



## JULY 2018 NEWSLETTER

### The Mid-Year Update Poem

by Billy Peterson – CFP®, CDFA®, President of Peterson Wealth Services

As we stretch into summer  
And the temperatures begin to rise-  
Feeling sorry for our clients in AZ and TX  
With their 110-120 degree highs

The markets were also hot  
But in the last quarter have turned cold-  
Every day we wake up to “News”  
Pure excitement that never gets old

This “news” can be fake or real  
It depends on the source and the topic-  
Media outlets are in a constant frenzy  
No matter if the story is big or microscopic

We’ve had countless lying politicians  
Running their mouths and pointing fingers  
And President Trump blasting out tweets  
Bashing dissenters with unfiltered zingers

Last year it was North Korea  
And the threat of imminent nuclear war-  
Also Russian conspiracy, Clinton email servers  
James Comey, Tax cuts and more.

Now we have possible trade wars  
As Trump adds tariffs on crops and steel-  
Plus constant issues with the border and immigration  
And the occasional Stormy Daniels saga- to keep it real.

With stocks flat some investors worry  
Yet we don’t see any major problems ahead-  
The wall of worry pushes many to buy bonds  
But at these prices we generally prefer stocks instead

We will continue to make occasional changes  
And monitor portfolios with a close eye  
Most of the time staying put is the answer  
We are not into “sell”, “sell”, “sell”, “buy”, “buy”, “buy”.

Please welcome Amy Johnson to the staff  
She enjoys riding her bike on mountain trails-  
She has a daughter named Sierra  
And we love that she pays attention to details.

Shaun and his wife Kate recently moved  
They now live in Salt Lake-  
Their twins are 9 months old  
And will soon be eating their first birthday cake.

Maggie does a lot of CrossFit with her husband Ben  
They like to ski and play with their dog-  
She handles all paperwork and client requests  
At Peterson Wealth she is a key cog.

Kacey is able to breathe  
Her daughter Cassidee recently tied the knot-  
She has her hands full as a single Mom plus  
Filling the marketing and client engagement slot.

As for me I’m staying plenty busy at the office  
While outside activities keep my family on the go-  
Cade graduated and is heading off to college  
Life moves by so quickly and doesn’t seem to slow.

What really matters in life are the memories  
So do something with a child or good friend-  
Sit back, breath, be at peace with yourself  
And finally, save your money- Don’t Overspend!

Best regards,  
Billy

Billy Peterson, CFP®, CDFA®  
Shaun Peterson, Financial Advisor, CDFA®  
Maggie Pigg, Branch Administrator

Kacey Lish, Marketing Director  
Amy Johnson, Administrative Assistant



## Investing For Minors

by Shaun Peterson – Financial Advisor, CDFA®

Most of you know that Kate and I recently became the proud parents of twin girls last September. As you might imagine our daily routines have been turned completely upside down! Quinn and Sloane have been great babies and are now the center of our world. The trick with twins is that you have to plan out every single aspect of your day to make sure things will go as smoothly as possible. The first few weeks were a little rocky, but now we operate like a well-oiled machine. As we think about what the next day might bring with the girls we often start talking about years down the road. We discuss what schools they might go to, sports and hobbies they may pick up, schools and colleges they may attend and career paths they may explore. During one of our early conversations I suggested to Kate that we should fund an investment account for our girls with the hopes that in the future it would help them achieve some of their goals. Kate looked at me like I was crazy and asked how we could possibly open accounts for babies? Kate's comment made me realize that most people outside the financial services world might have the same question. Below I'll discuss a couple different account types that may help you start a nest egg for your own kids or even grandkids.



### 529 College Accounts

- Accounts that are intended to help pay for higher education costs.
- Investments available are typically a menu of mutual funds.
- Tax treatment is very favorable as investments grow tax-free. \*
- Distributions used for qualifying higher education expenses are also tax-free. \*
- May also be used for private schooling and pre-college expenses.
- One owner per account and one beneficiary per account.
- Beneficiary can be changed per the owner's discretion. (All the funds might not be used, the beneficiary may receive a scholarship or the beneficiary elects not to pursue higher education)
- Different options for custodians, many states will also sponsor 529 Programs and provide a tax credit for contributions.
- Distributions for **non-education** expenses are taxed and imposed a 10% penalty.

### UTMA (Uniform Transfer to a Minor Act) Accounts

- Account opened for a Minor.
- Investments available include mutual funds, stocks and bonds.
- Funds can be used for college expenses or **any other expenses** the child may have.
- Taxed under "kiddie tax" rules.
- Upon the age of 18 or 21 (depending on state law) the child becomes in control of the account.
- Contributions into the account are irrevocable.

When we talk with our client's they will often bring up their children. Some of the most common comments we hear is "I wish someone would have talked to me about investing earlier." or "I want my kids to be better off than I am." These types of accounts can provide the platform to get your kids or grandkids headed in the right direction. You don't have to start with a lot to become wealthy, time plays a much bigger factor. For example, we invested \$1,000 in a growth mutual fund that has average 12% since 1934 in UTMA accounts for our girls and add \$50 per month for them. I ran the numbers and if they continue to add \$50 a month when they own the account until age 65 they will have approximately \$9,400,000.00 to retire on. The numbers almost seem unbelievable, but that is the power of time and compounding returns! If you have interest in getting something started for someone in your family please reach out to us. We do have account size minimums but waive those for our current client's family. We are happy to discuss your unique needs and start the right plan for you.

*\*May be subject to state, local and alternative minimum tax*

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## What's new with the PWS Team?



Billy's and Heather's daughter Kaiya plays for the Utah Avalanche softball team. They are a tough team to beat and travel all over to play in competition tournaments- most recently to Reno Nevada for the National tournament. Billy Heather Kaiya and Berkley are shown here after Avalanche won a Utah spring league in May.



Shaun and his wife Kate have been really busy this Summer. They recently moved to Salt Lake City to be closer to Kate's office. Their twins, Quinn and Sloane are 9 months old now and are crawling all over the place. Quinn and Sloane absolutely love playing in the water every chance they get. Of course mom and dad have already taken the girls up to the family cabin to show them around. Shaun has been exploring the new mountain biking and running trails around their home and adjusting to the big city life. Time sure is flying by for Shaun and his family!



Kacey has been extra busy this year, her oldest daughter, Cassidee recently got married. Peyton is preparing to graduate from esthetician school in September and Ryder and Gunnar are gearing up for another football season. The whole family enjoys going to CrossFit together. Kacey even did a couple of competitions this year.



Maggie and her husband, Ben, spend their winters skiing with friends and family. They even celebrated Cinco de Mayo skiing the slopes at Snowbird. Not a bad way to end the season!



Amy has been busy doing her favorite non-skiing activity, which is mountain biking. When she's not at work or on her bike, she's spending time taking her daughter to tennis lessons or fishing. She's also had some time to get out on horseback and ride some trails.

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