Meet Our Team

- A. Christopher Engle, LUTCF®, CFP®, ChFC®, AEP®
- Ryan Smith, ChFC®, CASL™, CFP®, AEP®
- Brian Sandberg, ChFC®, AEP®
- Geoffrey Sadek, CFP®
- Peter Smith
- Lisa May
- Crystal Schneider
- Monica Zweedyk

Inside this issue:

971 Spaulding Ave SE
Suite B
Ada, MI 49301
616.949.8300
www.EyeOnArgus.com

ARGUS FINANCIAL CONSULTANTS

Excellence Is Defined by the Success of Our Clients

Summer 2017

Of Presidents, Firings, Impeachments And Other Irrelevancies

What follows is, I solemnly assure the reader, not a political statement of any kind. Instead, it will turn out to be a rather impassioned defense of the thesis that the peregrinations of government in general, and the antics of presidents in particular, have historically been distractions at worst—and perfect irrelevancies rightly considered—to the patient, disciplined, goal-focused, long-term investor.

It will, however, make reference at greater or lesser length to Presidents Trump, Carter, Nixon, Clinton and Obama, in that order. If the reader is at all inclined to become choleric at the mention of any of these gentlemen, he/she may wish to leave off reading, and retreat to a "safe space." Please consider this fair warning.

It will be noted that our national conversation is currently, and one may even say morbidly, fixated on the actions, attitudes, policies and yes, even tweets of President Trump. There has lately been—and I will venture to speculate that there may yet again be—concern among investors that his behavior is meaningfully destabilizing to the values of, say, five hundred of the world's larger, more financially sound companies (commonly referred to collectively as "the stock market").

Parse him how you will, President Trump may, I think, be fairly characterized as an outsider who was elected to the presidency to "drain the swamp," as the phrase is. Instead, he has quickly run afoul of his own and his staff's inexperience (some would say incompetence) and perhaps of his own rather idiosyncratic personality. I will ask you calmly to consider that this is exactly what was being observed forty years earlier to the day about President James Earl Carter, Jr.

There is, however, one anecdotal comparison one might make between the early months of both presidents. And I suggest that it is a juxtaposition to which the long-term investor would be well advised to pay particular attention.

To wit: **On the hundredth day of the Trump administration, the Standard & Poor's 500-Stock Index closed at about 2,400. Forty years earlier, on the hundredth day of President Carter's one term, it closed at 100.** (A little gentle rounding has been used here for effect; be assured that it does no violence either to the facts or to their implications.)

Now, I think friend and foe alike would allow that President Carter's term was, on balance, ultimately unsuccessful. It encompassed the second of two huge oil shocks, runaway inflation, a deep recession and — as he himself suggested, though not in this word—a pervasive national malaise. Friend and foe alike will similarly allow that the early indications on a Trump administration are by some measures at least equally unpromising. But that is to miss the point. Which is, of course, that if you liquidated your long-term equity investments in 1977 in response to what you perceived as a

Continued on next page

Continued from previous page

presidency that appeared headed for disaster, you missed all or some part of one of the great accretions of equity values in history.

This realization might prompt one to look back over the unmitigated presidential/governmental crises of one's lifetime—for crises they surely were—and then to examine the subsequent behavior of the equity market. To cite but a few of the more extreme examples:

On Saturday night, October 20, 1973, President Nixon ordered the firing of the Watergate special prosecutor, Archibald Cox, and the abolition of his office. The attorney general declined to carry out this heinous order and resigned, as did his second in command. The solicitor general ultimately executed the order as acting attorney general; thus was precipitated what may have been the gravest constitutional crisis in American history. **On the following Monday, the S&P 500 closed at 109.**

On December 19, 1998—oddly, also a Saturday—the U.S. House of Representatives voted to begin impeachment proceedings against President Clinton, on charges of perjury and obstruction of justice. **On the Monday, the S&P 500 closed at 1,203.**

On October 1, 2013—after months of the most distressing brinkmanship between Congress and President Obama—the U.S. government shut down for want of an agreement on the funding of it. We had been assured all along that this unthinkable eventuality would have the most apocalyptic consequences: the United States would default on its debt, because interest wouldn't be paid and maturing bonds couldn't be redeemed nor rolled over; our brave men and women in uniform would go without their salaries; and Grandma would starve to death in the dark because her Social Security check did not arrive. **On that fateful first day of the shutdown, the S&P closed at 1,695.**

As I write, the S&P 500 has closed, however tentatively, above 2,400. Raise your hand if you're beginning to see a pattern here.

Dear reader, I suggest that these anecdotes, taken together, testify to the genius of the American economic system. What they say to me—and what I now say to you—is that if history is any guide, **rational capital ultimately outlasts irrational presidencies. And that fleeing the capital markets in reaction to distressing political events has in the past never proven to be a lastingly successful investment policy.**

The opinions voiced by Nick Murray in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

Financial Resilience: Part 2 of 3

blog

Resilience (noun): the capacity to recover quickly from difficulties; toughness.

