



ON THE FINANCIAL HORIZON

THE VAUGHN MCLAUGHLIN TEAM

Quarterly Newsletter for Friends & Clients

THIRD QUARTER 2016

Our mission...

To build a partnership that will help our clients meet their financial goals and enjoy a more secure future. Our goal is your 100% satisfaction with the advice and service you receive.

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FROM JIM'S DESK: July 13, 2016

It is July 13, 2016 as I write this. Luck has been with me, timing this short missive one day after the Dow Jones average recorded an all-time high, which the S&P 500 achieved just two days ago! So finally, after approaching record highs no less than four times since May of 2015 and failing to break through to the upside for new records, we are at new all-time highs on these renowned indexes. So, how important is this? In the shorter term on a technical basis, it's viewed as pretty important. We are still waiting on the NASDAQ Composite Index to take out its all-time high (it is not too far away). But we sermonize on the long term view, not the short term so much, so why is it pretty important?

There are a couple of reasons why I think so. First, though we think longer term goals are more achievable if arduous discipline is invoked, investors (human beings) live mostly in the moment, minute to minute, hour to hour, week to week and month to month, not in 5-10 year increments (or longer)! So it's psychologically necessary to address the short term while keeping our eye on the longer term. Secondly, when short term moves in the market tuck neatly into longer term projections, at the very least they add some credence and remind investors that things can "turn" good fast also in the short term – a lesson in patience.

Speaking about lessons, I think the Brexit is yet another great instructive object lesson for investing in. The financial world reacted dramatically to a basically political event for precisely two days. The markets then erased the downturn almost completely in the following 3 days. You have to have some empathy for those who sold on Friday and Monday only to lament their actions by Thursday. Object lesson: knee jerk reactions to exogenous events are loaded with risk!!

Now, this short discussion on some short term events needs to be integrated into the fabric of our longer term views. For roughly 5-6 years, we've been opining that

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FROM TRACY'S DESK: The future of Financial Planning

Recently, I had the honor of visiting the Massachusetts Institute of Technology with 23 of my fellow women advisors and Raymond James colleagues. We visited one of the most innovative research departments at the prestigious school, the MIT AgeLab. Dr. Joe Coughlin, founder and director of the AgeLab, and his research associates are tasked with learning exactly what we need to do to provide a better quality of life for our senior clients. I came away with insights into a few of the following issues.

Through behavioral research, the team is developing ways to present information to seniors in written and visual ways to assist in decision making. In a current study, the AgeLab is meeting regularly with a group of seniors, age 85 and up to find out what they experience in a daily routine, and what priorities they have in life today that differ from their younger years. They are also experimenting with intergenerational work by pairing seniors with high school students to assist the seniors in developing computer and internet skills to help enhance social networking and connections among family and friends.

The researchers have identified some of the great and immediate needs of seniors. These include, the importance of documenting ones wishes to maintain dignity in later years, and recognizing the many pain points in a normal environment that make life challenging for seniors. It's interesting to note that the AgeLab sees an opportunity to make a difference in people's lives by collaborating with financial professionals. We all

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COMMUNITY SPOTLIGHT: *Q&A with Susan Gill, Citrus County Supervisor of Elections*



