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## OUR MISSION

To enable our clients to pursue their dreams through excellence in investment management, world-class financial planning, and compassionate engagement.



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# Is Your Financial Plan Taking Advantage of the New Tax Law?

We read a lot of mixed reports about the new tax law. Some reports think it is great and will create jobs while others say it's a huge give away to corporations. In reality, the new tax law is complicated, with a lot of moving parts. It's over 1000 pages long, so while it's difficult to boil it down to just a few sentences, we can dispel a couple of common misconceptions. For starters, around 80% of the population will pay less taxes as a result of the new tax law. A majority of those cuts (77% of cuts) will go to individuals while only 23% will go to corporations. It's estimated that the tax law will reduce tax revenue by \$1.5 Trillion over the next 10 years.

Since most individuals will have more money in their pockets to spend, it's reasonable to expect an increase in economic activity. According to the Joint Committee on Taxation, the new tax law will likely add .7% to our GDP growth rate per year. Some of our research partners have lower estimates ranging from a .25 to .5% increase per year. Who knows how much the actual increase will end up being, but the general consensus is that our economy will speed up as a result of the tax changes. With the cut in the corporate tax rate, assuming all other factors remain constant, that should help the profitability of corporate America. Higher corporate profits usually mean higher stock prices.

The obvious negative of the new law is the reduction in tax revenue for our government. We're already running a deficit each year, and the new tax rules are likely to add to that problem. You could make an argument that this tax cut is a Fiscal stimulus plan, meant to boost an economy that doesn't really need boosting. Our economy accelerated in 2017 with basically no help from the government in the form of loosening Monetary Policy. The Feds raised interest rates, which is generally done to slow the economy. Our economy accelerated despite the lack of monetary policy help and despite the interest rate increases. Some people argue that we should have saved the tax cuts for a time when our economy needed a boost.

From a planning perspective, it's important to understand the decreased value of a tax deduction. Traditional IRA and 401k contributions are funded with pre-tax dollars, they are basically tax deductions. The logic behind funding those accounts is that you get a tax deduction now, while you're working and in a higher tax bracket, then you pay the taxes when you withdraw the money when you're retired and in a lower tax bracket. With the decrease in today's tax rates, there is a smaller difference between the tax bracket you're in now, versus the tax bracket you will be in when you're retired. If you add in the fact that the tax cuts will likely add to our deficit, it is reasonable to assume that tax rates may increase in the future to help offset the deficit. This makes a Roth IRA or a Roth 401(k) more attractive now than in 2017. Everyone's situation is different and you should speak to your tax preparer and financial advisor about your individual situation before making changes to your plan.

# 5 Tips for Spring Cleaning Your Finances



Spring is finally here! For many of us, that means it's time to shake off the cobwebs of winter and do some spring cleaning. Your house isn't the only thing that needs attention — now is a great time to take a look at your finances as well. Here are a few tips from ACT Advisors to give your finances a breath of fresh spring air:

**1. Opt for less paper.** Cut back on the piles of paper taking over the kitchen counter by opting in to receive paperless statements. Contact our office to learn how to go paperless for your investment account. In addition, if you are paying invoices online for service providers like your cell phone carrier, you may want to consider signing up to receive paperless invoices.

**2. Sort out paperwork.** While you're going through those piles of paper, eliminate the ones you no longer need. For example, the federal government recommends keeping bank statements for only one year and keeping tax documents for seven years. Anything that needs to be kept can be scanned and saved in your ACT Advisors Wealth Management System's Vault. Be sure to shred any documents you're discarding to protect private information.

**3. Clean up your accounts.** Now is a great time to consolidate accounts, get rid of unused accounts, and shred old checks and statements. If you have multiple checking accounts, consider closing accounts that you no longer use. If you have retirement accounts from old employers, consider rolling over old accounts into your IRA or current 401(k) to streamline your retirement savings.

**4. Create a home inventory.** If you have homeowner's or renter's insurance, it's a good idea to have a record of your possessions. Make a list and take pictures or a video of your valuables. Your home inventory video and documents can be uploaded to your ACT Advisors Wealth Management System's Vault so they are protected, yet accessible, in the event of an emergency.

**5. Check up on insurance coverage.** When was the last time you looked at your insurance policies? If you've had any big changes in the past year, then now might be a great time to review your coverage. Be sure any additions to your family, income or possessions are covered under your insurance policy—it might be time for an upgrade.

## In Case You Missed It... What's New at ACT Advisors



Wes Johnson, CFP® in the recording studio.

Here are some of the exciting happenings at ACT Advisors that you may have missed.

**Doug English, CFP® was recognized as one of our custodian's top financial advisors.** The premier award, which is based off total revenues, is presented to less than 2% of the firm's approximately 15,000 advisors nationwide. Learn more at [www.act-advisors.com/news](http://www.act-advisors.com/news)

**Wes Johnson, CFP® is President Elect for the South Carolina chapter of the Financial Planning Association.** Wes will become President in 2019. He is currently the Director of Public relations for the FPA-SC. In his current role, he serves to promote public education of financial planning principles. Wes also is involved in the Rotary Club of Charleston where he leads the Rotary Round Ball Tournament.

### ACT Advisors Video Series

We have been busy working on informative and educational videos that will be released throughout 2018. Our first video featured Wes Johnson, CFP® answering Dave Ramsey's 5 Questions to Ask Your Investing Professional. You can watch all of our videos at [www.youtube.com/actadvisors](http://www.youtube.com/actadvisors).

