



Ellenbecker  
Investment Group

# In Touch

Since 1996

2nd Quarter 2017

## Moving Forward...

**D**o you feel stuck in a rut or too paralyzed to move forward from a financial planning perspective? Do you feel like your portfolio and financial planning relationships have been in coast-mode or auto pilot? Many people comment that moving forward is sometimes the hardest thing to do and that the first step can be grueling. Now is the best time to move forward with your financial plan and we want to provide a few action items to help dust off the cobwebs and get the wheels in motion.

- 1. Make a commitment to better develop the relationship you have with your financial advisor.** Be willing to meet and review your plan often and don't hesitate to set goals that can be monitored and adjusted over time. If you don't have a financial advisor or if your current relationship isn't a good fit, then commit to interviewing at least two new advisors to compare services. All advisors are not created equal. Many times people don't even know what is available or what to expect from a good working relationship. Most importantly, follow your intuition when selecting an advisor and don't be afraid to ask difficult questions. Ideally the relationships you develop today will be long lasting and nurtured over time so that you have a financial advocate through all the bumps and turns your plan takes down the road. Putting in some upfront work now will ensure that you are prepared to handle any curveball life throws your way.
- 2. Next, understand the services your advisor offers and what management style they adhere to.** How do they hedge against risk and what measures are put in place to ensure that your portfolio is actively being managed? Understanding your plan, diversification and risk makes it much easier to weather any market condition.
- 3. Third, understand the fees you are paying for the overall financial plan and become comfortable with the value you receive for those fees.** Know the difference between asset management fees, commissions, internal expenses, trading costs and financial planning fees. Transparency is important. Make sure your advisor works as a fiduciary to ensure all recommendations are in your best interest.



**Julie Ellenbecker-Lipsky, CFP®**  
President and Wealth Advisor  
Ellenbecker Investment Group

Once you determine who is the best person to assist you with your financial planning, then work with them to develop a roadmap starting where you are today and outlining your retirement goals. Creating an action plan and developing timely goals makes the likelihood of reaching your financial goals much better. Put the time and energy into your plan now so that when life gets busy, the market corrects or you have an unexpected life event, you know how to adjust your plan to accommodate those changes. Don't let fear or complacency prevent you from focusing on what is best for you and your family.

Moving forward is easier when you work with a forward thinking investment advisory firm and a team who can anticipate your investment strategy needs.

*"If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward."* Martin Luther King Jr. ■

Visit [moneysenseradio.com](http://moneysenseradio.com) to listen to the Money Sense radio show with Karen & Julie.



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# Personalized Retirement

As I was watching the Academy Awards on TV recently, I experienced a pivotal “a-ha” moment.

Many of you know that my transition to retirement has been interesting and ever-changing. Over the last several years I have approached retirement from several different traditional and non-traditional angles. Ultimately, I have recognized that I need to create a retirement strategy that is personalized and specific to me. I have watched my friends, clients and family members transition into retirement with excitement, grace and ease. Reaching a certain age made me think that I, too, had to approach retirement the same way to portray my solid planning skills and preparedness. However, I quickly realized that traditional retirement conflicted with how I envisioned my golden years.



ELG office in Bonita Springs, Florida.

As the camera glided through the guests at the Academy Awards I started to see myself in the audience. I saw Dustin Hoffmann, Al Pacino, Tina Turner, Meryl Streep, Susan Sarandon, Richard Gere and so many more actors all my age and older. I saw many aging musicians who continue to revitalize their careers and create new albums. These actors and musicians radiate a love for what they do and have the good fortune to be able to continue to use their passions past a traditional retirement age. This is how I see myself in retirement; achieving the best of both worlds.



**Karen J. Ellenbecker**  
Founder & Sr. Wealth Advisor  
Ellenbecker Investment Group

As I was looking at their faces and thinking about the roles they play I realized that it is their life experiences, the extraordinary roles they perform and their passion that continues to bring mesmerizing performances to audiences everywhere.

