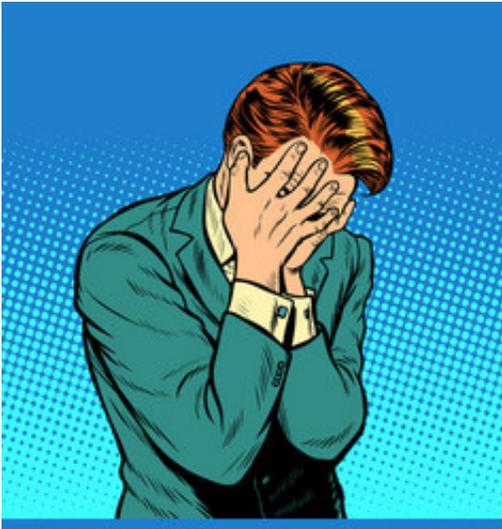


THE \$TRATEGIST



Good Grief!

1931. Yet despite all of that, the S&P 500 finished the year down only 6.2%.

The big question on everybody's mind is: *Is this 2008 all over again?* While nobody likes to see values drop, down only 6.2% doesn't seem like 2008 all over again. But the memories are still painful. I remember talking with my parents and some clients early in my career and the reference to a

"Depression mentality" when viewing anything financial. I believe I will update that now to the "Great Recession mentality."

Certainly, volatility has returned! With a vengeance. Our view is it will continue and get worse. Nobody knows how 2019 will end up – positive or negative.

People who tell you they know are lying to you or kidding themselves.

Our goal is to lessen the pain since we can't avoid it. Our balanced portfolios are designed to do just that. To that end, we increased holdings of money market and short-term bonds, particularly government bonds and reduced large cap growth holdings. We may do more of that as the year progresses if the indicators we follow continue to turn negative or get even worse.

Right now, the economic numbers look positive and the investor sentiment numbers are coming down but are still positive with market technical numbers decidedly negative. That would seem to be indicative of a positive year for equities. However, if we couple that with various geo-political items, e.g. tariffs and Brexit, the fear factor has definitely increased.

We do think there could be a recession coming late 2019 or 2020. As the market usually precedes that by 6-18 months, more declines are expected. Timing is difficult and never precise. As we say, "our crystal ball is always cloudy." As I type these words, I'm thinking that since I put them in print they are guaranteed to NOT happen. At least not when I think they will!

cont. on back

By Tom Wargin CFA, CFP®

The title above seems to sum up the comments made by us and many of you when it came time to discuss your portfolios in the last quarter of the year. December, down 9.2%, made everything worse as it was the largest stock market drop for the month since

Planning Notes

By June Ann Schroeder, R.N. CFP®

Bank & Credit Card Rewards Taxable?

Watch for a 1099-INT if you get a reward in cash or air miles after you open a bank account and arranged for direct deposits. The same applies to a bonus for signing up for a credit card with no purchase required. However, the points or miles you accumulate on

credit cards are not taxable are because you have to spend money to get them and they are considered a rebate!

Check Your Child's Credit History

The Federal Trade Commission reports an increase in theft of the Social Security numbers of children age 19 and under. Thieves are using them to



Planning Notes *continued*

create phony identities allowing them to take out loans and credit cards. A new law makes it easier for parents to take action. Go to the special [FTC webpage](#) to learn what to do.

Watch Out for Test Scams

Scammers are now using texting to steal your account information by adapting an old email trick. Cyber thieves are sending texts that look like they are from trusted places like Apple, Facebook or your bank. Click on that link and you end up on a fake website. If you log in, you compromise your information. Report such scam texts to the FTC.

Credit Freezes Are Now FREE!

A credit freeze restricts access to your credit file, making it harder for identity thieves to open new accounts in your name. In the past, credit bureaus charged \$5-10 to freeze and unfreeze your accounts and it took some time. (It was a real pain when I bought my car two years ago!) Thanks to a 2018 law,

you can now quickly freeze and unfreeze your credit file for free! You also can get a free freeze for your children who are under 16. And if you are someone's guardian, conservator or have a valid power of attorney, you can get a free freeze for that person, too.

Contact all three of the nationwide credit reporting agencies – [Equifax](#), [Experian](#), and [TransUnion](#). If you request a freeze online or by phone, the agency must place the freeze within one business day. If you request a lift of the freeze, the agency must lift it within one hour. If you make your request by mail, the agency must place or lift the freeze within three business days after it gets your request. You also can lift the freeze temporarily without a fee.

Don't confuse freezes with locks. They work in a similar way, but locks may have monthly fees. If you want a free freeze guaranteed by federal law, opt for a freeze, not a lock.



Featured Artist: Carole Milos

Carole Milos attended art school at Milwaukee Institute of Art and Design, (MIAD) but then spent over 20 years working in business. Being an optimist, she chose to make a change and March 1st is the anniversary of her first year as a full time artist.



She uses colorful alcohol inks, acrylic paints, and watercolors. For the display in our conference room, she prepared a new "collage based" concept. This series of abstract art carries an underlying theme of money and prosperity. Be sure to stop in and check it out. You will be among the first to see her "money trees" made from discarded "Fed Shreds."

Carol has an amazing talent for capturing the feeling of her subjects. Her website, www.artstudiowi.com, showcases her variety and talent as she starts to discover her artistic strengths. She lives and works in West Allis, WI with her CPA husband. They have two adult children.

Client Alerts

By Shannon Nook, FPQP™

2019 Office Hours

Monday through Thursday

8:30 a.m. - 6 p.m.

Friday 8:30 a.m. - 5 p.m.

other times by appointment only

CLOSED: Good Friday (4/19),

Memorial Day (5/27), Independence

Day (7/4), Labor Day (9/2),

Thanksgiving & Friday after (11/28

& 11/29, Christmas Eve & Day

(12/24 & 12/25)

Don't Forget to Maximize Your IRA

The 2018 contributions for IRAs, including Roth IRAs, must be in your account by 4/15/19. Maximum is \$5,500 per individual or earned income whichever is more. Those over age 50 may add an additional \$1,000 catch-up. We hope to contact you by late February to see if you want to maximize this contribution for your retirement!

Tax Appointments

Liberty Financial Tax appointments can be scheduled in conjunction with your review meeting if you wish. Or you can drop off or mail your data to us. Your final return will be filed electronically and your copy mailed to you when completed. If we did your taxes, Tax Organizers containing your numbers from last year will be sent to help you get ready. Watch for a blast/snail mail notice regarding the LFG tax team. Make appointments with your tax preparer ASAP to beat the rush. Remember: **New tax law** took effect on January 1, 2018 so you will file your 2018 under the new rules!

Portfolio 1099 Expectations

You should begin to receive 1099s shortly either by mail or online by logging in to your Schwab or TD Ameritrade account. If you have questions, just give us a call.



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