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## **Four Things to do Right Now Instead of Panicking About the Stock Market Volatility**

[www.marketwatch.com](http://www.marketwatch.com)

First off, remember to breathe.

A rocky few months for the stock market has created a lot of worry among investors, and it's not over yet. The Dow Jones Industrial Average experienced renewed volatility last month. The S&P 500 index has also been choppy, as investors are spooked by rising bond yields, concerns over the trade war with China and the recent Federal Reserve Actions.

Hyper-ventilating about every rise and dip isn't time well spent and, so far, this market volatility is far from a 10% correction, experts said. "There's a lot of volatility, corrections are perfectly normal, and they have happened over and over," said Rachel Podnos, an attorney and financial adviser based in Washington, D.C. "They'll continue to happen. It's just inevitable."

Rather than freaking out about the market's rough rollercoaster ride, there are several steps consumers can take to better their financial health in just a few minutes.

### **Distract yourself from alarming headlines**

If you're a relatively young, long-term investor, don't even look at your account balance, Podnos said. It is too difficult at this point to predict the market's levels

years into the future, when young investors will be cashing out accounts such as their 401(k)s. Money that people are saving for short-term goals shouldn't be invested in the market, she said.

So instead of obsessively checking account balances, distractions like working out or socializing with friends can be more beneficial, she said.

Exercise has even been linked to financial health; a 2016 study from the American Heart Association found that individuals who exercised moderately paid about \$2,500 less in annual health care expenses related to heart disease than those who did not exercise.

Better yet: Do a job you can earn money for, like babysitting, dog walking or signing up for an app like TaskRabbit, Podnos said. Extra money can go toward debt or savings.

Just don't distract yourself through "retail therapy," Podnos said: Anxiety is linked to making financially risky decisions. And shopping to relieve stress and anxiety can leave you in a worse financial state than before.

### **Take time to evaluate your budget**

Many Americans would do well to take a look at their budgets — if they even have a budget at all, said Greg McBride, chief financial analyst at the personal-finance website Bankrate.com.

About two-thirds of American adults don't even have one, according to the polling firm Gallup. And about the same percentage say they would have trouble coming up with \$2,000 in an emergency, according to the New York Federal Reserve.

Some obvious places in the budget to make cuts: Cable TV subscriptions or cellphone plans, McBride said. "Does the plan you have right now still fit your needs? Shop around and negotiate," he said. Cook more meals at home, or put money saved by using online coupons directly into a savings account.

### **Amp up your investing**

Have you signed up for a retirement account? There's no time like the present.

Many employed Americans don't have a retirement account at all. Of the 150 million Americans employed in 2015, just 54 million put money into a 401(k) account, according to an analysis by the Investment Company Institute. If there's room in your budget, you can also amp up the amount you contribute to your 401(k) in order to get a contribution match from your employer, if it offers one.

For those who don't have 401(k) accounts at work, it can be fast to sign up online for a traditional IRA or a Roth IRA, McBride said. All of those accounts allow consumers to save while receiving tax benefits for doing so.

## **Pay off debt**

Do you have a student loan, or even some credit-card debt? Make a payment, instead of worrying about the market, Podnos said. Many credit-card accounts have compound interest rates of 20% or more. So money spent on that debt can guarantee high returns, she said.

Even paying student loan debt, which typically has lower rates, can guarantee a better return than the market can at times, she said. "You get immediate satisfaction, and that's a guaranteed high return, as opposed to what you're guaranteed in the market, which is nothing."

## **7 Easy Ways to Simplify Life and Save Money**

[www.marketwatch.com](http://www.marketwatch.com)

### **1. Declutter**

Having too much stuff often means you're constantly wading through disorder, wasting time, to find what you're looking for. (You know that panic when you're late to work because you can't find your favorite black pants, thanks to the sea of other black pants in your closet?) It can also mean you end up spending money replacing something that's just gone missing in the mess. Think: the pack of stamps or batteries your junk drawer ate.

Decluttering can be a fast path to quick coin: For example, you can easily make money off old clothes through Thred Up or PoshMark and monetize your old

electronics on sites like Glyde.com.

## **2. Go paperless**

Living among stacks of papers also makes it likely that something important goes missing—and hello, late fee. Converting to online statements, then setting up autopay, could also help you score a discount, says Donna Lubrano, a Newbury College professor and personal finance workshop leader.

That's because many banks and utilities now charge for mailing paper bills. At \$3 a month, like Lubrano's bank charges, that's a saving of almost \$40 a year—not to mention the time it takes to open, pay and file or recycle.

## **3. Save and invest automatically**

Take saving and investing off your to-do list by setting up automatic transfers to your savings, retirement and regular investment accounts. This way, you'll never forget a contribution or accidentally spend the money you meant to set aside. (Apps like Acorns make that easy with automatic roundups and recurring investment options.)

## **4. Consolidate and/or refinance your student debt**

Consolidating combines all your debts into one new loan. If you have federal loans, your new interest rate will be a weighted average of your old loans' rates—so this may not save you money outright. But if it makes it easier to consistently pay on time, that can help you avoid late fees, and have a ripple effect on your credit score and ability to land better interest rates in the future. With private loans, the lender will give you a new (hopefully lower) rate, based on your credit history.

You can often score even better terms by working with a private lender to refinance your federal and private student loans. Just keep in mind that if you're a federal loan borrower, you may sacrifice certain benefits and consumer protections associated with federal loans, like flexible repayment and forgiveness plans. So do your homework to ensure the benefits outweigh the downsides.

## **5. Rethink your housing situation**

More house (or apartment) is more to clean, more to maintain, and, of course, more to pay for. And yet a recent study from Porch finds that the average house size is inching up every year.

Before you automatically buy or rent the biggest place you can afford, think through what you'll do with the space. You may find that less is more when it comes to both the square footage and the payment—especially if that money could be better spent on your other financial goals.

## **6. Evaluate memberships and subscriptions**

Sometimes we sign up for new services—from meal kits and music streaming to treat boxes for our pets—on a whim or because they're offering a free trial, but neglect to assess whether we're really using them, points out Certified Financial Planner Matthew Gaffey. Canceling unnecessary subscriptions frees up cash every single month—and you'll probably be glad those magazines (or other products) aren't piling up on the counter anymore.

## **7. Plan your meals**

Stocking up on freezer and pantry staples and other ingredients you'll need for the week—and even doing a little advance meal prep—is the oldest trick in the book for simplifying your life and slashing your food bill. But it's worth revisiting if you've slacked off. Just a few minutes spent on the weekends looking ahead and shopping with a list at the grocery store can keep you from grabbing takeout yet again or having to make last-minute trips to the market for forgotten ingredients

### **WEEKLY UPDATES ARE AVAILABLE**

LPL Financial's ***Weekly Market Commentary*** and ***Weekly Economic Commentary*** can be found on LPL Financial's website ([http://www.lplfinancial.com/learning\\_center/research/](http://www.lplfinancial.com/learning_center/research/)).

### **OTHER UPDATES AVAILABLE FROM LPL RESEARCH DEPARTMENT**

- Daily market update: <http://LPLresearch.com>
- YouTube Channel: <http://www.youtube.com/lplresearch> (which can also be found on our website)

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Till next month,

The Alltrust Team

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