and resources on how to carry out your responsibilities more effectively while protecting your own emotional, physical and financial well-being.

Click [here](#) for more information.

Enjoy this month's newsletter.

### **Economic and Market Review**

There's the ongoing tweet storms, chaos in the White House and most recently, spat with North Korea. All of that coming out of D.C and yet the stock market (as of the writing of this newsletter) seems to be chugging along.

Here's some data to add some perspective. According to Ned Davis Research, the total market value of some 3,900 U.S. common stocks was about **167%** of our nominal gross domestic product during the 2000 tech bubble. Similarly, the same value was **125%** in 2007. As of the end of July of this year, that same value is now at around **140.5%** of our nominal GDP. For bench-marking purposes, consider that this market value had shrunk to **57.6%** in early 2009, right before the beginning of the current bull market.

But why? We ask. Why does the stock market keep hitting new highs. The disconnect between Washington and the market is now disconcerting. There are several theories. One of them I'd like to mention here is by Mike O'Rourke, Jones Trading's chief market strategist. "Failing to recognize the structural shift in the U.S. economy at the turn of the century, the Fed has been mistakenly chasing 20th century 3.5% GDP growth in a 2% GDP growth U.S. economy. The excess has wound up in asset prices" he says. There's some not so good news embedded in there.

Let's take a closer look at "market highs." The Dow Jones Industrial Average crossed the 22,000

point last week and there was much press and fanfare. However, presuming the DJIA to be a representation of the macro stock market can be a folly as it only has 30 stocks; all large cap, all U.S. More so, they are weighted by price, so when there is a rally in Boeing stock, followed by Apple, the benchmark can give skewed results, providing the perception of total stock market strength. A more accurate representation would be the S&P 500 due to the varied size and market capitalization in its stocks. And this benchmark is not moving much in either direction.

The next few weeks (if not months) will prove to be critical for several reasons. While a significant decision has yet to be reached for the healthcare reform, Senate Republicans have said they would focus on tax reform in the fall. In addition, the debt ceiling will have to be raised by the Congress, otherwise the Treasury will run out of money.

And while the U.S. and global economies are growing, perhaps moderately, and earnings and jobs reports have surprised on the upside, any of the factors looming over Washington will eventually have an impact on the stock market. And top of mind is the threat of a strife with North Korea. Strife may even be putting it mildly.

### **Help Your Family Plan Your Care**

Avoid misunderstandings by planning now for the day you can no longer care for yourself.

Becoming increasingly dependent on others for the normal activities of daily life can be a harsh reality. It can be even harder to admit needing help. Creating a plan for how you, your family and your medical professionals will handle that possible scenario can alleviate misunderstanding and confusion when a crisis arises. Here are six tips to help you prepare:

1. Pick a point of contact. One sibling or other close relative should be in charge of communicating with doctors. This person should have a health care power of attorney for you.
2. Find a family-friendly primary doctor. You likely receive care from multiple specialists. Decide on or find one doctor to be the primary medical resource for your family. Make sure reports from specialists are being sent to the primary doctor. If you live a distance from your family, consider asking your doctor if he or she is willing to communicate via email.
3. Create a central storage place for vital documents, including medical records, your Social Security number and health insurance policy information. In an emergency, you or your family don't want to be digging through decades of files to find what you need. Hard copies should be duplicated and stored in at least two fire- and water-proof locations. Digital imaging and storage services offer a convenient place to access files remotely.
4. Talk to your family about long-term care insurance. Nursing home costs continue to rise faster than inflation and can quickly deplete your savings. Generally, long-term care premiums increase as you age, and you may not be approved for coverage at all if you wait to acquire the insurance.
5. Create a care circle. Particularly if you live more than an hour or two away from your family, a network of neighbors, church members and friends can give you some reassurance that

others will be keeping in touch with you regularly and know how to contact your family in an emergency.

6. Discuss finances. The point-of-contact relative, or another relative equipped to deal with financial matters, should have a financial power of attorney. This person should know the location of your key accounts and policies, and the names and phone numbers for your key advisors.

A final word of advice: Don't ask your family to make promises they can't keep, like withholding information from other family members or vowing not to place you in a nursing facility. Discussing such issues ahead of time can help you and your family avoid these situations. If you would like help in creating a plan for those times when you are unable to care for yourself, contact your financial professional. Most are happy to include your family and your other professional advisors, including your attorney and accountant, in discussions.

*Written by Securities America for distribution by Rashida Lilani.*

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**Know someone who needs help getting their financial house in order? Let us help. Call us at [\(916\) 782-7752 \(Sacramento\)](tel:9167827752) or [\(408\) 513-7417 \(Bay area\)](tel:4085137417)**

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