



Assessing the future of democracy

Daniel Huffman, CFP®, Managing Director – Investment Officer

Democracy is defined by Webster as “government *by the people...* in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation usually involving periodically held free elections.” And, our revered Declaration of Independence supports (and agrees with) this definition by stating that, “We hold these truths to be *self-evident*, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, *deriving their just powers from the consent of the governed.*”

So, why revisit here what should be a foundational principal in our country – that free market thinkers and believers should love democracy and the fruits of its labor? Because this very truth is no longer necessarily considered a core conviction by a very large percentage of our youth.

A recent research study provided by Bank Credit Analyst (BCA) Research conveyed an alarming truth. To simplify, it concluded that only 28 percent of persons born in the USA during the decade of the 1980’s or after believe it is essential to live in a democracy. This contrasts with those born in the 30’s, 40’s, or 50’s where 65 percent or more believed in the essentials of democracy. What is particularly stark for this country is that our 28 percent number is below that of China and the EU (meaning those born in either China or the EU during the 80’s believe more in democracy than our citizens do). How can this be?

Part of the answer has to stem from a serious lack of education, instruction, or historical perspective on the subject let alone an acknowledgement of the outcomes of so many failed states that have practiced other political and/or economic systems. Karl Marx would have been wise to understand the sage wisdom of Thomas Sowell (though not contemporaries of one another) who said, “Nothing is easier than to have good intentions but, without an understanding of how an economy works, good intentions can lead to counterproductive, or even disastrous, consequences for a whole nation.”

(Continued on page 2)



Daniel Huffman

Upcoming events

Men Who Cook

Saturday, January 27, 2018

Our Lady of Peace Community Center (Mt. Carmel)

Managing Director – Investment Officer James Mayer and Financial Consultants Phil Anderson and Ryan Richards will compete in the 12th annual *Men Who Cook* competition to benefit Catholic Charities of Ashtabula County. We hope you will join us!

Assessing the future of democracy

(Continued from page 1)

Growing numbers are apparently arriving at the misinformed conclusion that profit is a dirty word. Sowell, in his book *Basic Economics*, goes on to say, “Profits may be the most misconceived subject in economics. Socialists have long regarded profits as simply *overcharge*...or a *surplus* value, as Karl Marx called it. From these and other men’s perspectives, profits were simply unnecessary charges added on to the inherent costs of producing goods and services, driving up the costs to consumers. One of the great appeals of socialism, especially back when it was simply an idealistic theory without any concrete examples in the real world, was that it sought to eliminate these supposedly unnecessary charges, making things generally more affordable, especially for people with lower income.” Sowell goes on to say, “Only after socialism went from being a theory to being an actual economic system in various countries around the world did the fact become painfully apparent that people in socialist countries had a harder time trying to afford things that most people in capitalist countries could afford with ease and took for granted.”

Scarily, the principals of socialism are rearing their ugly heads once again in a nation that may have forgotten the lessons of history. So, in conclusion, I

The opinions expressed in this communication are those of the author and are not necessarily those of Wells Fargo Advisors or its affiliates.

thought I would pass along a metaphor used by Silas Strawn in 1935 you may or may not have heard before (based upon two cows) that helps explain the basic socio-economic differences in the world:

- Socialism: You have two cows. The government takes one and gives it to your neighbor.
- Communism: You have two cows. You give them to the government, and government gives you some milk.
- Fascism: You have two cows. You give them to the government, and the government then sells you some milk.
- Capitalism: You have two cows. You sell one and buy a bull.
- Nazism: You have two cows. The government takes both and shoots you.

Notice that in this metaphor (used for illustrative purposes for over eighty years), capitalism is the only one without government intervention. Now, don’t get me wrong, we need government. But, a dangerous trend appears in place that may challenge our future ability to buy a bull when we want.



L-R: Susan Paolo, Dave VanDusen and Patricia Simpson-Whitney

Welcome Susan, Dave and Patricia to Ashtabula

Senior Vice President - Investment Officer Dave VanDusen, First Vice President - Investment Officer Susan Paolo and Senior Client Associate Patricia Simpson-Whitney have moved their practice to the Ashtabula offices of the Huffman-Mayer Wealth Management Group. Previously, Dave, Susan and Pat were located in Mentor. We’re enjoying the energy they bring to our branch!

Clients inspired by Sullenberger presentation

Wells Fargo Advisors hosted clients for a special evening with international hero Captain Chesley “Sully” Sullenberger at the Hilton Cleveland Downtown in November. Sullenberger is the pilot who safely glided a stricken US Airways jet onto the Hudson River, saving all 155 people on board. Sullenberger is a safety expert, speaker and author. *Sully*, a movie about his heroics starring Tom Hanks, was released in 2016.



