

Newsletter

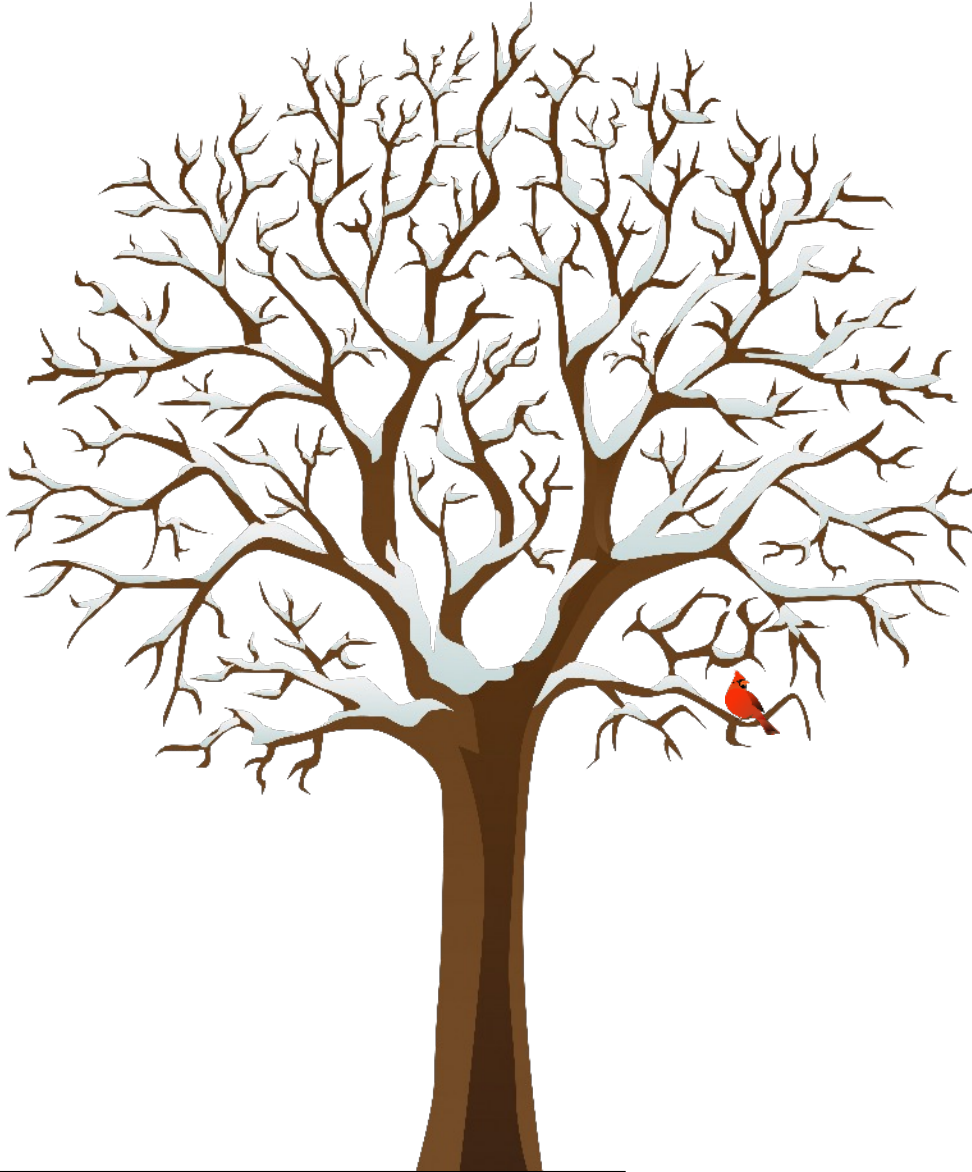


BUMGARDNERMORRISON

CERTIFIED PUBLIC ACCOUNTANTS
WEALTH MANAGEMENT ADVISORS

Volume 4

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Why Having a Financial Professional Matters

A good professional provides important guidance and insight through the years.

Provided by J. David Bayarena, CFP®, AIF®, MBA

What kind of role can a financial professional play for an investor? The answer: a very important one. While the value of such a relationship is hard to quantify, the intangible benefits may be significant and long-lasting.

There are certain investors who turn to a financial professional with one goal in mind: the “alpha” objective of beating the market, quarter after quarter. Even Wall Street money managers fail at that task – and they fail routinely.

At some point, these investors realize that their financial professional has no control over what happens in the market. They come to understand the real value of the relationship, which is about *strategy, coaching, and understanding*.

A good financial professional can help an investor interpret today’s financial climate, determine objectives, and assess progress toward those goals. Alone, an investor may be challenged to do any of this effectively. Moreover, an uncoached investor may make self-defeating decisions. Today’s steady stream of instant information can prompt emotional behavior and blunders.

No investor is infallible. Investors can feel that way during a great market year, when every decision seems to work out well. Overconfidence can set in, and the reality that the market has occasional bad years can be forgotten.

This is when irrational exuberance creeps in. A sudden Wall Street shock may lead an investor to sell low today, buy high tomorrow, and attempt to time the market.

Market timing may be a factor in the following divergence: according to investment research firm DALBAR, U.S. stocks gained 10% a year on average from 1988-2018, yet the average equity investor’s portfolio returned just 4.1% annually in that period.¹

A good financial professional helps an investor commit to staying on track. Through subtle or overt coaching, the investor learns to take short-term ups and downs in stride and focus on the long term. A strategy is put in place, based on a defined investment policy and target asset allocations with an eye on major financial goals. The client’s best interest is paramount.

As the investor-professional relationship unfolds, the investor begins to notice the intangible ways the professional provides value. Insight and knowledge inform investment selection and portfolio construction. The professional explains the subtleties of investment classes and how potential risk often relates to potential reward.

