



Fall 2016



"We are sorely in need of a voting machine with a space for "Remarks." E. C. McKenzie

Voter's Wanted

In 1845, before Florida, California, and Texas were states or slavery had been abolished, Congress needed to pick a time for Americans to vote. We were an agrarian society. We traveled by horse and buggy. Farmers needed a day to get to the county seat, a day to vote, and a day to get back, without interfering with the three days of worship. So that left Tuesday and Wednesday, but Wednesday was market day. So, Tuesday it was. In 1875 Congress extended the Tuesday date for national House elections and in 1914 for federal Senate elections.

Tuesday is now a work day throughout the country with most voters working on that day. This has led activists to object to Election Day being on a Tuesday on the grounds that it decreases voter turnout. If we can move Columbus Day, Presidents' Day, and Martin Luther King, Jr.'s Holiday for the convenience of shoppers, why not make Election Day more convenient for the sake of voters? They advocate either making Election Day a federal holiday or allowing voters to cast their ballots over two or more days.

Activists also encourage workplaces to allow their employees paid time off in lieu of such mandates and encourage voters to make use of early voting and postal voting facilities when available and convenient. So what do you think?



DOES ANYBODY WIN IN THIS ELECTION?

There is an overwhelming malaise over the market. We hear consistent rate hike rumors, but while our economy is doing okay, it can't pull the entire world. The upcoming election does not give us much hope for change. No one can really say if either one these candidates would actually benefit the economic growth.

Both Clinton and Trump are woefully out of their league. Trump thinks he knows it all and Clinton is at least clever enough to know she is inept on this topic.

So with little feel for world growth there is plenty of cash on the sidelines but if that is true, then why is the market stuck?

People are looking for policy, not statements that may or may not be true. Both Trump and Clinton have given varying opinions on what to do but lack any quantitative measures needed to get there. While Clinton offers more of the same regulation and bureaucracy that are strangling the incentive to build business, Trumps numbers just simply don't add up.

His reduction in taxes and proposed military and infrastructure projects make no sense numerically. There is no way we can pay for these items while at the same time reducing the intake of revenue through massive tax cuts. His proposals may influence corporations to stay in the U.S., but someone, somewhere needs to actually assign numbers to those projections.

Although the market has gyrated wildly it is no better or worse off than it was months ago. High dividend stocks have picked up returns individually but a downdraft in the market could cause a decline

in prices. Gold tells us that there is a concern over a rate rise and increasing uncertainty about populist movements across the globe.

Big banks continue to pare their balance sheets and restructure their businesses. While in some cases this may seem prudent it also has cost many jobs that will probably never come back.

It is fair to assume the market is watching terror attacks and the upcoming presidential debates with increasing trepidation. There is rampant speculation that the wrong moves could debilitate the economy for years countered by the exact opposite theory that unless something is done our economy is going to grind to a halt.

World events are pretty scary too. Many nations in Europe are casting a wary eye at the cost of providing safe harbor to refugees. That cost is staggering and with jobs at a premium and economies slowing there is a valid concern over the backlash of refugees. That type of economic climate could lead to further stagnation economically as countries look inward instead of outward.

And in the meantime people are discussing her fat ankles and his bad hair. Oh boy, we could be in for a world of hurt, or maybe just some of the same old, same old who knows.

One thing you can know for sure, that no matter what happens, we will be here to update your financial plans every step of the way!

Let's get together and review your situation.
REMEMBER – WE WANT YOU TO CONTACT US WITH YOUR “HERE’S WHAT WE’RE THINKING ABOUT DOING QUESTIONS”, NOT YOUR “GUESS WHAT WE JUST DID!” COMMENTS

Financial Tip of the Month

Tuition Free Advice



There's a big change coming on October 1st for FAFSA - the Free Application for Federal Student Aid. And if you miss out on the new, earlier deadline, you just might miss out on a lot of money! So if you're the parent of a high school senior (or a student already in college seeking aid for next year), here are the new FAFSA rules - and some tips for getting the most financial aid for college.

1. **FAFSA "starts" October 1st.** The availability of the application for college year 2017-2018 starts in the fall of the year before the money will be granted - instead of the previous start date on January 1st. The online application, which is available for free and only at www.FAFSA.gov, will be posted on October 1, 2016.

