Regardless of which decade of life you are in, financial responsibility usually comes down to managing a few basic goals: generating income, saving/investing money, controlling your living expenses, and protecting yourself from risks. However, the relative importance of each of these, and the way you approach these goals, will change with each passing decade as I will discuss below.

(age 1-9) - Don't Eat the Money. During the first decade of life there are three important financial lessons to be learned. First is to not put money in your mouth (risk avoidance!). The second lesson is that money can be exchanged for stuff. Finally, learning delayed gratification can parlay itself into the ability to be a better saver and to make better financial decisions. Allow kids to experience delayed gratification.

(age 10-19) - Value Exchange. Teens must learn that money is received for adding value to people’s lives. This can be a hard thing for teens to see depending on the type of job they have. My son works at a minimum wage job with no incentives for performance and tells me that adding value does NOT lead to higher income. However, a friend of his works as a waiter at a country club and clearly sees the relationship between top service with a smile and his tips! More money comes when you are a more valuable employee, or a powerful contributor to the organization. Money is also earned because you have created or improved a product, service, or process. Regardless, understand that your income is correlated with the value you provide. In other words, if you want a higher income, figure out how to add more value in your workplace. Work harder, be more creative, persuasive, likable, original, collaborative, and efficient.

20's - Get in the Habit. New college graduates with their first jobs must begin establishing small habits while young and while their financial lives remain simple. For example, learn the importance of setting aside money regularly each month into three buckets. First is the "spend later" bucket where you set aside a portion of your pay in a side account for those things that will occur during the year such as travel or auto repairs. Second, save enough in your retirement plan to ensure you obtain the full employer matching contribution. Third, build a
Decade...Continued

cash cushion so you have future choices - change careers, start a business, accumulate a down payment for a home. While this may sound like a lot, remember, you are only establishing good habits. So it could be $100/month to your "spend later" bucket, $100 per paycheck to your 401(k), and $100/month into your savings account. Who cares! Just start to create some momentum and begin the lifelong important habit of saving. It is okay that you save small dollar amounts as you will likely need to allocate most of your available cash to paying down student loans first. What you will find is that saving money (even small amounts) is a huge stress reliever (especially every time the "spend later" account is there to get you out of a tight jam). It will also begin to make you feel empowered and in control of your financial future. Soon enough, these small habits will become ingrained in your life and the financial impact will snowball.

Leverage Your Earning Power. In your 20's saving is about habit building, not wealth building since the dollars saved are too small to amount to much anyway. This is why it pays far more in your 20's to "invest" in yourself and your career for the purpose of leveraging future earnings potential. A higher ongoing future income allows for far more savings towards financial capital which will build into a large sum in your later years.

Avoid the Creep. During this decade, your finances will begin to get a bit more complicated. Many people are still paying off student loans, building cash savings, merging finances due to marriage, budgeting, thinking about their children’s college costs, and hopefully saving for retirement. With all of this to contend with, there is the constant desire to spend what is now a fast growing income. The primary objective while in your 30's is to avoid what is known as "Lifestyle Creep". Income growth is rapid in the 20's and 30's, and it is easy to find ways to spend this increasing income. Remember getting that big fat raise and feeling flush for a while? But then what happens? The flush feeling goes away as it is increasingly consumed by our expanding lifestyle creeping up higher and higher. Establishing good savings habits and controlling lifestyle creep can make an astounding difference over a lifetime.

If you now have children, you must also do a few things to protect and provide for them if something happens to you or your spouse. First, get estate documents drafted. Second, insure your future income potential with term life insurance (in the event of death), and disability insurance (in the event of disability).

Maintain Momentum. At this point in your life, you should have no credit card or student loan debt. The good saving habits developed in your 20's, coupled with controlling your lifestyle in your 30's, should have resulted in an exciting buildup of savings and investments! If enough, this may allow the ultimate result - the ability to change things up by switching careers to something you have always wanted to do. So, keep your employment connections “linked-in” (for that potential career change). Avoid the temptation to send your kids to any college - regardless of the cost. If you have kids, you may be feeling the need to put your retirement savings on hold in favor of saving for college tuition. As the old saying goes, you can borrow for college, but you can’t borrow for retirement.

Now that you are accumulating investments in different account types (IRA’s, 401(k)s, Roth IRA’s, HSA’s, and taxable investment accounts), you should be working with an investment advisor that considers every one of these investment accounts in order to take ad-
vantage of tax smart investing. This would include utilizing optimal asset location and a tax oriented strategy such as harvesting tax losses or donating highly appreciated shares.