In Part 1, we outlined **individual resilience** and the opportunities to protect our finances from the known and unknown risks of the future. For Part 2 of our series, we will be focusing on **family resilience**. Where before we had discussed the different threats to our individual financial well-being, we'll expand our view to consider the implications on our household, as well as our capacity to impact the prosperity of other generations in our family.

Dual Incomes: The second half of the 20th century witnessed an incredible expansion of productivity in the US with the entrance of millions of women into the workforce. Since, the 1950's nominal household income has skyrocketed. Now becoming the norm, two income households also are subject to their own risks. If a family depends on two incomes, the risk of job loss doubles with two working parents. The margin between income and outgo, as well as an adequate emergency fund, becomes imperative.

Financial Education: One of the most impactful gifts we can leave to our children is a solid understanding of how finances work. Setting and sticking to a budget, critically evaluating advertisements, entrepreneurship, and an understanding of how to succeed in the workplace are all essential skills often neglected during our formal education. To help ensure the continued prosperity of younger generations, parents can facilitate

Continued on next page

Continued from previous page

essential skills often neglected during our formal education. To help ensure the continued prosperity of younger generations, parents can facilitate mentorships or use their own advisors to educate their children.

Sandwich Generation: As the concept of "retirement" continues to evolve, there has been an increasing experience of couples in their prime earning years being responsible for launching their adult children while beginning to care for their aging parents. This results in three growing commitments between children, parents, and career. By equipping and educating children early, and clarifying needs and wishes of parents, couples can see improved prosperity, resilience, and relationships during these years.

Multi-generational wealth: With a focus on values and education, a commitment to communication, and a long-term vision, families can create prosperity and resilience not only for themselves, but for generations that follow. By investing in family members over time, one of the greatest joys of financial planning is leaving an inheritance that extends beyond what is outlined in an estate plan.

In families, resilience is not just about meeting the financial obligations of a household. The objectives ought to be arranged around empowering each generation and passing down the means to succeed as markets and economies as professions continue to evolve.

-Geoffrey C. Sadek, CFP®

Recent Argus Happenings

Earlier this year, Brian showed his support for the Spectrum Health Foundation by attending the 2017 Gala that raised funds for the CenteringPregnancy® program. The following weekend, Brian and his wife Chrissy enjoyed the masquerade ball themed JDRF Gala to support diabetes research and efforts to find a cure for type 1 diabetes.

Staying even closer to home, Brian acted as Golf Tournament Chairman for the Forest Hills Public Schools Foundation golf tournament where all proceeds go to fund materials, equipment and programs that support academic excellence in Forest Hills Public Schools.

Keeping with current business philosophies and networking with retirement experts, Chris attended NAIFA's annual meeting in Mount Pleasant. There, he heard from a motivational speaker who shared his story of balancing work, life and the pursuit of goals with focus and discipline, and how his principles translate into improved business leadership and management.

Chris also attended presentations from other well-known financial experts in the retirement business.

As committee chair of the Grand Rapids Lions Club for the past 11 years, Ryan has played a part in their mission to support local charities and programs. Most recently, he helped organize their Recognition Luncheon for high school students in the area that have demonstrated outstanding performance in academics and leadership. The Lions Club enjoys honoring students who share in their mentality of being fully involved in service to their communities, and called upon local principals and guidance counselors to select students who have excelled in these areas.

In keeping with their motto "We Serve," the Grand Rapids Lions Club consistently meets the needs of numerous organizations through fundraising and service. To learn more, you can visit their website at www.grandrapidslionsclub.org.

Social Security Tip

What is the special rule about earnings in the first year of retirement?

Sometimes people younger than full retirement age retire in the middle of the year and have already earned more than the yearly earnings limit.
There is a special rule that applies to earnings for one year, usually the first year of retirement.

Under this rule, you can get a full Social Security benefit for any whole month you are retired, regardless of your yearly earnings.

For more information, visit:
www.ssa.gov/planners/retire/rule.html

Like us

Network with us

Follow our blog

Backyard Fun: DIY Lawn Twister

Supplies

- 4 cans of spray paint (1 can each in red, yellow, blue and green)
- 5 sheets poster paper
- A marker & scissors

Assembly

- Using a round object, such as a plate, trace a circle on the center of your poster paper, then trace an arch (near the edge) where you believe the next circle will start.
- Cut your shapes, grab the spray paint and head outside! Spray one row in each color with six circles each.
- If you don't already own the indoor version and need a spinner, cut out squares, writing out *left* and *right* & *hand* and *foot* for each color. Place the pieces in a bowl to be randomly drawn.

Last one "standing" wins!

As a reminder, our **summer hours** are as follows through Friday, Sept. 1:
Monday through Thursday 8:00am - 5:00pm
Friday 8:00am - 4:00pm

Argus Newsletter Summer 2017

Argus Financial Consultants
971 Spalding SE Suite B
Ada, MI 49301