I have decided that I will continue to make minor changes and modifications to my current schedule but I am going to look at retirement as an opportunity to do what I love most and to continue to grow both emotionally and mentally. My supporting and visionary role at Ellenbecker Investment Group is important to me and will never change. However, my personal focus will be on the areas of EIG that I enjoy most which is meeting with clients, hosting Money Sense and driving our marketing initiatives.

I am very excited to spearhead the opening of our newest location in Bonita Springs, Florida. This location will allow us to provide a higher level of personal service to our current Florida clients. We plan to offer the same experience clients have come to expect.

As I spend more time in southwest Florida and with our aging client base starting to live and vacation in the area, this was a natural progression for me. We are excited to share our educational and whole person approach to investing in the Bonita Springs community.

As my vision for retirement continues to change I am enjoying navigating this newest retirement journey which is allowing me to feel like I am still stretching and growing while bringing value to our clients. ■

## EIG Mystery Tour October 16-20, 2017

Join Karen for a travel "leap of faith" in which she has chosen a destination and isn't telling you where she's taking you! Kickoff meeting will be Thursday, May 18, from 3:00-5:00 p.m. Join us to learn more about how a Mystery Tour works.

Please register at [ellenbecker.com/events](http://ellenbecker.com/events) or by calling (262) 691-3200.

# Spring Cleaning!

Spring... the time when Wisconsinites are eager to get outside and clean up the yard after the long winter months. Spring is also a great time to clean inside your house including your files and paperwork. For some, the task of cleaning out files can be overwhelming. My goal is to inspire you to tackle this task with enthusiasm and passion... okay maybe that was my coffee talking.

Here are some guidelines that you can follow when tackling your file drawers or boxes full of paperwork.

**Tax Returns** – The IRS recommends saving your federal tax returns from the past three years only; anything older can be discarded. The caveat would be for self-employed filers or for anyone who is being audited by the IRS. In that case, you may want to keep your tax returns for 10 years.

**Legal Documents** – Wills, power of attorney, marriage/divorce documents, birth certificates, trust documents, and military records should be kept forever. Make sure you have them in a safe location and your family/friends know where they can find them.

**Bank Statements** – You only need to save these for a year.

**Bills** – Once you've checked to make sure there are no inaccuracies and that you've paid the bill you can shred and discard this type of paperwork.

**Review Your Monthly Budget** – Now is a great time to review your spending habits from the

first few months of the year. If you've been sticking to your budget, give yourself a pat on the back. If you've been managing your spending so well that you have money left over each month consider adding to your 401(k) or a high-interest savings account.

**Go Paperless** – Take advantage of paperless bills and statements for your credit card and bank accounts. By going paperless you'll spend less time opening mail and filing and your countertops and dining room table will be less likely to get cluttered. You still need to make a point of monitoring your online statements to make sure you aren't charged erroneously or hit with fees you didn't agree to. Monitoring your credit report is key to keeping your financial records clean and looking like a winner in the eyes of future creditors.

Lastly, make sure you dedicate time on your calendar for your financial spring cleaning, but don't overwhelm yourself with an eight-hour blitz of organizing. Try booking 30-minute blocks of time for each stage of the project. Be realistic about what you can accomplish in the time you allocate. Keep a list of the tasks and check them off as you go — it will make you feel good about what you've accomplished. ■



**Jean Range, CFP®**  
Wealth Advisor  
Ellenbecker Investment Group

## Most importantly... Don't toss it, shred it!

The items you are discarding may be a gold mine for people trying to steal your identity. Always shred: Bank Statements, Cancelled Checks, Photo IDs, Credit Card Offers, Old Credit Cards, Pay Stubs.

If you do not have a shredder, join us May 13th at our Pewaukee office for free, onsite paper shredding and electronic recycling. To learn more, visit [ellenbecker.com/events](http://ellenbecker.com/events).



you deserve  
advisors  
who *listen*



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# Financial Trips for Travelers

**M**any of our clients enjoy traveling and it is one of my passions as well. While I like to “go with the flow” to some extent, I prefer to research and plan ahead of time so I can enjoy the true vacation experience. Following are some tips and resources that may make your traveling more enjoyable.

