

NelsonCorp News

NelsonCorp Wealth Management

Spring 2018

INSIDE THIS ISSUE

Our Team / CEO Letter — Page 2

Growth & Planning— Page 3

Tax Planning— Page 4

Social Security Spotlight — Page 5

Personal Notes — Pages 6—9

News & Events — Pages 10—12



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NelsonCorp Wealth Management Team

There's a common phrase that says, "You have to spend money to make money." It's a formula we've all heard many times, and in most cases, it's true. But, there's a secret I've learned: This formula works with more than just money. It works with life in general.

If you spend trust you make trust. If you spend kindness, you will receive kindness. Similarly, you've probably heard the ancient phrase, "You reap what you sow." It means that you get back more than what you put into something.

Another phrase I love that illustrates this same concept is Paying It Forward. Paying it forward, of course, is responding to one person's kindness by being kind to someone else. The concept is not new, and has been illustrated in many books and movies. Someone goes out and does good deeds for others, and asks only that they do good deeds for someone else who needs it in the future.

Paying it forward doesn't need to be as dramatic as it sometimes is in stories. Actually, it can be very simple. Here are some suggestions: Holding the door or elevator for someone whose hands are full, Teach someone a skill you know, Treat someone to dinner, Praise someone, or simply Volunteer.

There are many more ways to pay it forward – as many ways as there are people. I hope you not only are able to reap the benefits of your kindness, but also find that same kindness in others when you need it.

***Gifts aren't to be paid back,
they're to be paid forward."***

David Nelson

Growth & Planning

David Nelson

CFP®, CLU®, ChFC®

President & CEO

NelsonCorp Wealth Management



Maintaining your financial security in retirement is harder than ever. There are factors threatening your plans for lifetime income security. Retirees have had to deal with some of these trends for years, but others are relatively new, or are becoming more significant.

Your job isn't done when you retire. Things change during retirement, and you have to keep up with the changes. Too often, people who appear to be financially secure at the start of retirement see their assets dissipate because of unforeseen events and mistakes.

While there are a range of trends and factors you need to monitor during the post-career years, there are five I believe to be paramount threats to retirement security for today's retirees and those soon to retire.

Social Security Benefits & HealthCare Costs

Every year the Trustees for Social Security and Medicare issue a report assessing the condition of the programs. While the details change from year to year, the long-term outlook is that modifications are needed. These two programs are important to the financial stability and independence of most retirees, more than many pre-retirees realize. However, with changes likely, you have to build flexibility into your retirement plan so you can adapt to any future changes.

Social Security benefits used to be tax free. Now, they are taxed to those with incomes above certain levels, with the higher income beneficiaries having up to 85% of their benefits taxed. Higher-income taxpayers also pay the Medicare premium surtax; the higher the income, the higher the surtax.

Length of Retirement

The first generation of post-World War II retirees lived an average of about five years in retirement. Various factors have increased life spans so that now most people can expect to live 20 to 30+ years in retirement. A growing percentage will be retired much longer, even spending more time in retirement than they did working.

Yet, when people are asked about longevity, they greatly underestimate life expectancy. Underestimating the length of retirement causes people to spend too much in the early years of retirement and increases the risk of running out of money later in retirement.

Some people have good reasons to expect they won't have an extended retirement. Everyone else needs to plan for those post-career years to last several decades. Many financial planners now argue that married couples should plan for at least one spouse to live past age 90 or even 100. The fastest-growing age group are those entering age 80 and older. To maintain security in retirement, assume you'll be among that group.

Disappointing Returns

Since the market bottom in 2009, we've had one of the best periods ever for investment returns. Returns in both stocks and bonds were well above historic averages.

With that said, it's difficult to expect these types of returns to repeat in coming years. Your retirement shouldn't depend on achieving the level of returns we've seen since 2008. If you don't anticipate modest returns in your retirement plan, you're likely to fall short of your goals.

Inflation is Still Present

The relatively low inflation of recent years and its steady decline that began in

1982 caused many people to forget history and become complacent. Perhaps the most common retirement planning mistake is failing to consider inflation in retirement plans. Many people enter retirement with income that roughly matches their spending and feel comfortable. But they overlook that prices and costs are likely to rise over time. The damage from inflation doesn't happen over night, but it is painful over time.