Name: Susan Gill. **Position:** Citrus County Supervisor of Elections. **Years in Position:** 20 years. **Family:** Children- Michelle and Greg. Four grandsons- Adam (11 years old), Nolan (9), Ty (7), and Maddux (3). **How long have you lived in Citrus County? What do you like most about Citrus County?** 32 years. The natural beauty of Citrus County is most appealing to me. Most of all, we have a very caring community. **Hobbies / Interests:** Reading, movies, travelling, family and friends. **Community Involvement / Causes You Are Passionate About?** Altrusa International, YMCA, United Way. All causes that improve the quality of life for our county and citizens. **Favorite places you've travelled to?** Paris, Germany, Ireland, Italy. **Places you'd still like to visit?** Hawaii, Switzerland, Austria. **Career accomplishments most proud of?** Conducting fair, honest and accurate elections. Having a great election team. No "Chads" in the 2000 election! **How old were you when you became interested in your profession?** I've always been interested in politics and elections. **What do you enjoy most about your profession?** Planning for elections, training poll workers, improving technology, interacting with citizens to enable voters to have a positive voting experience. **Biggest challenge in your profession?** Getting the message to voters on election laws, rules and methods of voting. **Do you want to continue your education in any way? What do you want to learn more about?** Education is a lifelong endeavor. I continually take courses relating to my profession. Other areas include current events, politics, culture, history, culinary arts. **If you had complete financial security, how would you spend your time?** Travelling, visiting family and friends, additional fitness programs, volunteer in the community, social activities. **What do you strive for most in life?** Peace, harmony and balance in all aspects of my life. **What do you try to avoid?** Negative people. Drama. **What do you want your legacy to be? How would you like to be remembered?** As a kind, fair, and honest person. One who was passionate about serving as supervisor of elections and contributed in a positive way to our community. **What values or philosophies would you like to pass on?** Everyone deserves to be treated with respect. Enjoy each day and be grateful for what you have. Grateful people are the happiest people. **Important information for Citrus County Voters?** Democracy must be vigilantly protected. There are constant challenges to democracy. The voters ultimately decide the direction of local, state and federal governments. Let your voice be heard. Your vote is important.

VOTER INFORMATION: *Timely tips, reminders from the Citrus County Elections Office*

Citrus County's Primary Election will be held on Tuesday, **August 30, 2016**. Please take note of the following dates, requirements, and locations if you are a Citrus County resident and plan to vote in the August Primary:

- ◆ Florida is a Closed Primary State. In the primary election only the following apply: voters registered as republican must vote on a republican ballot, registered as democrat on democratic ballot, libertarian on libertarian ballot, no party affiliation on non partisan ballot with non-partisan races and referenda.
- ◆ The last day to register to vote in this election or change your political party is **August 1, 2016**. Party changes require a signed registration form. The form may be accessed online or picked up at government offices, libraries, post offices or by calling 352.341.6740.
- ◆ Depending on party registration, the following races and referenda may be included on your primary ballot: United States Senator, Representative in Congress, Sheriff, County Commissioners, School Board Member, Constitutional Amendment (Solar Devices or Renewable Energy Source Devices; Exemption from Certain Taxation and Assessment), School Board Referendum (School Board Sales Surtax to Finance Fixed Capital Improvements and Provide for Technology). Sample ballots are available on www.votecitrus.com
- ◆ Primary polls open on Tuesday, August 30, 2016, 7:00am to 7:00pm.
- ◆ A valid photo and signature ID is required when voting early or at the polls on election day. Lack of photo and signature ID will result in a vote on a provisional ballot.
- ◆ Early voting dates and hours are Friday, **August 19th** through Saturday, **August 27th** (including Sunday), 10:00am to 6:00pm.
- ◆ Early voting locations are: Central Ridge Library, Crystal River Elections Office, Homosassa Public Library, and Inverness City Hall.
- ◆ The last day to request a mail ballot for the Primary Election is Wednesday, **August 24, 2016**, by 5:00pm. Completed vote by mail ballots can be dropped off at any Early Voting Site during the Early Voting period (August 19-27). Mail ballots **may not** be dropped off at the polling place on election day.
- ◆ Signatures on mail ballots are checked against the most recent signature on file. If your signature has changed since you first registered, you may update your signature by completing a voter registration application and delivering it to the Elections Office.
- ◆ On election day, you must vote at the polling place assigned to you. You cannot vote at the Early Voting Sites or the Elections Office on Election Day. Your Voter Information Card contains your polling location or you may confirm online or by calling the Elections Office.

Learn more at www.votecitrus.com, by calling 352.341.6740, or visiting the Elections Office, Monday-Friday, 8:00am-5:00pm.

