

**SAVE
THE DATES!**

Quarterly Seminar

Plan to attend our next quarterly seminar. Jim Walden & J.D. Kaad will be giving an economic and investment overview while Eric Purcell & Nate Stucky will be talking about how you can protect yourself following the Equifax data breach. **Please RSVP if you plan to attend one of the seminar dates below — spots will fill up quickly!**

Dates & Times:

Tues, November 7, 2017
Noon – Lunch provided

Weds, November 8, 2017
Noon – Lunch provided

Thurs, November 9, 2017
Noon – Lunch provided
5:30pm – Light Hors D'oeuvres

Presenters:

James Walden
J.D. Kaad
Eric Purcell
Nate Stucky

Place:

Clayton Financial Services
716 S. Kansas Ave.
Topeka, KS

CFSI is a Corporate Member of the National Association of Personal Financial Advisors ("NAPFA"). If you'd like more information about NAPFA visit their website at napfa.org.



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the Quarterly

Q3, 2017

Steady as She Goes in 3Q

U.S. stocks turned in another solid performance during the third quarter. The S&P 500 logged its eighth consecutive quarterly gain with its 4.7% total return. International stocks (as measured by the MSCI All-Country World Index ex-U.S.) fared even better with their 5.6% total return. Equities across the globe continue to respond well to corporate-earnings growth and benign inflation.

A significant milestone was reached during the quarter as our Federal Reserve announced its intention to begin to further unwind the unprecedented stimulus measures enacted during the Great Recession. The Fed had already begun raising its internal interest rate from the historical 0% target it set. Now, the Fed is to begin reducing its trillions of dollars of holdings of bonds and mortgages that it had purchased to further reduce interest rates on Main Street. The upshot is the Fed is moving even further towards a more "normal" interest-rate environment, a process that we think will be deliberate and measured. In our opinion, this will be one of the biggest investing and economic themes over the next few years.

At the same time, the Administration and Congress are beginning their attempt at stimulus through overhauling corporate and individual taxes. There's no question that policy has stalled in Washington throughout the year, but we think it's more likely than not that some meaningful tax legislation changes will be enacted. Lower taxes are part of Republicans' core, and Republicans likely realize that

by James Walden, CFA®

*Director of Portfolio
Management*



they must achieve a meaningful legislative win as they head back to face their constituents for mid-term elections. The process is still early, but there are tentative signs of an early framework coming together. The process will also likely be messy, as Congress must contend with the budget and the debt ceiling later this year. If passed, tax cuts should help boost the economy in 2018, although the long-term impact remains unclear.

We continue to think the current environment is favorable for global stocks as the global economy, inflation and corporate earnings remain in their respective sweet spots. Stocks are more expensive now than they have been historically, but we think they are still reasonably priced. We have our usual list of worries, of course (a Fed misstep, China's debt, North Korea, etc.), and the Hurricanes Harvey and Irma will certainly have an adverse impact on our third-quarter GDP (to be reported later in the fourth quarter). But if Hurricane Katrina and its aftermath serve as a guide, our economy should benefit from a recovery-related rebound in the fourth quarter. From our perch, we don't see an imminent recession. We remain vigilant, though, and will change our thoughts accordingly.



Employee Highlight: Meet James!

Full Name: James Michael Walden

Position: Director of Investments

Nickname: Jim

Hobbies/Interests

outside of work: Sports, music, reading, outdoor activities, coaching my seven-year-old's soccer team, and herding my two-year-old twins

Favorite food: My wife Becky's five-cheese mac n' cheese

Favorite vacation spot: Table Rock Lake in the Ozarks

Favorite book: The Seven Habits of Highly Effective People by Stephen Covey

Favorite movies: Gladiator, The Godfather and Star Wars



PHIL MORSE

KS Commercial Real Estate

(daughter Kim Morse representing)

BRENT BOLES

Schendel Lawn and Landscape

SUSAN GARLINGHOUSE

Topeka Collegiate School

DEBRA AND RANDY CLAYTON

Clayton Financial Services

Business Hall of Fame

We are proud to announce that our very own Debra and Randy Clayton have been named as 2018 Business Hall of Fame Laureates. Business Hall of Fame Laureates are honored not only for their success in business, but for their dedication and commitment to the local community and the state of Kansas. Junior Achievement of Kansas annually honors businessmen and women to inspire young people to follow in the laureates' footsteps. A committee selected this year's laureates based on criteria including their business excellence, entrepreneurial spirit, community impact, leadership style, local influence and enduring legacy. We look forward to celebrating Randy and Debra, along with the other laureates at the tribute dinner in the spring.