Taxes in Retirement

For most Americans it's dangerous to believe your taxes and tax rates are going to decline in retirement. The taxes you'll pay under the Tax Cuts and Jobs Act are likely to be the lowest for the rest of your life, and are set to expire in 2025 if no changes are made to the current law.

Tax increases on retirees often aren't direct tax rate increases. Instead, back door or stealth taxes are imposed. Increased tax on retirees are the inclusion of some Social Security benefits in gross income and the Medicare premium surtax. The alternative minimum tax and the net investment income tax are other prime examples.

The bottom line is that for most retirees taxes are one of the three largest expenses in their spending plans, and no one knows what the tax code will look like in the future.

Your retirement plan needs to be able to deal with these and other threats to your financial security. A good plan will have flexibility and a cushion. You also need to stay on top of trends throughout retirement so you can make modest adjustments to changing circumstances before major adjustments are needed.

Questions can be sent to David at david.nelson@nelsoncorp.com

Social Security & Medicare Spotlight

Understanding Social Security Benefit Estimates

Nate Kreinbrink

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Management**



If you track your Social Security benefit estimates via your annual statement, you've probably noticed some variations. How can it be that the amount you are scheduled to receive at full retirement age (FRA) is different – perhaps even lower – than it was a few years ago?

Actual earnings

Another thing that can cause your benefit estimate to be off is that your actual earnings may turn out to be different from SSA's assumptions. In this case you may not find out until you apply for benefits that the amount you've been seeing on your statement is not the amount you will actually receive. SSA assumes you will keep working at the same salary (plus annual raises) until claiming age. The amount you are projected to receive if you apply at your FRA, called your primary insurance amount or PIA, assumes you will keep working until FRA. The amount you are projected to receive if you apply at age 70 assumes you will keep working until age 70. If you stop working prior to claiming age, your benefit could turn out to be lower than the amount you see on the statement.

What if you retire early?

How much will your benefit be if you retire at, say, age 55? Your benefit is figured using your top 35 years of earnings. If you do not have the full 35 years, a \$0 will be entered for each year you fall short. If you are a maximum earner – that is, you earned the maximum amount on which Social Security taxes are paid each year for 35 years – you will still receive close to the maximum benefit. But because recent earnings count for more than earlier earnings, even after those earlier earnings are indexed for inflation, the fact that you had zero earnings for the 12 years leading up to your FRA will cause your benefit to be

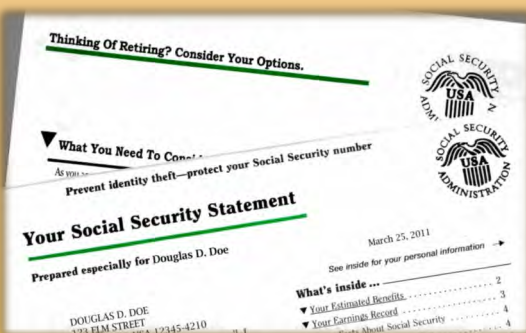
lower than the amount shown on your statement.

What if you work longer?

The flip side of retiring early is working longer. More individuals are working well into their 60s and 70s today, even after they've started receiving Social Security benefits. How will continued work affect their Social Security benefit?

Again using your top 35 years, continuing to work may "kick out" a lower year of income, potentially causing your benefit to increase. However, once you already have 35 years of maximum earnings, additional earnings may not increase your Social Security benefit by very much. At this point, the main reason to keep working is for the earnings themselves and the extra retirement security those earnings can bring.

Individuals with less than 35 years of earnings – such as parents who took time out of the work force to stay home with children – have more of an opportunity to raise their Social Security benefit.



Earnings assumptions

The reason is that the Social Security Administration (SSA) is basing your future benefit on certain assumptions. One key assumption relates to your earnings. Using a complex algorithm that factors in your past earnings as well as projections for your future earnings, SSA refigures your benefit estimate every year, sometimes changing the amount based on variations in the average wage index. In other words, if they've been assuming your wages would rise by X% but the average wage index rises by less than X%, they will adjust your benefit estimate to account for the lower increase. If you see your benefit estimate go down, it doesn't mean they are reducing your benefit; it means their prior estimate was too high.



*Questions for Nate can be sent to
nate.kreinbrink@nelsoncorp.com*

On a Personal Note...



