



# ON THE FINANCIAL HORIZON

THE VAUGHN MCLAUGHLIN TEAM

Quarterly Newsletter for Friends & Clients

FOURTH QUARTER 2018

## 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: *September 17, 2018*

"Now for something completely different" (Monty Python). Several recent encounters with current clients once again reminded me that we have not done a good enough job of informing our clients and the public of all the services we provide. Now this is very important in my mind. We tell everyone we meet that we are comprehensive financial planners. Clearly just saying that does not communicate adequately what that really means to those we serve. If it did, not only would our clients know all we can provide but they would also see the value of it. To that end, I want to talk about a few of these services spurred on by the aforementioned encounters. I will save what I consider the most important of these lesser-known services until last.

Did you know we help with mortgages through Raymond James bank? How about disability insurance? Charitable planning, college planning, estate planning, pension and profit sharing plans, tax planning, and 401K/403B services are all lesser-known services we regularly provide. Identity theft prevention is becoming more and more in demand and speaks to an overarching theme that we rank as our number one concern: risk management. For whatever reason, people look to us more for investment counsel first, which I believe is just part of being human. Years of experience have taught us that not all things human work to our advantage in having a successful, living financial plan. For what is it worth to have worked all your life, saved and invested only to have an unattended risk torpedo it all or severely affect our best efforts? So knowing that we do pay attention and provide all the services I already mentioned will hopefully encourage our clients to at least check with us to see if we can help. It could be your first call or a second or third opinion. One thing most humans are good at is shopping; we are consummate consumers. It pays to shop, caveat emptor.

The last one is an area we've highlighted before, but if we really believe in risk management, then I do not think we can talk about it enough. I was struck by this again as I was

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## FROM TRACY'S DESK: *Decisions during difficult times*

I love Financial Planning. This may not come as a surprise to most of the readers of this newsletter who know me. I love the clients, the process, and the possibilities that present themselves every day. Helping people gain confidence is truly a rewarding experience. Developing a plan as one nears retirement can be exciting, or helping a young entrepreneur begin a retirement plan for a budding small business, or college savings for a newborn gives hope for the future.

Sometimes this process comes after a painful time in one's life. Sadly, we often spend time with new widows and widowers. This is a time when some money matters must be dealt with, family members and friends try to give well intended advice, and the whole world has changed for the surviving spouse. In my letter this quarter, I feel it's important to talk about this difficult subject because there are many readers out there who have already experienced this challenge, or will at some point in the near future, and we may be able to provide support, and/or guidance.

It's difficult to prepare for the unknown, but most of us have done the essentials for end of life issues. We have a will, trust, power of attorney and maybe even a prepaid burial. What we can't prepare for is the emotional state that comes over us during the darkest times, and how this can challenge our day to day decision making in the early days after a loss. Below are a few dos and don't's for these times, as a result of almost 20 years of planning, and the advice of many experts in the field of grief and counseling.

**#1 Don't Rush-** Many family members and neighbors may give you advice on what must be done. Practice saying "NO" in the mirror. Perhaps something like "That's a helpful suggestion. I'll give it consideration." You must consider yourself in a "Decision Free Zone" Only the most essential decisions should be made right away. Things like life insurance claims, and most urgent family situations need be addressed in a timely manner.

**#2 Watch out for the Financial Wolves-** We all know of the stories about salesmen preying on

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## COMMUNITY SPOTLIGHT: Q&A with Bill Coyle, Wellness Director, Citrus County YMCA



