**Thirty-Five Years and Counting**

A close up of a sign

Description generated with very high confidenceI started the financial planning practice that would evolve into Capstone Financial Group, Inc. in June of 1983 so we will mark our thirty fifth anniversary in June. I feel very fortunate to be able to experience this longevity in the profession I love. I appreciate all the relationships I’ve had through the years; clients, CPAs, other professionals and vendors. I still have client relationships as well as relationships with accountants and vendors dating back to the early 80’s. We’ve certainly been through a lot together. I am so thankful we’ve shared as much success as we have and have experienced many successful retirements with clients. Although I’ll be working full time, God willing, at least another eight years through age 70, I’m working to make sure Capstone continues beyond me. I’ll probably be 90 and still coming to the office to open mail, make coffee and bother people.

**The Economy and Markets, First Quarter 2018**

A person in a blue shirt

Description generated with very high confidenceThe S&P 500 index of large domestic stocks lost .8% for the first quarter. The index has gained 111% since the market high of October 2007 and 372% since market low of March 2009. Technology led the way with a gain of 3.5% while Telecommunications and Staples lagged, down 7.5% for the quarter.

Gross Domestic Product is expected to have increased to 3% for 2017. Headline inflation remained docile at 2.2%, up somewhat but still well below the 50-year average of 4.1%. Core inflation was just 1.7% while food was just up 1.4%. Energy was up 9.5%.

Interest rates on money market instruments have increased significantly over the last couple of years. Rates on intermediate term bond increased a little last year but this trend reversed itself a bit in the first quarter. Bond prices gained a little, resulting in slightly lower market rates. The FED is committed to higher market interest rates and they want to see the ten-year treasury bond yield increase from its current levels. I expect them to be successful. We hope to be able to put client money to work, particularly in tax free bonds, at yields not seen since the financial crisis. I think we will eventually.

Stocks have been sort of a paradox so far. There has been a big uptick in volatility with big moves down followed by big moves back up. The net result for the first quarter was a small decline of less than 1%. Since the end of the quarter we are now close to unchanged for the year. So, one step up and one step down, so far.

**Trade Tariffs**

A PBS series, Free to Choose, and the book by the same name by Milton Friedman and his wife Rose, had a significant affect on my thinking early in my career in 1980. I read the book and watched and re-watched the series. I led a very adventurous life before I was married. Dr. Friedman was perhaps the best-known economist of the 20th century and was the foremost proponent of the economic viewpoint of Monetarism. Generally, he believed less government intervention in markets was better than more in most cases. I think he would strongly disagree with the President’s proposed trade tariffs and would point to historical examples where they didn’t work and, in some cases, led to economic calamity. I am in his camp. However, the President is correct that our country’s weak leadership in the trade area has resulted in us being at a radical and unfair disadvantage with many countries. You can only swim upstream for so long. My hope is these first shots across the bow will result in some better agreements rather than a full-fledged trade war.

**Chartered Retirement Planning Counselor, CRPC**

I recently started the Chartered Retirement Planning Counselor program through the College for Financial Planning in Denver. My first experience with the College was in 1984 when I started working on the Certified Financial Planner designation I was awarded in 1986. Since then, I have obtained professional designations from various professional organizations relating to investment management, financial planning, qualified retirement plans and retirement planning. The CRPC focuses on practical issues in the “red zone” years right before and after retirement and on issues common to people who are retired. This differs from other programs that focus on the accumulation phase. Since more of my clients are retired or nearing it, I feel this is timely.

My son asked me why I was embarking on this at my age and at this stage of my career. I told him I believed in lifetime learning and that individuals who continue formal and informal education throughout their lifetimes not only lead longer lives but are more fulfilled in them. I also explained to him the CRPC program focuses on things different than what I’ve learned in other programs as well as serving as a refresher on many of the things I have learned through the years. I am certain I will learn some new things I can put to work in my practice to help clients, even though I’ve practiced retirement planning independently for 35 years.

Thank you for your business!

Michael Dunham CFP®, CPC, QPFC

Investment advisory services offered through Access Financial Resources, Inc., an SEC Registered Investment Advisor

\*Market Returns: All data is indicative of total return which includes capital gain/loss and reinvested dividends for noted period. Index data sources; MSCI, DJ-UBSCI, WTI, IDC, S&P. The information provided is believed to be reliable, but its accuracy or completeness is not warranted. This material is not intended as an offer or solicitation for the purchase or sale of any stock, bond, mutual fund, or any other financial instrument. The views and strategies discussed herein may not be appropriate and/or suitable for all investors. This material is meant solely for informational purposes and is not intended to suffice as any type of accounting, legal, tax, or estate planning advice. All forecasts mentioned

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