Perhaps most importantly, the professional helps the client get past the “noise” and “buzz” of the financial markets to see what is really important to his or her financial life.

The investor gains a new level of understanding, a context for all the investing and saving. The effort to build wealth and retire well is not merely focused on “success,” but also on significance.


This is the value a financial professional brings to the table. You cannot quantify it in dollar terms, but you can certainly appreciate it over time.

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Citations.

1 - cnbc.com/2019/07/31/you're-making-big-financial-mistakes-and-its-your-brains-fault.html [7/31/2019]



May the joy and peace
that were present
at the birth of Christ
be present
in your home this season.

To you and your family,
we extend our very best wishes
for a Merry Christmas and a Happy New Year.

Sincerely,
The Very Merry Team at
BumgardnerMorrison

The Christmas I'll Never Forget

By Lori Devereaux

Christmas is a special time of year – a time when families gather to express their love for one another. It is also a season of excitement and anticipation for children. Even when they're past the age of believing in Santa Claus, there is still the suspenseful wait to see what gifts are tucked away under the tree.

One Christmas I watched excitedly as my Mother wrapped gifts and placed them in a box for Dad to take with us to my aunt's house. My dad's family was not especially close, so this was a rather special event. I think this might have been because his mother, my grandmother, passed away very young. His sisters and their children would all be there. Mother and my sister were not going, though I can't remember why.



I will never forget one gift that she wrapped that afternoon. It was a shiny red vinyl wallet with a puppy's face on the front. The eyes were the kind that blinked open and shut as the wallet was tilted back and forth. I knew it had to be for one of my cousins and I was so envious. She wrapped other gifts too, though I don't remember what they were.

Soon we were off on our trip. We rarely went out of town, so the trip itself was a real adventure. I remember that it was clear and cold that evening. I sat up front with Dad and kept my feet close to the heater's vent on the floorboard. My brothers sat in back, probably picking on one another, but I ignored them. This was much too exciting to let them spoil the evening.

When we arrived, my aunt's living room was like a picture from a magazine. A white artificial Christmas tree stood in the corner. On the floor next to it, sat a colored wheel with a light bulb behind it. As the wheel slowly rotated, the tree changed colors from green, to blue, to red, to gold. They were so lucky!

After consuming the usual holiday fare, it finally came time to open gifts. My cousins received the most beautiful dolls. They were tall, walking dolls. There were also carriages, clothes and high chairs. I don't know who got what, but they all seemed very happy with their gifts. Yes! They were calling my name – finally! I got up and slowly walked over to get my gift, perhaps just a little disappointed that the package held out to me was quite small. So, it definitely wasn't a big walking doll. But sometimes good things come in small packages, don't they?

I ripped off the paper and opened the box. I pulled back the tissue paper and there it was – the little red wallet with the blinking eyes.



That was the Christmas I'll never forget. There have been others where the gifts were larger or more expensive, but that was the one when I found out what Christmas was really about. It's about love. Our mother knew, or feared, that there would not be any gifts for her children, and so she had sent her own. If she was mistaken, then they were just a little something extra. Sadly, she was not. You see, the little red wallet and the gifts the boys opened were the only ones we received that night.

On the drive home, as I sat on the front seat next to Dad, I tilted the wallet back and forth and watched as those big puppy-dog eyes blinked at me in the soft glow from the dash. With the quiet whir of the heater and the warm air blowing on my feet, I slowly drifted off to sleep.

Department store ads often remind us that Christmas is love, but they often equate that love to a large expensive gift. I only know that there was more love in that little red wallet than in perhaps any gift I've received since.



YOUR INDIVIDUAL CLIENT ORGANIZER

Bumgardner Morrison tax clients will receive an individual client organizer in January. The organizer is designed to assist in gathering the information necessary to prepare your 2019 income tax returns. Items to submit with the completed organizer include forms such as: Form W-2, Form 1099s, Schedule K-1s, and any other tax information statements. Please note any changes in mailing address, e-mail, phone numbers, or banking information. Once you've received all anticipated tax documents, you may drop them at the front desk or mail the packet to our office.

In addition to preparing your tax returns, we also provide tax planning and wealth advisory services that may benefit you. Our financial advisors and certified financial planner are ready to assist you in your tax-optimized wealth management plan. Should you have questions regarding any of our services, please do not hesitate to contact us. Appointments may be scheduled by calling our office at 361-575-0271. Let us put our expertise to work for you!

In order to deliver quality services on a timely basis, we ask that you send your information to us as soon as possible. If information from "pass-through" entities such as partnerships, trusts, and S corporations is the only data you are missing, you may submit the information you have assembled and note that you will be forwarding the missing information as soon as it is available.

Your completed tax organizer and all supporting information must be received at least 15 days ahead of your deadline. Any information received after that date may require that an extension of time be filed for your tax return. Please remember: If an extension of time is filed, any tax due must be paid with the initial extension. Any taxes not paid by the filing deadline may be subject to late payment penalties and interest.

Filing Deadlines:

S-Corps & Partnerships.....	March 15 th
Individuals.....	April 15 th
Corporations.....	April 15 th
Trusts & Estates.....	April 15 th

INTAXICATION:

***That nice feeling you get when you receive a tax refund;
until you realize it was your own money in the first place.***

Just For Grins...



A Sign of the Times

As a little girl climbed onto Santa's lap, Santa asked the usual, "And what would you like for Christmas?"

The child stared at him open mouthed and horrified for a minute, then gasped: "Didn't you get my E-mail?"

We hope you enjoyed our newsletter. It is also available at <http://www.bmccpa.com/blog>.

If you would like to receive a copy via email, please send your request via email to Lori Devereaux at lori@bmccpa.com.



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