



KINSEY

WEALTH MANAGEMENT GROUP

of Wells Fargo Advisors

The Kinsey Report

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April finished with a stormy weekend while marking the midpoint of Spring. The storm produced the longest period of heavy rain in many years. A few roads were washed out and many basements took on water. In our community, Lake Wildwood came up quickly leaving our docks under water. On the bright side, the past 5 months have left the market anything but underwater, and although there are some clouds passing through, the economy is displaying some sunny patches.

THE MARKET

Since election day the Dow has climbed more than 2500 points and the S&P 500 is up more than 230 points. Over the winter, it appeared the markets reaction was partially, due to expected tax policy changes that may be more favorable to U.S. corporations. In my opinion, the expectation of a decrease in additional regulations, is quite possibly the greater reason for the lift of the markets. That being said, according to S&P Global, since 1945, on average, the S&P 500 Index has experienced a pullback (5%-9.9% decline) once a year and a correction (10%-19.9% decline) every 2.8 years. I expect things have not changed. When will it happen? I'm smart enough to know that I'm not smart enough to know.

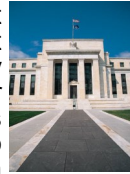
THE ECONOMY

When you listen to the financial press, it is easy to conclude that the economy predicts the market. In my experience it is typically quite the opposite. The market often shows signs of improvement many months prior to the economic data proving it out. Our economic news is still quite mixed. In the first quarter of 2017, nine retailer's filed for Chapter 11 bankruptcy, we had a low first estimate for GDP growth - 0.7%, and auto-sales appear to be peaking.

However, existing home sales were up 4.4% in March while new single-family home sales were up 5.8%. We are seeing some expansion from both Europe and Asia as well. Our multi-national corporations may benefit from that news.

AT THE FED

By the time you read this, The FOMC (Federal Reserve Open Market Committee) will have wrapped up another meeting. I suspect they will not bump up interest rates this time around, but personally will not be surprised to see them hint at the possibility of doing so at the June meeting. They seem more confident in our economy than in previous years, and I would tend to agree. If the economic data improves in the coming months, I feel it will be likely we will have the two additional rate increases currently in the Fed forecast.



Remember, after going more than a decade without increasing rates, they have now increased in both December and March.

INVESTMENT STRATEGY

I personally believe that the most misunderstood part of investing is risk. At times, what we perceive as a risky approach to investing and what we perceive as a more safe approach, may end up being the opposite. For example, it is entirely possible for the risk characteristics of a long-term bond, especially in a rising interest rate environment, being *higher* than that of a portfolio of established, financially sound, dividend paying** stocks. Remember the old adage of not keeping all your eggs in one basket? (*especially if a two-year old is carrying the basket...*) It's a good rule.

A well thought out and thoroughly analyzed investment approach is one of the best ways to accumulate wealth over the longer term.

Remember we're here to help in any way possible.

**bonds are subject to price change and availability.*

***dividends are not guaranteed and are subject to change or elimination. More information is available upon request.*

Clarity, Confidence, Structure

We often talk with clients about **Clarity, Confidence, and Structure** as it relates to our investment planning process.

Let us explain why...

Clarity comes from getting our arms around our financial 'stuff.' It is achieved by stopping life for a short time to take inventory of where we are at this minute, in every aspect of our finances. This includes both sides of the balance sheet as well as income and expenses.

Next we must take the time to identify what we would like our future to be. For many of us, this is quite challenging, and should involve picturing our expectations for lifestyle... our family... and perhaps our impact on the greater good.

Confidence comes from having the right strategies to fit with our objectives and tolerance for risk and volatility. We take all of this data and discussion, utilizing the information as a foundation for building an over-all game plan to accomplish our objectives. This includes detailed analysis along with defining realistic expectations. And then identifying the steps we need to take and the strategies we might employ to help us get where we would like to go.

Structure, is comprised of processes we put in place to make sure we keep the whole thing 'tuned-up' and working as it should. It's a very important aspect needed to assure we stay on track. This includes periodically reviewing where we started, where we are, what has changed and how we can best get where we plan to go.

Life is constantly changing! We don't know what to expect, we only know it will be unexpected. Therefore, it is important we have a way to adjust quickly to the ebbs and flows we must face.