## Before You Go

- Make a copy of your driver’s license, passport and credit cards to leave with a responsible person at home.
- Take a picture of your driver’s license and keep it with your photos on your mobile phone – make sure your phone is password-protected.
- Find out if you get any free checked bags as part of your credit card benefits.
- Find out what is included in any tours/cruises you have booked. For example, we went on a cruise and learned you couldn’t bring drinking water on the ship. You could, however buy the “bottled water package” for an exorbitant amount of money! Instead, we took insulated travel bottles and filled them on the ship.
- Read reviews. Here are two websites I use:
  - [Tripadvisor.com](http://Tripadvisor.com)
  - [Cruise critic.com](http://Cruise critic.com)
- Find out what auto insurance you are covered for under your homeowner’s insurance and credit cards. (You will get asked to buy coverage at every car rental. You may not need it, which can save a significant amount on your rental fees.) Be sure to know the details. For example, with one of our cards we are covered but not for damage on cars worth more than \$50k. So it may not make sense to upgrade the rental to the convertible or specialty SUV!
- Find out your choices for trip insurance. In most cases it will be offered when you book your trip, either through the travel agent, airline and/or tour company.
- If you are on Medicare, determine what coverage you have when out of your network and/or out of the state.
- If you are traveling out of the country, you may want additional protection. Here are a two resources:
  - [Emergencyassistanceplus.com](http://Emergencyassistanceplus.com)
  - [Medjet.com](http://Medjet.com)

## Credit Cards for Travel

Credit cards can be a valuable tool for travel as long as you pay off the balance each month. Choose cards for miles and/or points, then use what you’ve earned! Make sure the rewards justify any annual fees. For example, we use Hilton Honors each year until we’ve attained the Gold status then change to Chase Reserve for points and other benefits. Others at EIG use Starwood for points/hotels, Capital One for buying airline tickets with points and Southwest to get free companion airline travel.

Here are a few links to research various credit cards:

- [nerdwallet.com](http://nerdwallet.com)
- [creditkarma.com](http://creditkarma.com)

## While You Are Traveling

### Tipping

Keep a quantity of bills for tips. We use \$2 bills – easier than giving two singles and they often bring a smile to the recipient’s face.

Tip the maid every day. That way you know the tip is going to the person who cleaned your room and you’re likely to get better service.

Read the fine print on service charges/tips. For example, all drinks on our cruise included an 18% automatic tip for the server. Also there was a daily service fee added to tip the crew, which was included on the final bill.

### Mindful Spending

If you’re not in a hurry, take a shuttle from the airport rather than a taxi. If shopping is a part of your trip, take an empty suitcase (if you have free baggage) or compare the cost of shipping to checking another piece of luggage.

Check out local restaurants, rather than going to tourist destinations. Look on websites of travel-related shows:

- [Foodnetwork.com/shows](http://Foodnetwork.com/shows)
- [Travelchannel.com/shows](http://Travelchannel.com/shows)

### Protection

Split up cash and credit cards so if you lose your wallet/purse or it’s stolen, you won’t have lost everything. Don’t wear expensive/flashy jewelry. Don’t post on Facebook that you are away from your home.

Hopefully the information above will help you enjoy stress-free travels. If you have other tips and/or resources that you would like to share, please email them to our office. We’ll publish them in a future newsletter. ■



**Diane Byrne, CFP®, AIF®**  
Wealth Advisor  
Ellenbecker Investment Group

*you*  
deserve EIG.

# Planning for Your Loved One with Special Needs

Planning for loved ones with special needs can be complex, but with the right team of advisors, you can make certain your loved one is taken care of, even when you are no longer here to provide the care.

Emotional and practical considerations must be understood and addressed.

Inform your financial advisor about your loved one's special needs and your concerns for their personal and financial care. We can help you realistically assess how to plan for their short-term and long-term physical, mental and emotional needs.

In partnership with a qualified estate planning attorney and tax advisor, we can help you navigate the government resources that may be available, and coordinate those benefits with a Special Needs Trust.

