

HOPE SPRINGS ETERNAL



After an extremely volatile and precipitous decline to end 2018 we saw the markets show great resilience in the first quarter of 2019. This just reinforces the difficulty of predicting market returns in the short term. We get the question on a regular basis “What will the market do this year?”—to answer that question is, honestly, a fool’s errand. We prefer to discuss expected returns over a 5/10-year horizon, which makes forecasting a bit more reliable.

We feel the economy has enough elasticity to continue growing without a recession in the near-term. The decline in unemployment and the emergence of wage growth make it hard to envision a looming recession, as we continue to be a heavily (70% of GDP) consumption-based economy. The counterweight to this remains that we are a substantially indebted country (Federal, State/Local & Individual) which can restrain potential upside growth. The stimulus from the tax cut has diminished, and we feel like we will return to the 2% slow growth

environment that has been with us this entire decade—with the exception of the last 18 months. Growth is better than recessions, but this could put pressure on potential stock gains.

Our thought is that US equity returns will be in the range of 5-7%, International equities in the 6.5-8.5% range and US bonds between 2.5-3.5%. As such, long term returns remain muted but positive with a low probability of recession. A diversified portfolio and careful tactical management will be important as we feel volatility will be the “new normal” going forward in this kind of environment.

Economic expansions do not die of old age, they rather end due to something that kills them. The trade negotiations with China and the shenanigans in the UK regarding Brexit remain the biggest risks, but they are well known. Best to let time do its thing and focus on the long-term.

wedding season IS UPON US



It's that time again—spring and summer weddings are beginning to show up on our calendars. According to Brides Magazine, the average cost of a wedding in 2018 was \$44,000.00. Some of these costs are shared, but the bulk are paid by the bride's parents. If you are the future parents of the bride...Are you prepared for this expense?

From a planning perspective it's important to build these kinds of "budget busters" into your financial plan. A wedding—along with home improvements, purchases of vehicles, education, special vacations, and bequests/gifts are items that should be in your plan. TV commercials ask you the question: "What's my number?" This "number" only accounts for your regular recurring expenses. If you aren't including the aforementioned large sporadic expenses, it could cripple your well laid-out plan for financial independence.

The average age of first-time brides is 27, so that's a good starting point for "when" the expense may occur. We would encourage you to have an established budget that you discuss with your bride-to-be. This will help avoid needless tears, arguments and strife. In addition, it may not hurt to start having these discussions well before any engagement so you don't get swept up in the moment. The typical wedding budget breakdown is as follows: 5% ceremony, 10% décor & flowers, 10% photography & videography, 10% music, 10% attire, 5% invitations and 50% reception. Based on that...the biggest expense is the per person costs. Therefore, the amount of your budget will drive the question of how many guests you can afford to invite.

As with any future expense, the sooner you begin to save for that likely wedding the sooner you'll reach the goal you have established for providing that perfect experience.

**THE HAPPIEST PEOPLE DON'T HAVE THE BEST OF EVERYTHING,
THEY JUST MAKE THE BEST OF EVERYTHING. —UNKNOWN**

COUPLES WHO LAUGH TOGETHER, LAST TOGETHER. —DR. JOHN GOTTMAN