**Position:** Wellness Director for the Citrus County YMCA, Owner/Trainer for Mr. Bill Fitness Elite Personal Training. **Years in Position:** 2.5 years at the YMCA, 30+ years in personal training / certified fitness expert. **Family:** Wife Jill, daughter Emily (UCF Med School), son Tyler (UF graduate). **How long have you lived in Citrus County? What do you like most about Citrus County?** 3 years. I left New Jersey to come and enjoy the tranquility of Citrus County and make people better. I love the water, the sun, the warmth and the ability to be outside year round. **Hobbies/Interests:** LOVE playing guitar, writing songs / lyrics, paddle-boarding. I enjoy putting a smile on someone's face either through humor, education or music. With fitness training, I like to use "enterTRAINment," keep the vibe entertaining, doesn't have to just be arduous, mix-it-up, add music, fun components and a variety of exercises. **Favorite Place you've travelled to?** Florida used to be our favorite vacation destination before we moved here. I enjoyed Cabo San Lucas when we went on our anniversary. **Places you'd still like to visit?** Ireland, Germany, and some of the national parks. **Careers that interest you besides your own?** Stand-up comedy- I think I could put a routine together and go around performing it. Music- there's a side of me that's very creative. I'm good lyrically, writing poems. Music helps me relax. **Accomplishments most proud of?** Every day when I change a life. Analyzing where one is at, creating a plan of action. I was recently working with a 90 year old woman. She used to be an athletic wakeboarder, but was in a walker and very dissatisfied. She is no longer in a walker and is making progress. Just giving people that level of hope. I'm a leader. I lead by example. I'm here to help people. When I'm working with someone at the Y or personal training, it's all about them. **How old were you when you became interested in your profession?** In my sophomore year of college. I took an exercise physiology class as an elective, enjoyed it, and started exploring paths I could take in that field. I interned for a large company and was later hired by another in the New Jersey area. I started designing group exercise and fitness programs for employees. There I developed a boot camp style protocol. I started approaching it like a business, developing fun programs with incentives. The company saw a significant increase in use of their onsite fitness facility under my leadership. It was good for them- reduced absenteeism, resulted in happier, healthier and more productive employees. In 2015, I sold my personal training business in New Jersey. We have family in Citrus County and during a visit, I saw I could help people here and made the move. I'm on a mission to make the county better. **What do you enjoy most about your profession?** Changing lives, educating. I always say- 'I like you but I can make you better.' As people age, sometimes slowing down considerably, you can think that's just the way it is- but everyone can improve. I really listen to the people I work with and when they see my knowledge, my passion, how much I care- they learn, they improve, they get more out of the experience. **Biggest challenge in your profession?** There are so many moving parts at the Y. For me- impacting lives- that's what I'm really good at. But there's a business side, other aspects of the job- you have to prioritize. I care too much. I want to help everyone. Also, finding the right people to work at the Y- with the knowledge, passion, skills- who can work on the compensation we pay. **What do you want to learn more about?** Anatomy of the body, things specific to my skills and will better my ability to help people. Post-therapy rehabilitation. I have a bachelors in Exercise Science, numerous certifications and training- but you can always learn more. I would like to learn how to play lead guitar, and killer guitar solos. There are 1,440 minutes in a day, so dedicating 30 minutes a day to guitar, still leaves 1,410 minutes- sounds manageable. **If you had complete financial security, how would you spend your time?** I would have a better work/life balance. I would work less but would still work. I love what I do. I would spend more time travelling- though sometimes there's a lot of sitting in travel, and you know how I feel about sitting. **Biggest thing- less stress. What do you strive for most in life?** Be a good leader- with our kids, with the people I work with. Be caring, compassionate. I care about my staff then and now. When I left New Jersey, I don't think you could find one coworker with a bad word about me and my role there. They may have been upset I was leaving, but I left on good terms. I want to be seen as a good person, good heart, good soul. **What do you try to avoid?** Sitting, negative people, self-centered people. Things that could put my life in immediate danger. In my youth, I took more unnecessary risks, but your perspective changes as you get older, as a husband and as a parent. I'm not going skydiving anytime soon. I want to live a long and healthy life. **How would you like to be remembered?** Good person, good soul. Caring, compassionate, helpful, fun. When I die, I don't want a somber service. Have a party, drink beer, say funny things about me. **What values or philosophies would you like to pass on?** Tall and tight is always right. Stand tall and be proud. Prioritize your health- make it your number one priority. Nothing worse than when I see people retire, don't take care of themselves, see people who aren't walking, in a wheelchair who could walk. They may have money, but wealth is secondary to health. **Information about your profession community members may not be aware?** I work with all ages and abilities, small groups, one on one. Personal training isn't necessarily an arduous workout out three times a week. Some clients meet with me weekly, monthly, quarterly and every plan is custom to one's goals and abilities (more information at [mrbillfitness.com](http://mrbillfitness.com) or by calling 201-281-4444). **What on the horizon are you excited about?** Getting settled in our Crystal River home. We were flooded in Hurricane Hermine soon after moving here. We've been displaced a lot since. We're finally getting settled and can live the Florida life. I'd like to travel more and am always excited about the people I get to help.

## FROM TRACY'S DESK: Continued

widows, but sometimes, the well-meaning friend at church who recommends her nephew may not be the best resource either. For the ladies, be sure you have a good working relationship with your financial professional. If your husband always takes the lead in these matters, you could find yourself talking to a stranger about your money when you need to have a trusted advisor. Because we live longer, you can expect to be handling this at some point in the future. There are many statistics that show a very high percentage of women leave the family financial advisor within a short period of time after a spouse passes away. Bottom line- make sure you are comfortable with the person who will be helping you with your money.

**#3 Deciding on the Big Blue Chair-** Should you pay off the mortgage? Remodel the house? Move back to be near the kids? Clean out the closet? What do you do with the big blue chair? As long as you have no major health issues, these are the decisions that are best put on hold for a while. For some, taking action is a way of dealing with grief. Be careful that you don't make major decisions that will change your life. It's ok not to decide. Take your time and consider all angles. You may enjoy sitting in that chair eventually, and you certainly don't want to regret moving in with your son and daughter-in-law!