L-R: Captain Chesley “Sully” Sullenberger and James Mayer

Team joins Heart Walk



In October, the Huffman-Mayer Wealth Management team participated in the Ashtabula Heart Walk at Kent State University at Ashtabula. Heart disease is the leading cause of death for American men and women, and is a cause that is personal for us and many of our clients. We have been proud to participate in this event for the past 18 years, wearing the shirts honoring all of our loved ones affected by this disease. Our participation in this year’s Heart Walk raised \$1,000 to continue the fight against heart disease, supporting research and public education among other initiatives.



Richards support for KSU Ashtabula continues



Financial Consultant Ryan Richards, along with donors, staff and faculty, honored local scholars at the annual Kent State University Ashtabula Scholarship Banquet held at the Lodge at Geneva. Ryan spoke on behalf of the Ashtabula Area College Committee at the event.

Best of the County Awards celebrated

When the 27th annual Best of the County Awards were held by the Growth Partnership for Ashtabula County in September, the Huffman-Mayer Wealth Management team turned out in full force to hear the keynote speaker Jim Tressel, the President of Youngstown State University and former football coach for The Ohio State University. The event was held at the SPIRE Institute Banquet Center in Geneva.



Front row, L-R: Tony Hassett, Jim Tressel, James Mayer, Phil Anderson, Ryan Richards. Back row, L-R: Donna Hassett, Margie Gilliland, Crystal Harrington



L-R: Donna Hassett, Crystal Harrington, Margie Gilliland, James Mayer and Ryan Richards

Team sponsors holiday music festival

As part of its commitment to the community, the Huffman-Mayer Wealth Management Group sponsored *A Holiday Music Bonanza* presented by the Lakeside Society for the Performing Arts and the Ashtabula Choral Music Society. The two-night event in December featured the Ashtabula Area Orchestra and the Ashtabula County Chorale and was highlighted by a finale of excerpts from Handel's *Messiah*. "Among the events we sponsor in the area, this one brings our team the joy of the holiday season and is a particular delight," said James Mayer.

Setting personal and family wealth goals

There's a Finnish quote, "Happiness is the place between too little and too much." In our culture that's so driven by having more, no matter what we already have, this can be a smart

and helpful bit of advice. For families just starting to plan their financial priorities, budgeting can be a balancing act: paying bills, saving wisely in the event of emergencies, and investing in anticipation of children's college tuition or your own retirement.

The desire for more "stuff" actually can contribute to a financial bind for families. In many cases, a lack of financial priorities leads to overspending, leaving too little money to cover expenses and savings. As a result, many individuals have little choice but to continue working into their retirement years.

For many Americans, however, retirement will span decades — and that key thought should be near the forefront of your planning efforts.

Start by planning your journey.

Everyone should avoid the temptation to plow ahead with no plan, possibly because they think they don't earn enough to save or because poor decisions have left their finances in such turmoil that they don't want others, including family members, to know. You should never be embarrassed about what you make or the situation you are in. It might surprise people to know how many others are in situations similar to theirs.

The worst thing you can do is nothing. Seeking help from a trusted financial advisor can help build your confidence, and most important, show you that you're not alone on your financial journey.

Set goals, ask the right questions, and find someone to help you.

Setting goals is critical to your financial well-being, and it starts with introspection and questions. For example, would you love to work into old age or do you want to retire early? Would you like to start a second career or own a business? How will you financially provide for your children's college education? Is your dream house a near or distant possibility?



At the heart of having an investment plan for your future is figuring out exactly what you want to achieve. In determining your investment goals, there are several questions that can help you and your financial advisor develop an appropriate investment plan.

- First, how long can you invest your money?
- Second, how comfortable are you with up and down movements in the value of your investments?
- Third, how much ready cash do you need to meet unexpected emergencies or expenses?

Once you've answered those questions, you and your financial advisor can begin to weigh the three primary investment goals — growth, income, and stability or protection of principal — to determine how to select specific investments that are appropriate for your investment plan.

Move saving up your priority list.

Typically, when we budget, we budget all of the required obligations that we have — mortgages, car loans, utilities — and then we budget our discretionary spending. And whatever is left over, if anything, is what we save. Re-order your list (and priorities): Pay required household bills and then budget your savings, moving nonessentials to the bottom of the list.

(Continued on page 6)

Setting personal and family wealth goals

(Continued from page 5)

Smart planning starts with a simple principle: Pay yourself first.

Save systematically to take advantage of the potential for compound growth. As a hypothetical example, Sally, age 23, invests \$5,500 a year for 10 years in a Traditional IRA. At age 65, her investment will be worth \$363,418, based on a hypothetical, consistent return of 5 percent. By contrast, David starts funding his Traditional IRA at age 40, putting in a total of \$143,000 over 26 years until he's 65. Using that same assumed return, his investment will be worth \$295,180 — about \$68,000 less than Sally has in her account even though she invested \$88,000 less.