Our goal is to help you through all of life's challenges and blessings through:

Clarity, Confidence and Structure

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*Happy Investing!
May God Bless!*

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The Good Old Days by Keith Kinsey

Progress is a beautiful thing, and yet, it is easy to harken back to “the good old days.” It was a simpler time, when people weren’t always in such a hurry. It was a time where neighborhoods played a major role in raising children. Attending church each and every Sunday was just what we did. It was a time when, instead of video games, children spent the summer playing ‘Capture the Flag’ and ‘Red Rover’ with large groups of neighbor kids (*at least until the streetlights came on.*) Yep, ‘The good old days.’

I remember having to take my turn at activities like washing the dishes and vacuuming, not to mention occasionally doing my own laundry and ironing. And there was the black and white television... as the youngest child, I was the remote control.

I still remember my dad being impressed with the manual foot pedal in his Chevrolet – that actually sprayed washer fluid on the windshield when you pumped it. (*His next car had an electric pump to accomplish the task.*)

Which leads me to those driving vacations. When I was 6, we drove from our home south of Chicago to California and back. No hotels, just a tent. I can’t swear to it, but based on my parents (*or years later Karen and I*), I’m fairly certain there were no training classes on how to accurately read, or for that matter, re-fold a map. (*Perhaps if there were, I would have much less experience in the art of ‘spirited - debate!’*)

Remember the first ‘personal’ computer? When introduced in 1971, the KENBACK-1 sold for a mere \$750.00 (*\$3800 in today’s dollars.*) My first computer was a Radio Shack TRS-80 purchased in 1977. (*what can I say, the Commodore 64 was out of my price range.*) I struggled to save the \$599.00 (*\$2376 today*) for nearly a year!

When I moved from home, into my own apartment, I met progress head on - in the form of a dishwasher. I felt like Joe Cool! I had a dishwasher before my parents! Sure they owned a home and were building their place on the lake... and I was renting and apartment... but still, I had a dishwasher! (*Side note - Cascade belongs in the dishwasher, not Cheer. Don’t ask me why I know...*)

So now we have not only dishwashers, but remote controls, home theater systems, navigation systems, robotic vacuums and smartphones. (*Actually, I just checked... my smartphone has 524,000 times the computing power of my TRS-80!*) And it looks like self-driving cars are not too far off either! Yet, with all these conveniences...

In some ways, I still kind of miss ***‘The Good Old Days’***

Purpose Over Passion by Kristen Kinsey-Gordon

No matter what stage of life we are in, we often hear we should have passion for what we are doing. Whether this is volunteering with an organization we are passionate about or working 40 years in a career we have a passion for, the word “passion”, has such a high importance. I do believe passion is important; however, maybe purpose is even more important.

Over this past winter, I gave blood for the first time. I was a little nervous, but Jack, the man who was taking my blood, helped me through the many questions I had (*yes, I had to know everything that was going on and why-this drives Chris crazy!*) He talked about how much he enjoyed his job, he enjoyed the people he worked with, and he enjoyed getting to know the individuals who were donating. The passion he has for his career poured out of him and was admirable. While donating we continued to talk about career, family, etc. That is when he opened up about his purpose.

About 8 years ago, Jack was attending nursing school on a full time basis. He had two young children and was working hard toward his degree to support them. Suddenly, his wife became ill and he had to quit school to take care of her while working to support the family. Unfortunately, his wife lost the battle. He was left feeling empty and lost with two young girls to raise and support. He soon found Red Cross and began a career with the organization. Over the next couple of years, Jack found his purpose, and I felt so touched as he shared it with me. Jack’s purpose is to raise his two daughters in the same manner, that he and his wife would have together. Every day he goes to work to encourage and assist blood donors so that fewer children grow up without a mother like his girls have had to. To me, this purpose is not only admirable, it’s inspiring.

Finding a purpose in our lives is what drives us. Purpose drives what we do. Purpose gives us hope, as well as confidence, and happiness. Sharing our purpose and showing our purpose can inspire the people around us. Never stop searching for your purpose. I also encourage you never to be afraid to share your purpose. You might not ever know who you may inspire.