



WEALTH MANAGEMENT



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Great Expectations: Important Questions to Ask Your Financial Advisor

by Jack Davis, MS, CFP®

As we work into our new normal, many have begun reevaluating what we expect of our service providers. Pre COVID-19, we didn't expect six-foot marked boundaries from other patrons or hand sanitizer dispensers readily available at every stop. But when it comes to your financial advisor, expectations haven't really changed. But what are they? During this time of reassessment it occurred to me some may not know the best questions to ask. A Google search will deliver tons of suggestions. I put together a few here I believe are must asks.

Are you a fiduciary?

This is an extremely important question, perhaps one of the most important you can ask a financial advisor. Why? The term fiduciary literally means the advisor is regulated under the Investment Advisers Act of 1940 and is held, by law, to the highest standard of responsibility to their clients. That standard is to always act in their client's best interest. This puts the advisor and the client on the same side of the table when evaluating investments and giving advice. Here at NRG, we are fiduciaries. We take our responsibility to our client's well-being very seriously. In fact, being a fiduciary to our clients, being your advocate, is our driving purpose, giving us the tools necessary to provide the best guidance possible in this chaotic world.

How do you get paid?

As a fee-only SEC Registered Investment Advisory firm, we act in a fiduciary roll for our clients across ALL lines of advice. We are paid only by our clients and never by commission. What this means to you is that here at NRG, our only incentive is to do the very best for you. But be aware of the difference between a **fee-only** firm and a **fee-based** firm as there is an important distinction. A fee-based advisor may accept commissions, or may be compensated based on the sale of a specific investment or insurance product, as well as charge fees, creating the opportunity for a conflict of inter-



est. Fee-only advisors, like NRG, are compensated strictly from the fees directly charged to the client and are not tied to a specific product.

What professional credentials do you have, and what is your educational background?

We expect a certain level of education and certification from our doctors and should demand the same of our financial advisors. In addition to earning my Master of Science in Personal Financial Planning, I am a CERTIFIED FINANCIAL PLANNER™ professional. This designation embodies the highest standard of excellence, objectivity, and competence in the financial field. Stefanie Morgan, a Wealth Manager at NRG, also holds her CERTIFIED FINANCIAL PLANNER™ credential as well as a Bachelor's Degree in Business Administration.

Knowing your advisor holds the CFP® designation proves their adherence to an ethical standard as well as a certain level of experience and education all set and enforced by the CFP® Board.

How many years have you been an investment adviser?

Longevity is key in this business. Knowing your advisor has weathered all types of financial storms is important. In good times and not so good times, it's comforting to know the person you've chosen to guide you financially understands these peaks and valleys, has successfully navigated them in the past, and is prepared to guide you in the future.

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See disclosure on final page

Charitable Giving and the CARES Act

by Jack Davis, MS, CFP®

From federal student loan relief to paycheck protection programs, the CARES Act aimed to provide relief across the United States. Included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed March 27, 2020, is an expansion of tax deductions for cash contributions to charities.* What this may mean for you is that in 2020, giving to qualified charities has been made a little easier.

- For someone taking the standard deduction, \$300 per taxpayer may be taken in above-the-line deductions for qualified charitable gifts made in 2020.
- For someone who itemizes their deductions, the existing cap on charitable cash contributions has been raised from 60% to 100% of adjusted gross income in 2020.

It is imperative that you contact your financial adviser and/or your tax professional for advice on how these temporary deductions may affect your personal tax situation.

While the world manages to get back on its financial feet, for some, taking a step to help charitable organizations may be a nice way to contribute to that recovery.

**Note: This expansion of 2020 tax deductions only applies to cash contributions to qualifying charitable organizations, excluding certain supporting organizations and Donor Advised Funds. Please check with your tax professional for specific CARES Act charitable deduction provisions.*

Cares Act Expands Tax Deductions for Charitable Giving. Rocky Mengle, Tax Editor, Kiplinger, April 30, 2020. <https://finance.yahoo.com/news/cares-act-expands-tax-deductions-220753231.html>

OUR MISSION:

To improve the lives of our clients by delivering prudent cash flow, investment, and estate planning strategies.

To learn more about us, please visit our website:

www.NRGWM.com



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About Jack:

Jack Davis is the founder and CEO of Navigation Retirement Group, an independent wealth management firm serving high achieving retirees and pre-retirees with investable assets between one and ten million dollars. For nearly three decades he has been using his asset management and financial planning skills to develop and implement planning strategies that help pursue his clients' unique goals. Passionate about education, he holds a Masters in Personal Finance and the CERTIFIED FINANCIAL PLANNER™ credential. He is also the author of *Cash Out! Retire on Your Terms, Live Well and Die Happy*, a book that gives pre-retirees and retirees planning tools and insights that can help them flourish throughout retirement. Based in Oro Valley, he and his team serve clients throughout the greater Tucson area and around the country. Learn more by connecting with Jack on LinkedIn or visiting www.navigationretirement.com.



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Market Behavior and the Economy



As states cautiously begin the process of relaxing their COVID-19 restrictions, some are wondering, “Why is the stock market doing so well when the economy is doing so poorly?”

