

WEEKLY FOCUS

The Benefits of a Family Meeting

Now that you have prepared your estate plan, have you considered having a family meeting to discuss it? A UBS Investor Watch report found 83 percent of benefactors surveyed have a will, but only 54 percent have had a meeting to discuss their plans with their heirs.

This may be one reason behind some troubling statistics. According to a study by the Williams Group Wealth Consultancy, 70 percent of wealthy families lose their wealth by the second generation, and 90 percent lose it by the third generation. It appears family members often lack sufficient knowledge and wisdom to use their inheritance responsibly. That is why a growing number of advisors are working to educate and empower future generations through family meetings.

The primary goal of this type of meeting is to create an awareness of estate planning choices you have made, and most importantly, the reasoning behind your decisions. It took time and planning to prepare your financial affairs, and sharing them can encourage unity within your family by building bridges across sensitive topics, such as life, death, wealth and taxes. Equipping loved ones with knowledge brings understanding and acceptance.

A family meeting brings you and your heirs together to talk about the careful plans you have made. It's an opportunity to provide a high-level review of your will, explain any trusts you've set up, discuss who you've designated as executor and why, and share contact details for your attorney and the location for important documents. It often covers your health care directives, long-term care desires and your durable and health care power of attorney. This equips loved ones with the information they will need when you are no longer available or mentally capable to provide it.

Beyond that, you can foster the success of future generations by sharing principles that helped you accumulate wealth, lessons you learned, the importance of investing at an early age and how you hope your heirs might use their inheritance. Having this conversation is the best measure you can take to equip your heirs to continue your legacy to the second generation and beyond.

As your trusted advisor, I am happy to facilitate a conversation about your legacy plan and educate your family members on essential financial concepts. Why not contact our office today to arrange a family meeting at your convenience?

FINANCIAL FACTS

Growing — The U.S. economy has been growing for the last 99 months (i.e., no recession), an expansion exceeded in length only two times since 1900 (source: National Bureau of Economic Research, BTN Research).

In and Out — The U.S. imports 22 percent less oil than it did just a decade ago. Oil imports averaged 7.9 million barrels a day in 2016, down from 10.1 million barrels a day in 2006. Total petroleum exports from the U.S. have quadrupled over the last decade, rising from 1.3 million barrels a day in 2006 to 5.2 million barrels a day in 2016 (source: Department of Energy, BTN Research).

Building New Homes — Permits for the construction of 6.14 million single-family homes were issued during the four years of 2003-2006. Permits for the construction of 6.08 million single-family homes were issued during the 10 years of 2007-2016 (source: Joint Center for Housing Studies of Harvard University, BTN Research).

THE MARKETS

Last week, Wall Street closed a year that brought a series of record highs. The three major indexes achieved their best yearly performance since 2013. But there was little celebration Friday with stocks ending lower, thanks to losses in financial and technology stocks. For the week, the Dow fell 0.14 to close at 24,719.22. The S&P lost 0.33 percent to finish at 2,673.61, and the NASDAQ dropped 0.81 percent to end the week at 6,903.39.

Returns Through 12/29/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.14	28.11	28.11	14.36	16.37
NASDAQ Composite (PR)	-0.81	28.24	28.24	13.38	17.98
S&P 500 (TR)	-0.33	21.83	21.83	11.41	15.79
Barclays US Agg Bond (TR)	0.51	3.54	3.54	2.24	2.10
MSCI EAFE (TR)	0.90	25.03	25.03	7.80	7.90

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.



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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright January 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1981955.1