A properly drafted Special Needs Trust houses financial assets to supplement government benefits. Care must be taken so that the trust is drafted in a way that does not compromise these benefits.

Another important consideration is funding the Special Needs Trust. The value of the trust in meeting your objectives is lost if there are insufficient assets in the trust.

The trust can be funded with a variety of assets including stocks, bonds and life insurance.

The value of utilizing life insurance is that there is an immediate guaranteed completion of the trust funding at your death. In addition, the life insurance death benefit is not tied to market performance.

We can help you evaluate different types of life insurance to efficiently address your specific situation.

Planning for who will step in to handle the on-going caregiving and financial needs is another important consideration. An open dialogue with these caregivers, trustees and guardians is important to make certain they understand your loved one's needs, and your wishes today and in the future. In addition, you need to understand the ability for these individuals to meet those objectives.

Let us know if you have concerns about Special Needs Planning for your loved one so that we can help you coordinate the planning within your overall financial plan. ■



**Diane Gastrow**  
Insurance Advisor  
Ellenbecker Investment Group

# Tax Planning Strategies for Possible Changes in Tax Rates

If tax rates decrease under the new Administration, what should you consider to take advantage of the changes? In normal tax planning, the usual strategy is to defer income to future years and accelerate deductions to the current year. There is even more to gain when tax rates are decreasing.

What strategies can be used to defer income and accelerate deductions? Here are some examples to consider:

- Accelerate itemized deductions such as real estate taxes, state income taxes and charitable contributions.
- Defer retirement plan distributions, if possible, to future years.
- Put off ROTH IRA conversions to traditional IRAs.
- Take advantage of like-kind exchanges or

the installment method of reporting gain on sales.

- Take maximum advantage of the 0% dividend and capital gain tax rates available to lower tax bracket taxpayers.
- Hold off on capital gains for the remainder of the year. Also consider offsetting current year capital gains with losses taken by the end of the year (you should always consider the investment risk when doing this type of tax planning.)
- Maximize depreciation deductions by using Section 179 and bonus depreciation. Consider pulling forward capital expenditures.
- Dispose of any fixed assets that are no longer used to write off any undepreciated basis.
- If you are on the cash basis, accelerate deductions by paying expenses before year-end, or defer income by slowing billings.

These are just a few of the tax planning ideas for consideration. The strategies can be adjusted as tax policy becomes clearer over the coming months. ■



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# Revocable Trusts

Is there a difference between a Wisconsin and a Florida revocable trust?

I was asked to provide a brief summary about the differences between a Wisconsin and a Florida revocable trust. The short answer is, there really isn't anymore difference except for certain asset conveyances by the grantor. In both states, a Revocable Trust, also known as a Living Trust, avoids probate while allowing the grantor (or settlor), to maintain control over his or her real and personal property. Typically, the grantor will also be the initial "trustee" for purposes of managing the trust prior to incapacity or death.

As the word "revocable" implies, the grantor may revoke as well as modify (amend) the trust or change (restate) the trust in its entirety. The grantor may change beneficiary designations, modify bequests, state how the trust will terminate, designate the situs of the trust (where the trustee performs his or her duties), and name a successor trustee when the grantor is either incapacitated and or at time of passing. One can create an individual revocable trust or a joint revocable trust with a spouse. If the grantor is also the initial trustee, his or her social security number is used for tax purposes.

Both Wisconsin and Florida utilize a Pour-Over Will to cover assets that the grantor may have neglected to put into the trust or acquired after the trust was initially funded. The Pour-Over Will helps to ensure that trust property makes its way into the trust so that probate is avoided.

