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skv  three things



We are keeping close tabs on new legislation in Congress that might impact your retirement account game plan. The House recently passed—in a rare bi-partisan way—the **Setting Every Community Up For Retirement Enhancement Act** by a 417-3 vote. You may have heard it by the acronym, The “Secure” Act. The centerpiece of “Secure” is that it eliminates “stretch IRA” planning, instead mandating non-spouse beneficiaries of IRAs pull all the funds out in 10 years. Many expect the Senate to pass it too....if this becomes law we will huddle and contemplate your next best move. There is another provision in the House version that many will view more positively—pushing the required mandatory distribution age in IRAs to age 72, from the current 70 ½. Stay tuned!



Much news made of Amazon’s “Prime Days” —the company sold \$-gazillions in “stuff” last week. Experts on happiness warn that impulsive buys during sales might make you happy in the short term, but this happiness declines rapidly. *“Investing in experiences—think travel, dinners out, or tickets to events—all more likely to drive long-term satisfaction,”* Amit Kumar, marketing professor, University of Texas. Research also shows we’re happier if we spend on others. *“Spending money on others makes us feel more connected.”* (Corlis has my wish list if you want to try this! I am willing to receive if it helps your happiness!) Or purchasing items that can be used for experiences—like a surfboard for surfing, a guitar for playing music....(btw, before you buy camping equipment, see me! I have stuff to donate 😊. I’ll stick with hotels, thanks!) *“It often isn’t really the good itself that brings the happiness, but the experiences that you can have with the good.”*



Last week I shared my view that investor behavior—not timing and security selection—are the dominant determinate of portfolio performance. Consider this data in for the second quarter—April, May, June—of 2019. Investors, often citing their nervousness about recent highs, sent nearly \$100 billion to bond focused investment....in contrast, U.S. stock funds had a new outflow of \$25 billion, according to the Investment Company Institute. Hmmmm....Meanwhile *“the average U.S. stock fund is now up 17% so far in 2019...bond funds rose 6.3% for the year to date.”*, William Power (WSJ, July 2019.) I fear too

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many are trying to buffer temporary short-term stock declines at the expense of losing out on long-term, permanent wealth increases.



Despite behavioral...miscues....Americans wealth continues to grow. 10 years ago, July of 2009, the 18-month recession that the U.S. experienced starting in December 2007 ended. The collective net worth of Americans fell to \$50 trillion by the end of “the Great recession” (oxymoron?)...today the balance sheets of all Americans is nearly \$109 trillion (source: Federal Reserve).

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor.—*MHK*

FAITH

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