**#4 Don't be the "Nurse" or the "Purse"-** Watch out for new relationships. It's a normal part of life to start again, if you choose to, but beware of those who would take advantage of you and your resources. Both men and women need to be mindful of this. For younger widows especially, older men may be more interested in your longevity and ability to assist them, than in romance.

Once the "right" amount of time has passed- as determined by you, the next steps can fall into place. You should consider your trusted advisors as your "thinking partners" when you begin to address the situation as it stands now, and how it should be in the new future. For those who would like an additional resource, I would recommend the book *Moving Forward on Your Own A Financial Guidebook for Widows* by Kathleen M. Rehl, Ph.D., CFP®. I have several copies in the office and would be glad to share it with you- just give me a call or email.

## FROM AMY'S DESK: *Index annuities, a savings vehicle option*

Interest rates, despite some recent (albeit small) rate hikes, are still historically low. For those with excess cash, index annuities can be a savings vehicle option. However, we often find individuals to have misconceptions about or be less familiar with index annuities, or annuities in general. The index annuity is an insurance contract that guarantees the contract holder's principal for a specific period of time, while capturing a portion of the performance gain from a linked market index each year, e.g. the S&P 500. With an index annuity, you receive the greater of a minimum guaranteed rate or the performance of the account value. The annuity may generate more than the minimum by benchmarking against the success of the underlying index without actually being invested in the index. All growth is tax deferred until distributed.

Every year in which the index posts gains, your annuity will capture a portion of that growth. Index annuities typically have a cap or a maximum upside crediting strategy for capturing the gain. As an example, the gain would be locked in for the life of the annuity, and the index value is reset at the end of each year. Since index annuities contain this reset feature and you are not invested directly in the index, even in a down market your account's index value won't decline. In other words, your principal investment has the opportunity to grow with no risk of loss due to market fluctuations.

*In a bear market*, an index annuity provides downside protection and potential future growth through an annual reset. This feature resets the index value on an annual basis, which allows the annuity value to increase as the market rebounds. Low index points provide great future opportunity. For example, decreases in the stock market will also decrease the value of a stock index. But, the interest already earned from the index annuity will not be lost. It is the following year that presents the most opportunity; since the starting point of the underlying index is lower, this makes it easier for the index to rise. *In a bull market*, an index annuity offers the potential for greater returns than traditional savings vehicles. You have the opportunity to capture a portion of the gains in a rising market and lock in those gains annually.

Several types of annuities exist, each with a variety of options. If you currently do not own an annuity (or would like to review contracts already held), we can help you determine whether one is appropriate for your financial plan, and if so, which type best suits your objectives. Raymond James has developed longstanding relationships with a number of insurance carriers – partnerships that facilitate open communication about new products and industry trends. Before agreeing to work with a carrier or offering a product to clients, we carefully examine financials, investment strategies, industry ratings and operational and technical competencies. We monitor these carriers on an ongoing basis, and track them amongst the rating agencies. We offer advice on and work with several types of annuities, including but not limited to fixed and fixed index annuities that provide principal protection, as well as variable and structured annuities, which can be used as investment vehicles. Optional living, enhanced death benefit and other riders are available on some annuities.

## FROM NANCI, KRIS & SUZANNE: *Preparing for an unexpected storm, flood or fire*

Preparing for the unexpected can help protect your personal and financial well-being. Take steps to protect important documents and be able to make a swift evacuation. **Saving Your Documents:** If a natural disaster occurs, documents needed to rebuild your life should either be with you or stored somewhere safe. Waterproof, fireproof safes offer protection for your most important items, offering a level of security in the event of a last-minute evacuation. For disasters that can be forecasted, consider taking documents with you, e.g. passports, immigration papers, military discharge papers, immunization records, Social Security cards; birth, adoption, marriage, divorce, and death certificates; deeds, titles, registration, loan papers; wills, trusts, powers of attorney, healthcare directives; health, life, home, and vehicle information. While many documents can be replaced, keeping them safe will make claims and other recovery activities easier. Consider placing them in a 3-ring binder with pockets and store within a water resistant bag. Waterproof and fireproof boxes are often quite heavy, but a heavy-duty waterproof bag from a sporting goods store or a large, re-sealable plastic bag can work too.