50's

Hang in There. Welcome to the “sandwich generation” years, when you may start to feel stuck between supporting your kids and taking care of aging parents. Your 50’s are a key time to fully prepare for retirement, whether it’s five or fifteen years away. Unlike college costs, buying new stuff, or bailing out family members, retirement is NOT optional. Keep your skills relevant, and continue to save like crazy especially once the kids are out of college. Focus on your own needs and not the continued support of your children. This is because you never know if you may get laid off, disabled, or sick. Be diligent in your own financial security. Don't risk your own security for the sake of your kids. With your extra cash flow, be sure to maximize your savings to an HSA for your future health care costs. Not only are these contributions deductible, but the earnings will be tax-free (if used for medical expenses).

60's

Decision Time. By the time you have entered your 60’s, you want to be absolutely certain that your current and anticipated retirement lifestyle can be supported by your resources (i.e., retirement income, savings, and investments). You will want a professional advisor (not salesman) to perform detailed retirement projections.

Getting clear about what type of lifestyle you can support in retirement is important to avoid "lifestyle shock". Lifestyle shock occurs when you realize you don't have enough to support your past lifestyle and must make dramatic cuts to your current lifestyle. This can be very painful.

In addition, you will be faced with a variety of big, irrevocable decisions including pension option selection, portfolio withdrawal strategies, Medicare decisions, multi-year tax bracket planning, Social Security collection strategies, and a likely shift in portfolio risk level.

70's

Time to Simplify. You are likely faced with a lower number of choices once you reach your 70's. Most of your retirement income is in place and so is your lifestyle. Now, it is time to get organized and begin to simplify things so you can enjoy travel, friends, and family. This may include consolidating accounts, simplifying your investment portfolio, organizing your estate documents, and building your Estate Binder.

However, one of the most important financial decisions at this age will be the selection of your final residence. Unlike prior living choices, this one involves a major consideration: health care delivery and advocacy. You either need to make this decision consciously and ahead of time, or you may have a non-choice thrust upon you when a health crisis hits. There are a variety of living and care options available including staying in your residence (and bringing in home care givers), living with relatives, assisted living facilities, nursing homes, and Continuing Care Retirement Communities (CCRC’s).

Naturally your choice will have a significant impact on your lives and the lives of your families. For example, if you elect to remain in your residence, this will eventually require hiring/managing a variety of caregivers, contractors, bill paying services, gardeners, and meal delivery services. Naturally, your choice will impact your family, social life, cash flow, level of advocacy received, and quality of medical care.

During each decade we must generate income, save, invest, control our living expenses, and protect ourselves from risks. However, as you have seen, how these goals are managed in each decade will change as our income, family, and health changes.

Bill Starnes is the founder and senior advisor at Mallard Advisors, LLC
Over the last year a globally diversified portfolio of 60% stocks has provided a total return of about 12%. Over the last five years it has provided an annualized return of about 8%.

However, over the last few weeks we have seen many 1%+ one-day drops in the NASDAQ. Don’t let these drops prompt you to take action since you really don’t know if these are simply bumps in the road, or the start of a correction or bear market. Yes, even if the U.S. stock market is considered overvalued, no bell will ring telling you it is time to get out of U.S. stocks (or for that matter back in). At times like these there are a few things you should bear in mind:

1. Every stock market correction that has occurred over your lifetime has been temporary. A temporary set back is to be expected (every 15 months or so) on a long-term upward path. Temporary is irrelevant when we are investing dollars we don’t need in the short-run.
2. Returns have been very good as of late (see the table below) and won’t continue in this manner year-after-year. Trees don’t grow to the sky, so it would be logical that below average returns follow a period of above average returns.
3. Curtail your expectations from U.S. stocks going forward and base your planning on these lowered expectations.
4. Remain globally diversified. Note in the table below how over the last twelve months international stocks have outperformed U.S. stocks.

Our clients have the ability to maintain their investment strategy in the face of anything the markets do because we have:

1. Faith in the Future—We are investing in something we believe in.
2. Patience—We have the ability to wait for positive returns to unfold.
3. A Strong Investment Philosophy—We have convictions that make us steadfast and un-swayed.
4. Discipline—We are committed NOT to change our strategy in the face of surprise events.

<table>
<thead>
<tr>
<th>Total Return as of 06/30/2017</th>
<th>Annualized</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>June</td>
</tr>
<tr>
<td>GLOBALLY DIVERSIFIED BALANCED PORTFOLIO**</td>
<td>0.71%</td>
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<tr>
<td>STOCKS</td>
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<tr>
<td>Smaller-Cap</td>
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<tr>
<td>Inflation Hedges*</td>
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<tr>
<td>BONDS</td>
<td></td>
</tr>
<tr>
<td>U.S. Investment Grade Bonds</td>
<td>0.01%</td>
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<tr>
<td>Global Bonds</td>
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</tr>
</tbody>
</table>

* Each asset class is represented by a relevant Vanguard Index fund except for Inflation Hedges where the Morningstar Category average for "Natural Resources" is used.
** The portfolio is represented by the DFA Global Allocation Fund (60% Equity / 40% Bond)