FROM JIM'S DESK: *Continued*

we believe we are in the midst of a secular bull market (a market that lasts an average of about 15 years). Secular bull markets can contain within that span, corrections, bear markets, even a crash (e.g. 1987). But if we're right about a secular bull market, then being invested is compelling. For this, I won't list out all the fundamental reasons why we hold this position, many of you have heard it before, but suffice to say it flies in the face of the doom and gloomers, the naybobs and the pessimists. Hopefully this lends some balance to the wall of worry that persists today despite markets rising to all time new highs. Stay patient my friends, stay patient!

AMY'S COMMUNITY CORNER: *Raymond James Cares 2016*

August is *Raymond James Cares* (RJC) month. RJC is a firm-wide community involvement initiative that encourages advisors and associates to make a difference in the communities in which they live and work. While the firm supports community service efforts and charitable giving throughout the year, August serves as RJC Month to inspire a collective effort and impact. This year our branch will be supporting *Voices for Children* in the early part of August, collecting and donating backpacks and school supplies for young students in the program. *Voices for Children* is a not-for-profit 501(c)(3) created to help meet the unique and often critical financial needs of the children assigned to the *Guardian Ad Litem* (GAL) Program. GALs are volunteers, who are appointed by the Court to advocate for the best interest of a child who has been abused, neglected, or abandoned. During the second half of August, we will be raising funds for local senior citizens through a partnership with the Citrus County Community Support Services (CCCCS) and the *Meals on Wheels* program. According to CCCCSS, 45.2% of the 60 and over population in Citrus County are in need of food, clothing, and basic supplies. We will continue this partnership through the holiday season by supporting the Santa for Seniors program. If you are interested in giving supplies, items or monetary donations to either of these worthy causes, please contact our branch for more information or stop in our office during the month of August. Thank you for your support, and please share the ways you and your fellow community members are giving back this August and year-round. We'd love to hear your stories of helping others.



FROM NANCI & KRIS: *Vault tool in Investor Access & RMDs*

You may have noticed a new "Vault" tab on the Investor Access homepage when viewing your Raymond James accounts online. Vault is a secure online tool where you can upload, store and organize digital copies of vital documents – from financial statements and planning documents to passports and photos of valuable assets – quickly, easily and securely within Investor Access. Vault also introduces a new, simple way for you and your advisor to collaborate by commenting on uploaded files. Vault gives you the security of knowing your most important documents are protected – and right at your fingertips. In Vault you'll find:

- ◆ Collaboration- With the ability to download, upload and add comments to the files you place in Vault, you can work directly with us from your own computer. You can also grant access to other professionals, such as your attorney or accountant, at your discretion.
- ◆ Convenience- You can view all of your most important documents inside one easy-to-use system that recognizes nearly every file type.
- ◆ Security- Keeping copies of your key documents in a secure location leaves them – and you – less vulnerable.

Vault is a free and powerful tool that provides effortless collaboration, the ease of anytime access to your most important documents, and the peace of mind that comes with knowing your information is in one place under multiple layers of digital protection.

Also, for those age 70½ or older with IRA's, we'd like to remind you of Required Minimum Distributions as we near year-end. IRS regulations require that IRA owners who've reached the age of 70½ must take a distribution from their IRAs each year. These annual RMDs are calculated based on your birth date, the prior year's end value of your account(s) and the applicable factor from life expectancy tables provided by the IRS. You have until December 31 to withdraw your RMD amount from your IRA. If you turned 70½ this year, you may delay your 2016 withdrawal until April 1, 2017. If you turned 70½ in 2015, you must take your 2016 distribution by December 31. It is important to initiate your distribution by the appropriate deadline to avoid an IRS penalty of 50% of the amount that should have been withdrawn. As always, please feel free to contact us if you have any questions about RMDs or your overall retirement income plan.

FROM TRACY'S DESK: *Continued*

know Raymond James was founded on the principles of financial planning, which is key to our retired clients' success. We are experts in creating a vision for our clients' ideal retirement and helping them enjoy life to the fullest in their golden years. We also seem to have mastered the art of transferring wealth when clients die, and intergenerational planning is often stressed as vital to the continued success of our practices.

