PROFESSIONAL FINANCIAL SERVICES, INC.

"DESIGNING AND PROTECTING WEALTH"

ONE PLAN AT A TIME

ROBERT E. TUCKER
PRESIDENT
Tel (703) 391-0299
Fax (703) 391-0277

10913 LAWYERS ROAD
RESTON, VIRGINIA 20191
e-mail: bobtucker@pfsinc.info
website: www.pfsinc1.com

HAPPY NEW YEAR!!!

2023 ended on a high note. Here are some of the reasons:

- **Recession didn't happen**
- **2.3 million jobs were added**
- **Inflation dropped to about 3%**
- **Markets expect Fed to drop interest rates in 2024**
- **Housing is expected to increase due to low inventory and lower rates**
- **Equity markets ended with very strong performance as follows:**
  - **the Dow up 13.71%**
  - **the S&P 500 up 24.21%**
  - **the NASDAQ up 43.52%**

What will happen in 2024?

I have no idea. Reality will only be known at year end.

What's my advice???? It hasn't changed-ever.

1. **Retain Ready Reserve liquid assets (Cash, money markets, credit unions, Treasury Bills) equivalent to 6-12 months of living expenses. The goal is to have enough in liquid assets and income for a normal lifestyle for you.**

2. **Assess your Risk Tolerance. The majority of investors are balanced risk investors, which means they should have about 50% in equities and 50% in Fixed Income and liquid assets. The key is balance. Even though a balanced investor won't get the returns of total equity markets, the investor won't incur the same degree of losses in down markets.**

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3. If you've followed 1. above, then most money invested should be viewed as long term money. Market ups and downs are to be expected and should rarely cause one to make changes. History has shown that given enough time, stocks outperform bonds, which outperform cash/cash equivalents. Along the way, there can be marked differences at any one time. Usually, reaction is ill advised.

4. Planning isn't just about investments. It also includes insurance planning, tax planning, and legal planning. Each of these items have many subsets.

   For example, It's not about whether or not you have insurance. It's about:

   - What exactly are you trying to cover?
   - What do you have?
   - What is the extent of coverage?
   - What is its cost?.
   - Is the coverage you have still appropriate?

   Regarding legal documents, it's not just about whether or not you have a will, trust, Power of Attorney, and Advanced Medical Directive. It's about:

   - What are you trying to accomplish?
   - What are the details within your current documents?
   - Do the provisions still meet your objectives?

5. My favorite admonition boils down to 2 words: "Life happens". Every day is a gift and anything can happen. Planning is about doing everything possible to capture the good and about protecting yourself and your loved ones when the bad occurs.

The tough thing about planning is that it is NOT "once and done". It's an ongoing process and requires annual or bi-annual reviews, but it can also be needed as soon as a significant unexpected event, e.g job layoff, unexpected illness, or unexpected death. Nevertheless, I've witnessed countless plans made that came to fruition to the significant benefit of those involved, but I've also seen way too many times the results created by those who just wouldn't take the time and make the effort to plan. The latter is not good.

So, as we enter and experience what 2024 brings, I encourage you to consider a new review of your planning and reach out to us for a discussion. Our goal is ALWAYS to help you.

Finally, my wife came across the attachment and gave it to me. It is simple and profound. I thought you might like it.

Again, Happy New Year.

Bob Tucker

THOUGHTS TO PONDER

Possibly the most important thing you'll read this year….

The following is the philosophy of Charles Schulz, the creator of the "Peanuts" comic strip.

You don't have to actually answer the questions. Just ponder them. Read it straight through, and you'll get the point.

1. **Name the five wealthiest people in the world.**
2. **Name the last five Heisman trophy winners.**
3. **Name the last five winners of the Miss America pageant.**
4. **Name ten people who have won the Nobel or Pulitzer Prize.**
5. **Name the last half dozen Academy Award winners for best actor and actress.**
6. **Name the last decade's worth of World Series winners.**

How did you do?

The point is, none of us remember the headliners of yesterday.

These are no second-rate achievers.

But the applause dies.

Awards tarnish.

Achievements are forgotten.

Accolades and certificates are buried with their owners.

Now think about these:

1. **List a few teachers who aided your journey through school.**
2. **Name three friends who have helped you through a difficult time.**
3. **Name five people who have taught you something worthwhile.**

Easier?

The lesson:

The people who make a difference in your life are not the ones with the most credentials, the most money, or the most awards. They are the ones that care.

This article is historical and based on information that was current at the time of initial print. It contains information that has changed. Staff and business names may have changed.
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