Families that file online will receive their Student Aid Report (SAR) and Expected Family Contribution (EFC) and Student Aid Report (SAR) within a week of completed filing (as opposed to 2-4 weeks for those filing by mail). Having that information early, in the midst of the application period, will help students and families make smarter choices about college affordability.

2. **Tax Return from 2015 is used.** In the past, when the application process started in January, families were required to guesstimate their income for the year just ended. The new process means you will use income from the parents' already-filed 2015 tax return. That information will be automatically imported into the FAFSA, using a special IRS data retrieval tool.

3. **First Come, First Served.** Most financial aid - including federal, state, and private scholarships — is meted out in order of application. Some state and other aid programs have moved up their application timelines, knowing that the FAFSA is now available three months earlier. So if you wait until January to think about FAFSA, you might miss out on available money.

4. **Tip: Get FAFSA ID# Now!** Even though you can't start filling out the application until October 1st, you can go online to www.FAFSA.gov and get your user-created ID and password for accessing the form securely. That will make it easier to get to the starting line.

The new, earlier filing deadline is bound to bring some confusion. Your family situation and income may have changed drastically since your tax return for 2015 was filed last April. If so, you should contact the schools to which you are applying and inform them that the EFC may no longer be accurate, and that you may need a larger aid package. And if you're "adjusting" income to qualify for more financial aid, you'll have to start earlier because of the new deadlines.

File FAFSA even if you don't think you'll qualify for federal aid. It's used in some scholarship programs. Rick Castellano of Sallie Mae (the largest originator of private student loans at over \$4 billion a year), notes that about 2 million students who would have qualified for Federal Pell Grants - free money that doesn't have to be repaid - didn't get the grants since they didn't file FAFSA! You can access www.salliemae.com. And if you don't get enough federal aid, Sallie Mae's private Smart Option loans have variable rates that start as low as 2.5 percent, and are typically priced on the credit status of a co-signer.

"Life is ten percent what happens to you and ninety percent how you respond to it." Lou Holtz

“Too Much of a Good Thing, Isn't Always Good”

There isn't a parent out there that doesn't want the best of everything for their child. But sometimes, despite their best intentions, the kid who's been given “everything” can sometimes turn into a grown-up nightmare.

Stan & Kathy came into see us after interviewing several other financial planners and just not finding the right fit.

You see, Stan is a bit of a perfectionist and he had to make sure everything was being done exactly the way he wanted in business and his personal life.

Stan and Kathy met almost 36 years ago and hit it off right away. They both had similar backgrounds, growing up in a middle class neighborhood where for most; even going to college was not a possibility. Definitely not one their parents could afford. But Kathy & Stan each had a dream for themselves that they would be the first in their families to earn a college degree. So they worked their fingers to the bone to do so.

Stan ultimately graduated with a Master's Degree in Finance and Kathy in Business. They worked in the banking industry and were your typical Yuppies at the time. They both had the same goals in life. Make as much money as possible and live the good life. Well, they never imagined they would end up with as successful as they did. They dated for a couple of years and then got married.

After saving a boatload of money, Kathy was able to quit work to start raising their family. Stan went on to be a raging success in his company and continued to receive huge bonuses every year. They also were in the real estate market at the right time and were able to keep moving up, buying and selling homes at a profit until they ended up in a spectacular million dollar home in which they planned to raise their kids and stay in a for a lifetime.

And the kids came!

Adam was born first, followed three years later by Alicia and finally Andy at the end. Stan was adamant that his kids would never know the struggle he had to face as a child and insisted on

giving them the best private education money could buy. Kathy was on board with it. They poured everything into these kids, the most exclusive private schools, expensive sleep away camps in the summer, extravagant vacations every year.