One benefit for owners of a Wisconsin residence that Floridians do not enjoy, however, is the Transfer on Date of Death (TOD) deed. The TOD deed is a great tool that allows for the transfer of the grantor's Wisconsin residence into the trust upon his or her death to avoid having to probate this asset. Unfortunately, Florida does not recognize this type of deed and legal practitioners, depending upon the circumstances of the client, will either recommend a Lady Bird Deed or transferring the property into the revocable trust. However, in order to enjoy Florida's generous Homestead protection and tax advantage when transferring a homestead residence into a trust, the trust must contain certain language granting a possessory right to use and occupy the property known as a beneficial title in equity under Florida Statute. Therefore, in this instance, state law is important when deciding whether or not to transfer a residence into a revocable trust or what type of deed to use. ■



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## Realized Gains and Losses are not the Same as Performance

While filing your taxes, you may have noticed a realized gain or loss on your 1099's issued by TD Ameritrade or the tax documents mailed from our office.

Realized gains and losses are not the same as performance. A realized gain or loss results from selling an investment at a price higher or lower than the original purchase price. A realized gain or loss on an after tax account (Trust, Joint, Individual or TOD) will have a tax impact, which is why we report those adjustments for tax purposes. An unrealized gain or loss refers to a gain or loss reported on an investments that hasn't been sold yet. Sometimes this is referred to as a paper-gain or paper-loss. Unrealized gains are typically not taxed so we do not provide reporting for tax purposes.

If you saw losses this year for tax purposes, it does not mean your portfolio had poor performance. During the

year as we rebalance your portfolio, some holdings may perform very well and others may not. For example, if a holding has done well enough to grow larger than we would like it to be relative to your portfolio size, we will trim it back and incur gains. This is beneficial in the long run but does cause some gains that are taxed as capital gains. Additionally, throughout the year, we review your portfolio for holdings that may not have done as well and would incur a loss for the year. Harvesting any losses is a tax strategy that is intentional and often helps offset any gains thus reducing your tax burden. Many times you might have a capital loss or gain that is very different than overall performance.

If you have any questions about your 1099's, gains/losses generated in your portfolio or performance, please contact your advisor. ■

# Preparing for the 2017 Real Estate Market



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This may just be the year to sell your home! All signs point to escalating prices in most areas. Downsizing can never start too early. If doing it yourself or hiring a packing and sorting company, thinning out the home and giving away your treasures will put you in the right position to put your home on the market this spring. How to begin the downsizing process is another story... get help and do not try doing this alone. There are reputable companies that will assist and take over the entire downsizing process with ease and effectiveness. Much of the cost may be paid by what you retrieve from the estate sale.

This year there is record low inventory and high buyer demand which favors the seller. With interest rates on the rise, there is a window of opportunity to sell while buyer

affordability is still high. Meet with your Realtor today to know the value of one of your greatest assets... your home! Also your Realtor will let you know if any inspections are needed and a timeline to match your moving plans. It is never too early to prepare for opportunity. ■

Visit [moneysenseradio.com](http://moneysenseradio.com) to listen to the Money Sense radio show with Bruce Nemovitz.



Join us on April 25 for our Preparing to Downsize seminar with Bruce Nemovitz and Adele Lund from 1:00-3:00pm. To learn more and register, visit [ellenbecker.com/events](http://ellenbecker.com/events).

## Kids Corner

### How to Easily Build Your Self-Confidence

Apparently, loving yourself doesn't just armor you in broad, overall life. It can be tapped during small challenging moments. It can even be done purposefully, as you prepare for an upcoming, stress-inducing event.

High self-esteem is internal. When we have it, we feel less dependent on the approval of others. We even get more comfortable with disapproval.

Where the science gets fascinating, is that drawing on strong, unrelated areas of self-esteem can help you during an important interview, presentation, penalty kick, and, for kids, even showdowns on the playground.

#### How is this possible?

Lakshmi Balachandra stumbled upon this by accident. She is a leading expert in improvisation,

negotiation, and entrepreneurial pitching. She wanted to know which entrepreneurs received funding from angel investors and what tipped the scales in their favor. After painstakingly analyzing 185 videos of venture capital presentations - looking at both verbal and nonverbal behavior - Balachandra was surprised to discover that the strongest predictor of who received money wasn't content, credibility or even credentials. The strongest predictors instead were: confidence, comfort level and passionate enthusiasm.

We might automatically assume that it's just charisma or first impressions. However, experiments run by professors David Creswell and David Sherman, indicate something deeper.