A small amount can be huge here, even if you are saving \$10 a week or \$50 a month or \$200 a month. Doing so may be more reliable than hoping for an inheritance from your parents, who may incur unexpected medical bills or give their money to someone else.

This article was written by/for Wells Fargo Advisors and provided courtesy of Huffman-Mayer Wealth Management Group of Wells Fargo Advisors in Ashtabula, OH at (440) 992-1515.

Investments in securities and insurance products are: NOT FDIC-INSURED/NOT BANK-GUARANTEED/MAY LOSE VALUE

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. © 2017 Wells Fargo Clearing Services, LLC. All rights reserved.



Mayer ranked among Top Ohio Advisors by *Forbes Magazine*

James Mayer has been named to the list of 2018 Top Ohio Advisors by *Forbes Magazine*. “It’s an honor to be named to this ranking,” said Mayer. “Each day, I show up with one goal in mind – helping my clients succeed financially. It is quite an honor to be recognized for doing what I love to do.”

Mayer has 21 years of experience in the financial services industry. He holds a joint degree in Accounting and Finance from Wright State University. He is also a 2016 Premier Advisor, a designation held by a select group of financial advisors within Wells Fargo Advisors as measured by business production, completion of educational components and professionalism.

Ranking algorithm based on industry experience, interviews, compliance records, assets under management, revenue and other criteria by SHOOK Research, LLC, which does not receive compensation from the advisors or their firms in exchange for placement on a ranking. Investment performance is not a criterion.

Estimated Mailing Schedule for 2017 Tax Season

Tax documents	Mailed on or before IRS mailing deadline	Description of contents
Consolidated Statement & Form 1099-DIV Form 1099-INT Form 1099-OID Form 1099-B Form 1099-MISC Form 1099-C Form 1099-OID (REMIC) Form 1099-B/Form 1099-INT (WHMT)	February 15, 2018 In some instances, you may receive an amended version for your account when additional income or distribution information was provided after the original mailing deadline.	Information is provided on the following: <ul style="list-style-type: none"> • Dividends and other distributions • Reportable interest income • Original issue discount income (other than CMO/REMIC instruments) • Proceeds of sales, redemptions and tenders • Royalties, substitute payments and miscellaneous income • Cancellation of debt OID and interest accruals from CMOs/REMICs • Widely Held Mortgage Trust receipt-based reporting on mortgage pools
Market Value and RMD Information (Form 5498)	January 31, 2018	Included in your enclosed December 2017 account statement. This shows the value of the account as of the last business day of the year and information regarding your Required Minimum Distribution (RMD), if applicable.
Form 5498-ESA	April 30, 2018	In most cases, this information will accompany your December 2017 statement and reports contributions, rollovers and direct transfers to your Coverdell Education Savings Accounts. Amended information will be sent by the given date for accounts that have made 2017 contributions after the last day of December 2017 but before Tuesday, April 17, 2018.
Form 5498	May 31, 2018	In most cases, this information will accompany your December 2017 statement and reports contributions, rollovers and fair market value of your IRA (other than Coverdell Education Savings Account). Amended information will be sent by the given date for accounts that have made 2017 contributions after the last day of December 2017 but before Tuesday, April 17, 2018.
Forms 1099-R and 1099-Q	January 31, 2018	This provides information on distributions from your Individual Retirement Account (IRA), Coverdell Education Savings account or 529 Plans.
IRA Corrected Valuations (for accounts with no December Statement)	January 31, 2018	This statement reports your year-end IRA portfolio valuation.
Schedule K-1	Master Limited Partnership (MLP) income and capital account (or cost basis) information will be mailed to you directly from the Limited Partnership General Partner in March or early April 2018. (This information is not provided by Wells Fargo Clearing Services, LLC.) The IRS mailing deadline for this information is Tuesday, April 17, 2018.	

3705 State Road
Suite 100
Ashtabula, OH 44004



L-R: Financial Consultant Ryan Richards, Senior Registered Client Associate Margaret Gilliland, Client Associate Crystal Harrington, Senior Vice President – Investment Officer Dave VanDusen, Managing Director – Investment Officer Dan Huffman, Managing Director – Investment Officer and Branch Manager James Mayer, Senior Client Associate Donna Hassett, First Vice President – Investment Officer Susan Paolo, Financial Consultant Phillip Anderson

Huffman-Mayer Wealth Management Group of Wells Fargo Advisors

3705 State Road, Suite 100, Ashtabula, OH 44004 • 440-992-1515

jamesmayerjr@wfadvisors.com • daniel.huffman@wfadvisors.com

david.vandusen@wfadvisors.com • susan.paolo@wfadvisors.com

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and a separate non-bank affiliate of Wells Fargo & Company. ©2018 Wells Fargo Clearing Services, LLC. All rights reserved. PM-02152025-5882442.1.6