# Retired First Sgt. Harry J. Latta Awarded Purple Heart



*Pat Latta (third from left) with his father, Retired First Sergeant Harry. J "Buddy" Latta (fourth from left) and his mother, Joye Latta at the North Carolina State Highway Patrol awards ceremony*

Thirty-six years after being shot during a traffic stop, First Sgt. (retired) H.J. "Buddy" Latta received the prestigious Purple Heart award from the N.C. Highway Patrol. Buddy is father to our Asheville, NC advisor Pat Latta and is a client of ACT Advisors. The Purple Heart is bestowed upon members wounded by an act of aggression while performing assigned duties. "I appreciated the award," Latta said. "It was something that brought back some memories. They were not bad memories. They were memories I had done my job well."

On Oct. 4, 1981, Latta received a call about a drunk driver while patrolling near Middlesex. He saw "a truck stopped in the highway with the door open and a man standing outside the truck and two men inside the truck." When Latta pulled behind the truck and turned on his blue lights, the men ignored him. The man in the roadway, later identified as the son of the driver, walked to the shoulder. The driver tried to turn left into a driveway, but the truck nose-dived into a ditch. The son ran to the truck, grabbed a shotgun, and ran behind a nearby trailer, throwing the gun underneath it.

"My attention went to the driver who was outside of the truck by then," Latta said. When Latta told him he was under arrest for DWI, the driver said, "The hell I am. I ain't going nowhere." As Latta took him by the arm, the driver resisted. "I was trying to get handcuffs on him when I heard a blast and felt a burning sensation in my right side," Latta said. As Latta stood up, another shot knocked him to the ground - wounded in the right chest, arm and right upper thigh. "I crawled around behind the patrol car and came up over the trunk of the car," Latta said. "I pulled out my pistol and tried to return fire."

Because of his wounds, Latta could not hold the weapon in his right hand and had to change the gun to his left hand to fire it. The son fired three more rounds from his shotgun, and Latta returned fire from his .357 Magnum. The shooter ran, giving Latta a chance to get to his car to call for help.

"I went in pursuit of the shooter," Latta said. As Latta approached the field, the shooter came up out of the bushes in an attempt to shoot again. Latta fired two shots and the man

fell to the ground. "I thought I had killed him," Latta said. "As I walked closer to him, he turned his head and looked at me. I kicked the shotgun away from him and picked him up and tried to get him up to get him out to the road and administer first aid to stop the bleeding."

The man fell face down on the ground and passed out. The trooper returned to his car to tell dispatchers to send two ambulances because he had shot his assailant. He also retrieved the man's shotgun and secured it in his patrol car. In the meantime, the Middlesex Police chief arrived.

Latta and the Chief went to get the injured man, but he was gone. A trail of blood led toward the woods about 100 yards away. The officers followed the trail into the woods but couldn't find him. "By that time, the adrenaline had quit pumping, and I couldn't go any farther," Latta said. "I couldn't get back to the car because of my injuries." Later, Latta learned the shooter's father, the one Latta tried to arrest, had helped him escape through the field.

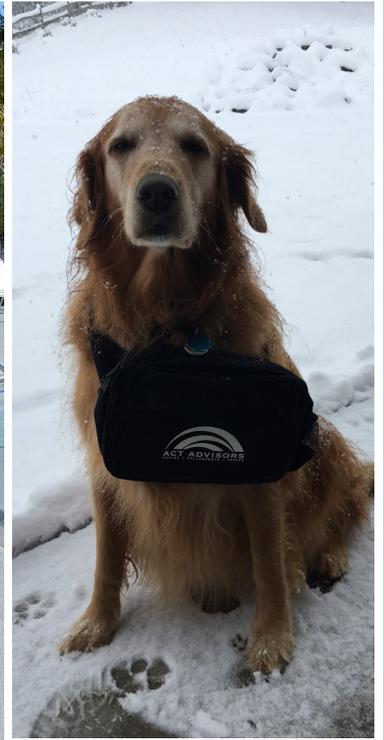
Back at his car, Latta sat down and unbuttoned his shirt to see his injuries. "Up to that point, I had looked down and seen the blood on my shirt and pants but wouldn't examine myself any closer because I was afraid if I did, I would quit," Latta said. Latta was taken to Nash General Hospital in Rocky Mount. About an hour after he had been in the emergency room, the shooter was brought in. "As they rolled him in, I identified him and said 'That's the man that shot me.'" Latta, who had been hit 27 times by shrapnel, still has pellets in him. He was shot with a No. 4 rabbit shot. The 18-year-old shooter was charged with assault with a deadly weapon with intent to kill inflicting serious injury on a law enforcement officer.

"Latta's actions displayed his dedication to protect the citizens of North Carolina," said McNeill, a Reidsville native, in presenting the award. "Even after being shot two times, he was able to remain calm, return fire and bring the suspect into custody."

# Do you have flair? Show it off with ACT Advisors Fanny Pack Flair contest!

ACT Advisors invites you to show off your flair while sporting your ACT Advisors fanny pack. Wear it on vacation and snap a picture to send us for your chance to win. Submit your most fun and creative pictures to Nicolette at [nicolette.speziale@lpl.com](mailto:nicolette.speziale@lpl.com) before October 1, 2018. In October, we'll let you know how to vote for your favorite photo to help us choose a winner! For more information visit [act-advisors.com/clients](http://act-advisors.com/clients).

Pictured left are some of your competitors this year! Mike participated in a New Year's Day "Polar Plunge" jumping into a swimming pool with an outside temperature of 32° Fahrenheit—and yes, he wore the fanny pack in the pool! And, golden retriever Jessie also not stopped by the cold and snow and says "I never go anywhere without my ACT Advisors fanny pack!"



## Congratulations to our 2017 Winners



Thank you to everyone who participated in our 2017 Traveling Totes Contest! We received photos from around the world and enjoy being able, in a small way, to share in your adventures. Congratulations to Ken and Anne, the winners of the 2017 Traveling Totes Contest!



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*This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.*

*Economic forecasts set forth may not develop as predicted.*