The researchers concluded that by doing a self-affirmation of our authentic best selves, we can somehow protect ourselves from the adverse effects of anxiety.

So what does a quick, effective and practical self-confidence exercise look like?

To continue reading, visit [www.lauraclydesdale.com](http://www.lauraclydesdale.com).



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# Mindfulness

Stress is ubiquitous in America. In fact, according to global studies of well-being, the United States is among the most stressed out nations on the planet. The culprits in this regard include information overload, IT-induced attention deficit disorder, hurry sickness and poor self-care.

For decades, health psychologists have been warning us about the destructive impacts of stress, including heart disease, inflammation, diminished immunity and a host of emotional and interpersonal problems. Yet, for many of us, effective approaches to stress management are difficult to implement; too much to do and too little time. Thankfully, a new approach has emerged in the form of mindfulness.

The mind possesses great power over our emotions, behaviors and physical health. Mindfulness is a simple method for promoting well-being by creating a mental state that is more present-centered, focused and relaxed. It combats "monkey mind," which is what we experience while multi-tasking (multi-distracting, actually), rushing, worrying, interfacing with technology, and the like.

Mindfulness is essentially awareness of the present moment without judgment. Some people refer to it as a "flow state." When we are immersed in the present, rather than worrying about the future or ruminating over the past, we accrue many benefits; better concentration, less stress, increased emotional control, healthier relationships, improved immunity, reduced inflammation... the list goes on.

Mindfulness can be learned through meditation, journaling, breathing techniques, yoga and similar disciplines, but is most effective when integrated into our daily habits — eating, walking, bathing, interacting with others, etc. An increasing number of workplaces are now implementing mindfulness programs for their employees as part of an overall approach to wellness.

Mindfulness works, and there's a large and growing body of research to prove it. Consider giving it a try. More information is available at:

- [centerhealthyminds.org](http://centerhealthyminds.org), [freemindfulness.org](http://freemindfulness.org)

*Philip Chard is President/CEO of Empathia, Inc., a national behavioral health firm located in Waukesha providing employee assistance programs (EAP), training, crisis intervention and organizational development. Website: [www.empathia.com](http://www.empathia.com)*



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# Alzheimer's or Just Signs of Aging?

It may be hard to know the difference between age-related changes and the first signs of Alzheimer's disease. To help, the Alzheimer's Association has created a list of 10 warning signs for Alzheimer's disease and related dementias.

**Memory loss that disrupts daily life.** One of the most common signs of Alzheimer's is forgetting recently learned information, important dates or asking for the same information repeatedly.

**Challenges in planning or solving problems.** Some people may have trouble following a familiar recipe or keeping track of monthly bills.

**Difficulty completing familiar tasks at home, at work or at leisure.** People with Alzheimer's find it hard to complete daily tasks, including driving or managing a budget.

**Confusion with time or place.** People with Alzheimer's can lose track of dates, seasons and the passage of time.

**Trouble understanding visual images and spatial relationships.** Some people may have difficulty reading, judging distance and determining color or contrast.

**New problems with words in speaking or writing.** People with Alzheimer's may have trouble following or joining a conversation. They may struggle with vocabulary.

**Misplacing things and losing the ability to retrace steps.** A person with Alzheimer's disease may put things in unusual

places. They may lose things and be unable to find them again.

**Decreased or poor judgment.** People with Alzheimer's may use poor judgment when dealing with money or they may pay less attention to grooming.

**Withdrawal from work or social activities.** A person with Alzheimer's may start to remove themselves from hobbies, social activities, or work projects.

**Changes in mood and personality.** People with Alzheimer's can become confused, suspicious, depressed, fearful or anxious. They may become easily upset.