As Stan always said, “It’s all about the kids, as long as they’re happy, I’m happy”. He gave them everything they could dream of and more. He told Kathy “We’re living the fairytale”

However, as the kids started to hit their teens the fairy tale soon started to turn into a horror story. It began with Alicia. She was always head strong, but they became aware that she was riding off the rails and soon found that she had been dabbling in “experimental” drug usage at the tender age of 15. Kathy went through the roof. How dare she take all they had given her and risk it on such a foolish choice? Stan, of course was a little more lenient and although laying down the law, he pretty much just chalked it up to teen age rite of passage. In the meantime their son Adam was accepted at a fine school out of state. He was consistently getting into trouble for too much partying. Again, they wrote it off as immaturity. And little Andy got into trouble too. Stan found some pot in his pocket when he was only 14 years old.

So, exhausted as they were by the shenanigans of their kids, they pretty much just went ahead with the flow and figured they would grow out of it. Stan, being the controlling type, already had all their graduate schools lined up for after they completed their bachelor’s degree.

As we said, Stan thought he was doing the right thing by controlling the kid’s future and laying out what they would be doing until the time they were 30. And of course he would pick up the check for everything. They never even had to have a part-time job.

He also had set up a trust fund for each of the kid’s that would give them a portion of the money when they turned twenty-five and the remainder when they turns thirty. He figured by that time they would be well on the way to a successful career and family life.

Well Adam took 6 ½ years to finish his 4 year degree, including summer school. He went on to work with Stan. Alicia went to a state college out of state, although they were disappointed that she didn’t end up in an Ivy League school and Andy went to a small private school out of state.

Just as Alicia was about to graduate they noticed that she was acting very strangely. They couldn’t imagine what the problem was. Her grades were great and she was about to graduate with honors. They got the call every parent dreads one night. Alicia had been at a party at school and was taken to the hospital. They were shocked to learn that she suffered from a drug overdose.

Stan and Kathy were devastated. How could this have happened right under their noses? So Stan put Alicia right into the most expensive rehab facility he could find. It cost him a fortune and he knew that it would delay they’re retirement for a while. But as long as the kids were happy and healthy that was all he cared about. Alicia did well in rehab as first, but her first time out she relapsed, so back she went. And then she relapsed again. It was a true nightmare for Stan and Kathy.

In the meantime Adam and Andy were up to their own shenanigans as well. Andy dropped out of college after his freshman year and decided he had to travel and try to find himself, all on Stan's dime of course. And Adam, just kind of drifted along. Going to work every day, but moving from apartment to apartment whenever the mood suited him. And of course Stan paid for it all.

It was really taking a toll on their marriage. Kathy wanted them to present a united front and draw the line at what they would continue to provide for their kids, hoping that they would see that the world would never give them a free ride and they would have to buckle down, grow up and start taking responsibility and find their own way to support themselves. Stan was still of the mind that as long as the kids were "happy" everything would be okay.

Well, after much counseling they were able to come to an agreement that they need to cut them off, at least somewhat. So they decided to restructure their trust funds because there was no way they would be able to handle the responsibility of the much money at their level of immaturity.

We met with them and their attorneys and they decided on the terms of when and how much they would receive. But again, Stan being so controlling, had to structure each trust with a different investment objective suited for each child.

It's sometime difficult to sit there and watch the choices people make, but our job is not to judge but to help them reach their goals.

As we met with them many times over several months we also found out that although Stan had been so vigilant in controlling his children's finances he had been neglectful in monitoring the amount of insurance he was carrying and what his own investment plan was doing.

After setting up the complicated trust holdings for the children we were able to literally save Stan over \$50,000 annually in tax savings, insurance premiums and investment strategies.

We know, with Stan's personality and need for control we will be meeting with him on an ongoing basis to change it as he sees fit. It's so hard to see people come in horrible circumstances like these, thinking they are doing the right thing for their families but really just making their lives more complicated when they really just need to simplify things.

Please remember, that it's really hard, even with the best intentions to make these decisions without the help of a professional that can give you an objective, knowledgeable alternatives and a clear path to success.

So please whatever your situation, don't hesitate to give us a call and come and let us have a look at what you're doing and help you meet your goals. This needs to be done on an annual basis at least and of course whenever you have any changes in your life.

So don't put it off! The year is almost over! Call us Now and make your appointment to come in for your annual review!

"A politician should have three hats. One for throwing into the ring, one for talking through, and one for pulling rabbits out of if elected." Carl Sandburg

GOSSIP AND TIDBITS!!!