Sadly, I see a huge gap in many retirees' planning between the healthy vibrant years and, to put it bluntly, death. They seem to lack a coherent plan and associated resources for the later stages in life, when one begins to experience declines. We all know the high probability of needing long-term care, but this period in life requires more than a one-time conversation about long-term care insurance. With or without insurance, there is a critical need for our help in planning for the natural aging process. We are developing an ecosystem of people and resources to educate clients, and make them better prepared as they age. Just as we encourage them to document final wishes, we are recognizing that death is often delayed by complications, and it is equally important to document how a client wants to deal with these issues. Things you should be asking yourselves:

- ◆ What assets will I use if a care need arises?
- ◆ Who do I turn to for help at home when I need assistance?
- ◆ Which facility do I want to go to if I can't live in my home any longer?
- ◆ Who should be contacted if I seem to be having trouble thinking clearly?
- ◆ Have I communicated, preferably in writing, to family members or others that may need to help me with decisions and choices?
- ◆ Do these helpers know where my assets are, and who they should contact should the need arise?
- ◆ Have I given authorization to my financial advisors to provide that information?

These are just a few ways we can begin to better prepare for some of the things we fear. I firmly believe that having a better understanding of what it means to be a longevity-based advisor by encouraging you to use the expanding resources Raymond James is providing to help us be more realistic, relevant and responsive in dealing with aging will improve quality of life for many years to come.



VAUGHN MCLAUGHLIN
Team Of


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SAVE *the* DATE

- August 2:** Wall Street Coffee Club, 10:15am, College of CF, Building C4, Room 103, Lecanto.
- August 16:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.
- September 5:** The office and markets will be closed in observance of Labor Day.
- September 6:** Wall Street Coffee Club, 10:15am, College of CF, Building C4, Room 103, Lecanto.
- September 10:** Chamber of Commerce Business Expo, 9:00am-2:00pm, Citrus County Auditorium, Inverness.
- September 20:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.
- September 24:** BWA Women's Health & Fitness Expo, 9:00am-2:00pm, Crystal River Armory.
- October 6:** Wall Street Coffee Club, 10:15am, College of CF, Building C4, Room 103, Lecanto.
- October 14:** 3rd Annual Suitcase Party to benefit the Boys & Girls Club of Citrus County, 7:00-11:00pm, Inverness Airport.
- October 15:** Citrus Home & Garden Show, 9:00am-2:00pm, Citrus County Builders Association, Lecanto.
- October 18:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.
- October 21:** Halloween Costume Ball to benefit Citrus County Blessings, 7:00-11:00pm, Rock Crusher Canyon Pavilion & Amphitheater, Crystal River.
- November 3:** Wall Street Coffee Club, 10:15am, College of CF, Building C4, Room 103, Lecanto.
- November 5:** Seven Rivers Regional Kings Bay 5K to benefit the Citrus County Education Foundation, 7:30am, Crystal River.
- November 5-6:** Inverness Festival of the Arts, 9:30am-4:30pm, Downtown Inverness.
- November 12:** Never Forget 5K to benefit the Sgt. Dennis Flanagan Foundation, 7:00am, Lecanto High School football stadium.
- November 15:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.
- November 24-25:** The office and markets are closed all day on the 24th and will close at 1:00pm on the 25th in observance of Thanksgiving.
- December 1:** Wall Street Coffee Club, 10:15am, College of CF, Building C4, Room 103, Lecanto.
- December 16:** Foundation Fest featuring Battle of the Band Teachers to benefit Citrus County Education Foundation, 6:00-11:00pm, Pine Street Pub, Inverness. Food, celebrity bartenders, silent auction, live music. Learn more at citruseducation.org or [facebook.com/citruseducation](https://www.facebook.com/citruseducation)
- December 20:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.
- December 26:** The office and markets will close on Monday, December 26 in observance of Christmas.

Call us with questions on any of the above events or if you would like to feature your organization's upcoming events in our next newsletter.

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