If you or someone you care about is experiencing any of the above, please see a doctor to find the cause. Learn more at [alz.org/10signs](http://alz.org/10signs) or call the Alzheimer's Association's 24/7 Helpline at 800-272-3900. ■



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# Economic Update

Stocks maintained their post-election momentum through mid-February with the major indexes, such as the DJIA, S&P 500, NASDAQ and Russell 3000, up 5% or more on a year-to-date basis while setting new all-time highs. The strongest sectors through February 15 in the S&P 500 were Information Technology (+8.91%), Financials (+8.01%), Health Care (+6.99%) and Consumer Discretionary (+6.65%). Conversely, the Index's weakest sectors were Telecom (-4.80%), Energy (-3.28%) and Utilities (+0.94%). The market's leadership reflects expectations for a more pro-growth, business friendly environment as the result of tax reform, the repatriation of U.S.-based business' capital held in foreign countries and broad-based deregulation. This more optimistic outlook is also seen in the Wall Street strategists' earnings forecasts for 2017 and 2018, with consensus calling for roughly 12% year-over-year growth, after little-to-no earnings growth during the 2014-2016 period due to persistently low oil prices, a flat yield curve and weak global growth.

Even though no meaningful new legislation has yet been passed regarding tax reform, profit repatriation or deregulation, the animal spirits appear to be reawakening to facilitate faster growth. We can see this in a number of the business confidence surveys as well as solid improvement in the leading economic indicators. For example, the Institute for Supply Management's Manufacturing Purchasing Managers Index (PMI), which is based upon five major inputs



Source: Institute for Supply Management

(new orders, inventory levels, production, supplier deliveries and the employment environment) to gauge the health of the manufacturing sector, hit its highest level since November 2014 in January.

As well, in its February 17 press release, the Conference Board stated its Leading Economic Index for the U.S. increased by 0.6% in January, after rising 0.2% and 0.5% in November and December, respectively, pointing to broad-based gains among its indicators which reflects positively on the economic outlook for 2017's first half. ■



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## Join us...

April 25 - Preparing to Downsize

May 13 - Community Recycling and Shredding Day

May 18 - EIG Mystery Tour Kickoff Meeting

May 24 - Preparing to Launch: Everything You Need to Know Before Sending Your Child to College

June 22 - Armchair Travelers: Spain & Portugal

August 22 - How to Be a Snowbird

September 26 - Medicare Seminar

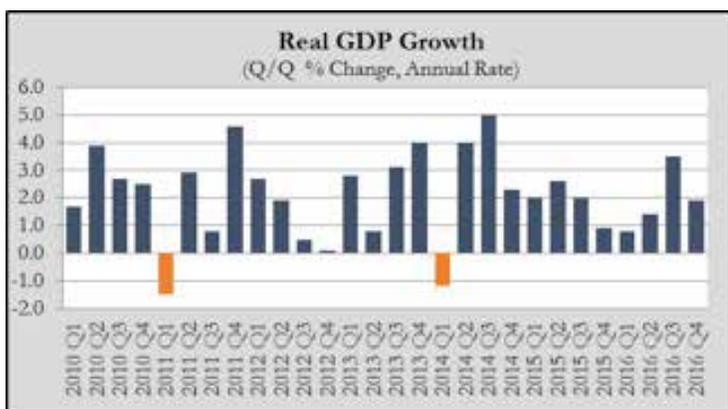
October 16-20 - EIG Mystery Tour

Details for each event are shared in our weekly emails and can be found online [ellenbecker.com/events](http://ellenbecker.com/events). Watch for more information about a new Book Club for parents/grandparents and children coming this summer too! Email [info@ellenbecker.com](mailto:info@ellenbecker.com) to join our email list.

# Capital Market Consultants Market Update

**Recap:** The economic data in January have confirmed that the U.S. economy has been humming along at a solid pace.

- Slow growth path continues
- Job and housing markets remains strong
- Inflation begins to peek over 2%
- Risks to outlook: unknowns surrounding Trump fiscal policies



Source: Bureau of Economic Analysis

Labor markets were reported to be tight, or tightening while wage pressures were building. Initial jobless claims fell to a 43-year low. Moreover, December's inflation report showed that the dampening effect of declining energy prices was behind us. Headline inflation rose back above 2%, and is expected to head higher over the coming months. Core inflation has been more range bound over the past year but with wage pressures clearly building across the economy, underlying price pressures are expected to increase.