This past summer we were fortunate to watch the Olympics and see one of our clients bring home the “Gold”. NormaTec, located in Massachusetts has developed NormaTec Recovery Systems. They are cutting edge recovery solutions that enhance the body's natural ability to recover. While resting, NormaTec Systems simulate active recovery using their patented massage pattern—“NormaTec Pulse Technology.” Using NormaTec’s full-length leg compression boots before or after an intense workout rejuvenates muscle tissue and dramatically reduces tightness and soreness.

This technology is available due to the pioneering work by NormaTec’s late founder, Dr. Laura F. Jacobs. As a rehabilitation physician and Ph.D. bioengineer, Dr. Jacobs saw a major need for effective treatment modalities for patients with circulation compromised by disease, surgery, trauma, and radiation. After finding success in medicine, NormaTec entered the sports industry in 2008. NormaTec Pulse Technology's physiological benefits help athletes recover from workouts and rehabilitate after injuries. Since then, NormaTec has become the face of recovery within elite athletic spheres everywhere.

This past summer Simone Biles was seen wearing them during the Olympics. She is not the only athlete to wear these; numerous NFL and NBA players have used them as well. The Boston Celtics and the St. Louis Rams are just two teams that have used them as their official recovery room.



Ted Caniglia was recently voted one of Montgomery County’s Best CPA’s ! We are proud of him!! Way to go!

MORE GOSSIP AND TIDBITS!!!



We at Clairmont, Paciello & Co., PC are updating our data base. In an effort to serve all your needs more efficiently we will be offering a secure client portal for your use. In preparing for the upcoming tax season we hope you find the portal a very reliable tool in viewing and retrieving documents. Please confirm with Lisa and let her know your email and if any changes are to be made. Please note this email will be used for any communication with us as well as the secure client portal. Email Lisa@cpcfinancial.com or call 610-265-4122. Thank you.¶



EMPLOYMENT OPPORTUNITIES

Clairmont, Paciello & Co. is seeking individuals for Part-Time help to assist with tax season administration duties during February, March and April 2017. Flexible hours are available. No prior knowledge needed. We will train you. Please email Luanne@cpcfinancial.com with your name, phone number and days you could work if you are interested and would like more information.

Health Tip of the Month...

ADULT ADHD – IT'S REAL



ADHD is a treatable medical condition characterized by symptoms of hyperactivity, inattention, and/or impulsivity that are experienced repeatedly and in a way that is severe enough to have an impact at home, at school, and in social situations. Only a trained health care professional can diagnose ADHD.

Undiagnosed, untreated ADHD can wreak havoc on a person's life, and it can also impact his or her loved ones. Each year, we recognize *ADHD Awareness Week* as a time to celebrate the progress made in ADHD education and advocacy, understand the work that still needs to be done, and raise awareness about the importance of early diagnosis and treatment. Without ADHD awareness, many children and adults continue to struggle.

Ruth Hughes, Ph.D., is a clinical psychologist and Chief Executive Officer of CHADD(Children and Adults with Attention-Deficit/Hyperactivity Disorder), the nation's leading non-profit organization serving individuals with ADHD and their families. She is also the mother of an adult son with ADHD.

Through CHADD, Dr. Hughes works to increase understanding about ADHD year round.

Q: Why is ADHD awareness so important?

Dr. Hughes: There may be as many as 15 million adults and children in the U.S. with ADHD, based upon prevalence studies and the 2010 census data. ADHD is also one of the most common disorders of childhood. Despite this, there is a huge amount of bad and misleading information on the internet and in the media about the condition. In addition, there are people with ADHD who have never been diagnosed, but have lives filled with problems directly related to the symptoms.

CHADD and our partners in the ADHD Awareness Coalition want the world to have an understanding of what science and research tell us about this disorder, and we want people to know that ADHD is real, that it's highly treatable, and that there are many choices in treatment—including interventions other than medication.

Q: What are some of the misconceptions about ADHD?