It’s a great question, and fortunately, one that’s been answered before. To find the answer, we’ll need to dust off those economic textbooks of yesteryear and turn to the chapter on “lead, lag, and coincident indicators.”

“Lead indicators” are factors that are used to anticipate what may happen 6-9 months in the future. Think of the stock market as the foremost lead indicator. Now, imagine that the stock prices today are anticipating where the economy will be in 6-9 months. Is it correct? Despite what some may claim, no one knows for sure.

Alternatively, “coincident indicators” attempt to show the state of the economy right now. For example, gasoline deliveries are currently trending higher, consumer confidence appears to have stabilized, and airlines are seeing more bookings. Even the supply of toilet paper seems less of a concern these days, with Google searches for TP falling to near-normal levels.^{1,2} This may hint at higher consumer confidence at present.

Finally, “lag indicators” provide insight into past economic data. They may confirm long-term trends, but they are not very good at forecasting. The consumer price index is a historically classic example of a lag indicator. It tells us what inflation was, but doesn’t provide much insight about the future.

In general, when trying to evaluate why the markets are behaving a certain way, it may be best to gather as much data as possible. Economic indicators can help provide context for what can often seem counterintuitive behavior, especially in the face of intense global disruption.

Let me know if you’d like to chat about the economy or any other topics you’re pondering. I’m always here to help.

¹ MarketWatch, May 20, 2020

² MarketWatch, May 20, 2020

Great Expectations (Continued from Page 1)

Here at NRG, we have a combined industry experience of over 50 years. Our accumulated knowledge has culminated into a level of expertise, giving us the tools necessary to help guide our clients through every market cycle.

Have you or your firm ever been subject to any disciplinary, legal, or regulatory events?

A good source to reference is BrokerCheck, a free service provided by FINRA. It is a great tool to check the background and experience of your financial advisor and will assist you in making informed decisions.

I am proud to report that as of the date of this article, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients.

Discovering and establishing expectations for your financial advisor should include qualities such as trust and finding someone who understands you. Both of these qualities are key elements of our practices here at NRG Wealth Management. It is our core belief and goal to provide the best advice and guidance to our clients, taking into account their unique values and needs. So, when thinking about what you expect of your advisor, asking a few questions up front may help create valuable relationships that work together in unison.

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Therefore, a response to a request for information may be delayed until appropriate registration is obtained or exemption from registration is determined. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities product, service, or investment strategy. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial advisor, tax professional, or attorney before implementing any strategy or recommendation discussed herein.

Advisory services offered through Navigation Retirement Group, a Registered Investment Adviser.



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Business as Usual at NRG

The last few months have been quite a ride for everyone including all of us here at NRG. With the Governor's stay-at-home order in place, we went into action setting up workstations in each of our homes. Thankfully, operations moved along as smooth as ever as working from home proved a seamless transition. It was business as usual at NRG! Our VoIP phone system allowed us to take and transfer calls just as though we were in our office. Virtual client meetings made communicating with all of you possible, and in some cases, just as easy as if we were sitting right here in our Tortolita Conference Room. We even continued our monthly team building meetings. These are meetings we hold to promote cross-training and to take some time to have a little fun. Going virtual didn't stop us from learning a few fun facts about each other. See if you can guess who answered what.

If you could visit anywhere in the world, regardless of budget or time it took to get there, where would you go?

- Ireland
- United Kingdom
- Perth, Australia
- Southern Utah
- Jerusalem

Who would you have dinner with, either living or dead?

- Jesus
- My Maternal Great Great Grandmother
- Donald Rumsfeld
- My Dad (when he was young)
- TS Eliot

If you could pick one superpower, what would it be?

- Super Strength
- Mind Reading
- Fly
- Extrasensory Perception
- Talk to Animals

If your house was burning down and you could keep one inanimate object, what would you grab?

- My Wallet
- Midliner Highlighters
- Old Letters/Cards
- Photo Album
- Child's Stuffed Animal

With the Governor's order lifted, we happily moved back to our NRG office and are enjoying our new normal. While we are continuing to adhere to the social distancing guidelines, we are conducting meeting here at the office as well as continuing our virtual option.

Stay safe, and we look forward to seeing everyone soon.



How long would you go without seeing your doctor?

How long should you go without a portfolio review?

The benefit of a medical examination is to catch any troubling health risks as early as possible. The same can be true for your financial wellness.

Complimentary Financial Check-Up

Navigation Retirement Group offers a complimentary financial review with one of our wealth management professionals. We will review your retirement portfolio, your estate planning goals, and offer you an independent second opinion.

In order to continue providing our exceptional level of service to our existing clients, we accept a limited number of new clients each year. Those benefiting most from our services are retirees and pre-retirees with the following attributes:

- Focus on quality of life.
- Seek a distinct, relationship-based wealth management experience.
- Achieved success in various aspects of their personal and professional lives.
- Investable assets in excess of \$1,000,000.

If you meet these criteria and wish to take advantage of our complimentary consultation, please contact our office at (520) 818-7822.