Homebuilding continued to make progress as 2016 ended. Permits for single-family homes rose in December, suggesting homebuilding has upward momentum in the months ahead. While the recent jump up in mortgage rates presented a headwind for the sector, demand has proven resilient, underpinned by rising wages, and a rebound in household formation.

**Outlook:** The main question looming over the U.S. outlook relates to the policies of the new President. Will President Trump implement fiscal stimulus that will boost short-term growth and increase the Fed's pace of rate hikes? Or will tax reform be paid for with spending cuts, potentially resulting in some near-term economic drag?



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A major tax reform package is likely to come from the new administration, which ideally could reduce many costly distortions and complexities in the current tax system, while improving incentives for domestic business investment and potentially raising productivity. But, the leading House GOP tax plan has a \$3 trillion price tag over ten years. If funded by spending cuts, it would require total federal government spending – including increasingly costly entitlements like Social Security – to be cut by roughly 8% every year over the decade.

At the end of the day, to make it more palatable, any fiscal package may need to be lower than financial markets currently expect. That would mean less stimulus, and depending on the mix of spending and tax cuts, potentially economic drag in the short run, presenting downside risks to the “Trump bump” on financial markets. ■

## Community Recycling and Shredding Day



Saturday, May 13  
9:00 a.m.-12:00 p.m.  
EIG Pewaukee Office

- Onsite paper shredding
- Electronic recycling
- Used eyewear and hearing aid collection

Learn more at [ellenbecker.com/events](http://ellenbecker.com/events).



# Calendar of Events

To register or learn more about our events, please visit: [ellenbecker.com/events](http://ellenbecker.com/events).  
To receive our weekly emails, please email: [info@ellenbecker.com](mailto:info@ellenbecker.com).

## April 2017

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
					1/2 MoneySense
3	4	5	6	7	8/9 MoneySense
10	11	12 Spring Bible Study 5:30-7:30 p.m.	13	14 Good Friday: EIG Office Closed	15/16 MoneySense
17	18	19 WI Widows Connected 5:30-7:00 p.m.	20	21 EIG Charity Casual Dress Day	22/23 MoneySense
24	25 Preparing to Downsize 1:00-3:00 p.m.	26 Spring Bible Study 5:30-7:30 p.m.	27	28	29/30 MoneySense

## May 2017

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
1	2	3	4	5	6/7 MoneySense
8	9	10	11	12	13/14 May 13: Community Recycling Day 9:00 a.m.-12:00 p.m.
15	16	17 WI Widows Connected 5:30-7:00 p.m.	18 Mystery Tour Kick-Off Event 3:00-5:00 p.m.	19 EIG Charity Casual Dress Day	20/21 MoneySense
22	23	24 Preparing for College 6:00-8:00 p.m.	25	26	27/28 MoneySense
29 Memorial Day: EIG Office Closed	30	31			

## June 2017

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
			1	2	3/4 MoneySense
5	6	7	8	9	10/11 MoneySense
12	13	14	15	16 EIG Charity Casual Dress Day	17/18 MoneySense
19	20	21 WI Widows Connected 5:30-7:00 p.m.	22 Armchair Travelers: Spain & Portugal 3:00-5:00 p.m.	23	24/25 MoneySense
26	27	28	29	30	

## EIG HR Update

### Employee of the Month

Congratulations to these employees for going above and beyond and being chosen as EIG's Employee of the Month!

#### January

Heather Deaton

#### February

Courtney Hull

#### March

Kristen Cantrell

### Employee Anniversaries

#### January

Diane Gastrow - 1 year  
Wendy Bitter - 2 years  
Jean Range - 8 years  
Jill Economou - 9 years

#### March

Courtney Hull - 1 year  
Kristen Cantrell - 17 years

### Charity Casual Day

We will be collecting donations for the following charities this quarter.

Employees will be sharing their support by wearing jeans on the following days:

- April 21: National MS Society
- May 19: Fondy Food Center
- June 16: Juvenile Diabetes Research Foundation (JDRF)

you deserve the  
*best*  
you deserve EIG.



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