**Preparing Your Emergency Bag:** Keep a small bag packed with essentials for a quick escape. Your bag should remain ready to go at all times and can include: your documents binder, photos or video of your property for later insurance claims, safe deposit box key, notepad and pen, flashlight, small first-aid kit, bottled water, nonperishable snacks, and extra re-sealable bags. An additional "quick grab" list will ensure you won't forget items that would be inconvenient to keep in your emergency bag at all times, e.g. back-up of your computer, especially if it stores personal information; cash for food and gas, as ATMs may not be in service; required medications; and phone or tablet and chargers. **Planning for Pets:** If conditions are unsafe for you, they're unsafe for your pets. Research which public shelters, lodging facilities or kennels can take care of your pets if you're unable to bring them with you during an evacuation. If you have an exotic pet, try contacting local pet stores or zoological gardens located in a safe area. Your local SPCA or other pet-oriented organizations can also provide information. Additional steps for pet prep: make copies of their updated immunization records; fill out a pet ID card with a recent picture, description, contact information, medical details and care instructions; and compile a kit with items like collars, leashes, medications, food, water, treats, toys, litter/pans, first aid supplies, and carriers. Depending on the type of natural hazards your area is prone to, additional provisions might be needed.

*If ever you're unable to reach an RJ branch due to a storm or other circumstance, call Client Services at 800-647-SERV. They can assist with questions, trades, transactions and other requests.*

## FROM JIM'S DESK: *Continued*

reading my current favorite author's new release, *21 Lessons for the 21st Century* by Yuval Noah Harari (his first two were *Sapiens* and *Homo Deus*). A major theme of Mr. Harari's is the unbelievable gains being made in InfoTech and biotech resulting in more and more advancements in artificial intelligence and automation. The result will be major breakthrough in many areas that will benefit humankind, especially in healthcare. With this, there is also the potential for the replacement of millions, perhaps billions of current jobs currently being done by humans. The one area this author believes will be insulated from replacement for many years to come is caring for our elderly.

Think about this. Not only are we living much longer than we used to, but that is only going to extend. This brings me to my last point. When we talk about risk management and try to tie this altogether, we believe the single biggest risk to all of the efforts made in accumulating what we have is long term health care. It is already a major risk, only likely to grow as a financial threat in retirement. Not only do we think everyone should do what they can to mitigate this risk, but also all should know there are multiple ways to address the issue. Returning to the "human" element one last time for this newsletter, I encourage all to explore this with us (unless you already have, in which case congratulations). There you have a synopsis of some of the lesser-known services we provide and I hope the phrase "comprehensive" financial planning will take on a little more concrete meaning.



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*Retirement Planning*  
*Risk Management, Annuities & Insurance*  
*Sustainable Investing*

## SAVE the DATE

As we age, our body and brain functioning naturally decline. But with proper training, we can prevent, or at least postpone, deterioration. For our next thematic coffee club meeting (Wednesday, **October 10**, 9:30am at the College of CF in Lecanto) we will be discussing components of brain health and training, as well as applications for everyday life. To reserve your seat, please call 352.795.6155 or email amy.barbieri@raymondjames.com

**October 10:** Thematic Wall Street Coffee Club (see above), 9:30am, College of CF, Lecanto.

**October 16:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

**October 19:** *5<sup>th</sup> Annual Suitcase Party to benefit Boys & Girls Club of Citrus County*, 6:00pm, Inverness Airport Hangar.

**October 20:** *Bayfront Health Seven Rivers 5K & 1 Mile Walk to benefit Citrus County Education Foundation*, 8:00am, Hunter Springs Park, Crystal River.

**October 27:** *4<sup>th</sup> Annual Halloween Costume Ball to benefit Citrus County Blessings*, 6:30pm, Rock Crusher Pavilion & Amphitheater, Crystal River.

**November 1:** Wall Street Coffee Club, 10:00am, Citrus County YMCA, Lecanto.

**November 3-4:** *Festival of the Arts*, 9:30am-4:30pm both days, Courthouse Square, Inverness.

**November 10:** *Lake Hernando Dragon Boat Festival to benefit Citrus County Education Foundation*, 8:00am-5:00pm, Lake Hernando Park, Hernando.

**November 17:** *Water Safe Citrus 10K, 5K & 1 Mile Walk to benefit Cayla's Coats*, 8:00am, Citrus High School, Inverness.

**November 17:** *Citrus County's Original Home Show hosted by Citrus Home & Garden Show and Hometown Values*, 9:00am-2:00pm, Armory, Crystal River.

**November 20:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

**November 22:** The office and markets will be closed in observance of Thanksgiving. Markets will also close early (1:00pm) on November 23.

**December 1:** *Crystal River Christmas Parade*, 6:00pm, Highway 19, Crystal River.

**December 6:** Wall Street Coffee Club, 10:00am, Citrus County YMCA, Lecanto.

**December 14:** *Foundation Fest featuring Battle of the Band Teachers to benefit Citrus County Education Foundation*, 6-10pm, Pine Street Pub, Inverness.

**December 18:** Wall Street Coffee Club, 9:30am, Juliette Falls country club, Dunnellon.

**December 25:** The office and markets will be closed in observance of Christmas. Markets will also close early (1:00pm) on December 24.

**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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