



In everyone's best interest

EMPLOYEE BENEFIT CONSULTANTS | RETIREMENT PLAN ADMINISTRATORS | REGISTERED INVESTMENT ADVISORS

QUARTERLY INSIGHTS

Third Quarter - 2016

During the third quarter, markets rebounded from the initial jolt of the U.K. referendum vote to leave the European Union. Lower bond yields and stabilization in global economic data had a soothing effect on investor concerns and the third quarter ended as the best quarter of the year. Moreover, most of the gain in the U.S. market came in July following the sell-off in June. Surprisingly both August and September showed a slight gain, when historically, September is a poor month for stock performance.

Technology stocks gained 10.6% during the quarter and the energy sector showed a 3.7% increase and enjoyed the rise in oil prices. Real estate, consumer staples and utilities were all down. Overall, the S&P 500 reflected a 3.9% total return for the quarter with small cap stocks outperforming both large-cap and mid-cap stocks.

We will devote the balance of this newsletter to a financial planning topic that should spark interest to get a will drafted if you don't have one already. In following newsletters, we will touch on other financial planning issues that also share significant importance.

Of paramount importance is the need to have a will if you've accumulated much in the way of assets or have a family. Surveys show that approximately 55 percent of American adults do not have a will or estate plan in place. A will makes the distribution of your estate very clear and provides you significant benefits such as:

- **You decide who will take care of your minor children** – If you want a specific family member or friend to take care of your children, you will need to designate him or her specifically in your will.
- **It helps avoid a prolonged probate process** – All estates must go through the probate process but those with a will usually shorten

the time frame.

- **Allows you to make gifts and donations** – You can direct assets from your estate to favorite charities which can also help reduce estate taxes due.
- **You decide who executes your estate** – A trusted family member, friend or finance related institution makes certain the directives in your will are followed and the assets of your estate are distributed accordingly. The state probate court does not make those determinations.
- **Avoid family issues** – The death of a loved one is already a significant hardship for a family to handle. A will makes the distribution of your estate a transparent process to all parties involved and the family members can know in advance the wishes of loved ones.
- **Change it at any time** – It is recommended that individuals review their wills every five years to make sure that it still aligns with their current and future desires. You can also change it after any major life event such as the birth of a child, marriage, or divorce.

The above benefits, along with the fact that if there is no will the state (not exactly known for its financial competence) will determine the distribution of assets, should be enough to motivate any person to recognize the importance of having a will. Additionally, obtaining a will has never been cheaper because there are low cost online legal services that provide state-specific wills for individuals for less than \$50. You could also contact a local attorney for help drafting a will.

If you have any questions about your retirement goals, investment choices, deferral percentages, or any other 401(k) plan item, please contact BenefitWorks at (717) 273-8441 or 1(800) 931-3144.

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