Year-End Planning

The days are getting shorter and the trees are beginning to produce spectacular displays of fall leaf colors. As we enter into the fourth quarter of 2017, it is a great time to do some organizing and reviewing of things that have been taking a back seat lately. Following are a few things to consider as we approach yet another year-end.

Review savings and investments

- Did you create a savings goal for yourself in 2017? Will you meet your goal? If not, what contributed to the shortfall? If it is unclear, create a monthly cash flow statement of your banking account(s) that lists your inflows and outflows. This will help identify potential issues and help set you on a path for success in 2018.
- Look over your workplace retirement account. Are you taking full advantage of your employer's match? If so, are you making the maximum contribution?
 - + If not, consider increasing your contribution. Pay yourself first if you receive a raise or a bonus – make sure you direct some to savings.
 - + If so, are you finding that you are accruing a monthly surplus in your banking account(s) but are uncertain what to do with this surplus? Talk to us about options for your idle cash. It is important to make sure your money is working for you!

Analyze health benefits

- Start spending down your flexible spending account (FSA) if you haven't already. Many FSA's are a "use it or lose it" account and you don't want to find yourself on the latter end of this benefit.
- Carefully review your Medicare coverage. The 2018 marketplace health insurance open enrollment period is shorter this year. Open enrollment begins November 1st and ends December 15th. Unless you have a "qualifying event", this may be your only chance to change your health and prescription drug coverage for 2018.

Fine-tune tax strategy

- Deferring income or accelerating deductions may reduce your tax exposure and help prevent you from entering a higher tax bracket. Accelerated deductions such as medical expenses or charitable contributions may help to put you in a lower tax bracket. If you're looking to trim your taxes while also contributing to a worthy cause, then donating to a charity is a strategy to explore.

Eric Purcell
Assistant Financial Planner



- Plan ahead for required minimum distributions (RMDs) and adjust your withholding if necessary. Turning 70 ½ this year? If so, you'll want a strategy for taking RMDs from your traditional IRA and 401(k) plans. Now that you're required to take distributions, will this extra taxable income bump you into a higher tax bracket? If so, we may want to consider adjusting your tax withholding.

Be Proactive

- It's time to create an estate plan that is aligned with your goals and needs. It is also a good time to update your beneficiary designations on all your financial accounts and any provisions of powers of attorney and health care directives, if needed. Check trust funding, if you have a trust, and review trustee and agent appointments.
- Check your credit report. There has never been a better time to monitor your credit report. Under federal law you are entitled to a copy of your credit report annually from all three credit reporting agencies.

If you have questions or concerns about any of these items, please don't hesitate to contact us! We are likely already thinking about all of these things on your behalf and we would welcome the opportunity to strategize and plan with you!

OFFICE CLOSED

TAKE NOTE! Our office will be closed on the following dates:

November 23rd & 24th – Thanksgiving

December 8th at 12:30pm – Staff Holiday Party

December 25th – Christmas

January 1st – New Year's Day



A FRIENDLY REMINDER:

Don't forget to adjust your clocks back one hour on Sunday, November 5th.

New Name; Same Exceptional Service

The staff and management team at Clayton Financial Services are excited to share some fun things we have been working on over the last several months. After much thought and debate (all friendly, of course!), we have made the decision to change our name to better identify who we are and what we do. We have enlisted the help of Sprout Communications, a marketing firm in Topeka, to help bring this change to fruition and we are happy to report that we will be going “live” as Clayton Wealth Partners later this month. The transition will include a brand new website, new signage on our building, a refreshed logo and more. We will still be the same firm you have come to know and trust — this is merely a change to our name. Be on the lookout for further correspondence with exact dates and details. We will be working hard to make the change as seamless as possible for our current clients and we look forward to serving you as the *new* Clayton Wealth Partners.



SAVE THE DATE!

Client Open House

Thursday, December 7th 4:30pm – 7:30pm

The Latest in Training News

Members of our Financial Planning Team attended conferences in July and August to learn about the latest industry trends, network and collaborate to find out more about industry best practices and gain exposure to new technology.

Eric Purcell, Nate Stucky and Elizabeth Young attended the **XY Planning Network Conference** in Dallas, Texas. The XY Planning Network is the leading organization for fee-only financial advisors who want to serve younger generations.

Barbara Heller attended **Bob Veres' Insider's Forum** in Nashville, Tennessee. The Insider's Forum is for experienced fiduciary business professionals and provides essential information for running and growing prosperous businesses that better serve clients.



Barbara Heller

Vice President and Senior Financial Planner

Elizabeth Young

Vice President and Senior Financial Planner

Eric Purcell

Assistant Financial Planner

Nathan Stucky

Assistant Financial Planner

**The strength of tradition;
the power of innovation.**

**Individualized financial planning
and asset management.**

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