Dr. Hughes: The most glaring is the belief that ADHD is not real. Attention-Deficit/Hyperactivity Disorder is a well-documented neurological disorder: an individual's brain develops and functions differently with ADHD. There is a deep body of research on ADHD, and every major medical and health organization in the US recognizes the legitimacy of this disorder. Individuals don't choose to have these symptoms, but they *do* have the responsibility to learn to manage them.

ADHD is an equal opportunity disorder and is not the result of poor parenting—another common myth. You can be an exceptional parent or a terrible parent, and still have a child with ADHD. Good parenting will help your child learn to manage the symptoms better, but it won't prevent the occurrence of ADHD. There is a strong genetic link, and most families can identify other family members who exhibited the same symptoms. Another myth about ADHD is that anyone can be diagnosed with it, based on a list of behaviors that all of us exhibit at one time or another.

Not so. When diagnosed properly, having the symptoms is just the first step. In addition, these symptoms must be long-term in nature—at least six months—and persistent every day. The symptoms must also be severe enough to cause a significant impairment in functioning in a major area of life, such as school, work, family or social life. And lastly, other causes of the symptoms must be ruled out. Only when all of this is done, should a diagnosis of ADHD be made.

Q: ADHD Awareness Week's theme is "the Many Faces of ADHD." Can you explain a bit about why this theme was chosen?

Dr. Hughes: ADHD is a lifelong disorder for most folks. You may be a child, an adult or a retired grandparent, and still have ADHD. Like many disorders, the symptoms may be expressed differently in different people. For one person, it may be a huge problem with impulsivity and hyperactivity. For another, it may be about the ability to pay attention. For some, the symptoms are very mild and easily controlled, while for others, the symptoms are quite severe and disruptive. In addition, two-thirds of people diagnosed with ADHD have other co-occurring disorders as well: depression, learning disabilities, anxiety, and autism spectrum disorders are just a few. There are many faces of ADHD, but the most important message is that many, many people with ADHD manage their treatment effectively and live full and rewarding lives. Many also achieve fame and fortune. You can, too.

Q: What can families do to help increase awareness and understanding about ADHD?

Dr. Hughes: Science tells us that the most effective way to deal with any kind of stigma is to know someone with the disorder who is stigmatized. It's easy to say that ADHD is not real, or caused by bad parenting, when you have no experience with it. But if family members can learn to be comfortable saying to others "I have ADHD," or "A member of my family has ADHD," that usually stops people in their tracks and opens the door for some real dialogue. Because my son was so hyperactive, it was clear to almost anyone around him that something was going on. He had to choose between explaining his ADHD and being labeled a screw-up. He chose to tell people that he had ADHD. Only when we stop hiding, will the stigma and misunderstanding truly disappear.

"It is easier to build strong children than to repair broken men". Frederick Douglass



Welcome To New Clients And Thank You For Referring!

We love giving recognition to our new friends and our wonderful existing clients who are kind enough to refer their friends and relatives to us! We are all helping each other, which is the whole point.

In the last couple of months we were fortunate to welcome 13 new tax clients and 20 new business clients. They became members of our firm's accounting and financial planning family. We'd like to welcome them and thank all the people who have referred business to us.

As you may know, marketing for new clients costs a great deal of money, time and energy. We, like any business, need to get new clients to stay in business. Over the years, we have found that marketing takes away from the time we would rather be spending with you. We have learned that by encouraging you to refer your friends and relatives to us works for all of us. We help you, and you help us. Thank you.



Fall 2016 Quiz Question!

Q. Two people save money in a tax-deferred Individual Retirement Account that earns 8% annually. Person A invests \$ 3,000 a year from age 20 to 29, but then never saves another penny. Person B starts investing \$ 3,000 a year at age 30 and saves that same amount annually for the rest of his life. Who has more money in the account at age 65?



Here's the Summer 2016 Quiz Question and Answer!

Question:

When was paper money first printed in the U.S.?

a.) 1776

b.) 1862

c.) 1821

b.) The U.S. Department of the Treasury first issued paper U.S. currency in 1862 to make up for the shortage of coins and to finance the Civil War. There was a shortage of coins because people had started hoarding them; the uncertainty caused by the war had made the value of items fluctuate drastically. Because coins were made of gold and silver their value didn't change much, so people wanted to hang onto them rather than buy items that might lose their value.



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