David Nelson — The transition into spring means warmer temperatures, and for me another basketball season in the books. We knew coming in that it may be a tough season, with 4 or 5 starters at the varsity level being freshman. It was a great group, and

they continued to work hard in practice and kept positive attitudes throughout the whole season. I took the players to Des Moines to watch the State Tournament, with many of them commenting that they want to return in the coming years not just to watch, but to compete. Sally and I really have missed the days of watching our own kids participate. However, all of the kids I'm currently coaching she has taught for 3 years, so we do have a mutual connection to this group.

Soccer and baseball season for the grandchildren is in full swing. Sally and I truly enjoy attending and cheering them on. Otherwise, I have been busy with tons of travel for business, meeting with clients out of the area. Lastly, Sally's childhood best friend recently became a grandmother for the first time. Sally is so happy for her, and sharing in this new chapter in their lives.

Until next time, I wish you enough!



Gene Krueger — Proud times arrived once again as on April 17th, Susan and I welcomed into the family a new grandson. Charles Andrew Johnson checked into the world at 7 lbs 15 oz and was 22 inches in length. We're not sure who he resembles in looks but whoever it is, he's one lucky boy because, and of course this is a biased statement, he is beautiful!! I'm

happy to report that both he and his Mommy Libby are doing well. Nearly 3 year old brother Georgie and Daddy Neal are as proud as can be as well.

Aaron and family are doing well and of course are quite busy as the school year begins to wind down for Lydia and the golf season finally speeds up for Aaron.

After a less than kind Spring, his home-course (Wakonda Club in Des Moines) is open for play which of course bring sales of golf wear, hats and equipment, that was currently gathering dust on the shelves.

I hope that this finds you all healthy and looking forward to the 2 best seasons of the year. We thank you all for your continued use of our services, but most importantly, we thank you for your friendships.

In Remembrance

We lost a good man recently. Chad Breen became part of our firm roughly 3 yrs. ago. Chad was a sole practitioner in Dubuque, IA for many years when we met. From the day we were introduced, I was impressed with his knowledge, caring attitude and willingness to help others. Chad, earlier in his life, had a liver transplant and for the most part, had a great life. Several years ago liver issues started resurfacing, and his current battle began. We will remember him as a wonderful husband, loving dad, coach and a truly trusting advisor. Rest In Peace.



Brad Fritz — The seasons they are a-changing!! Not sure who quoted that but it sure does apply to our latest weather season. Spring has finally arrived and with it the hopes of a better summer season. Not that we have much planned this summer, but we do have several family weddings to attend and some are actually outside so weather is important. Family gatherings will

probably top the list this summer, maybe a Cubs game, but for the most part we are playing it very low-key this year. We had a pretty quiet winter, like all of us we just wished it would have ended sooner.

Many events going on for NelsonCorp this spring, summer and fall, hope to see many of you at one or more of these events. In the meantime, enjoy your spring and summer and we'll see you somewhere on down the road.

On a Personal Note...



Amy Cavanaugh— Like all of you, I am so glad that spring finally arrived. It's always nice to be done with winter but this year it didn't seem to want to end. It was a long winter and we did not take a trip south for warmer temperatures so we were more than ready for warm weather. We are making plans for summer and hoping that we don't get high water so we can get the

boat in the water earlier this year. Molly and Lance bought a house in Calamus in January and moved there in March after some home improvements were completed. It's nice to have them only 40 minutes away instead of 4 1/2 hours. I hope all of you get a chance to enjoy the spring weather and find time for some summer fun!



Cathy McDanel — It was a long winter, and I am looking forward to some nice spring weather! Mike and I traveled to Key West in January for a week, and had a great time. We played pickleball at an outdoor complex, and met some fun people. While we were there, our daughter, Jenna, called us to let us know that she was engaged! We were so excited! We were already

planning to visit her in Minneapolis over the Super Bowl weekend, so that was a good time to discuss wedding details and go wedding dress shopping. We also ziplined across the Mississippi River! It was ten degrees and snowing, but it was such a thrill.

In April, six of my girlfriends and I went to Branson, Missouri for a long weekend. We had tickets to four shows, which were all excellent. It was cold, so we didn't do some of the outdoor events we had planned to do, but still had a great time shopping, finding good restaurants, wine tasting, and going to the shows.

I am looking forward to playing pickleball outdoors again, and playing golf. Have a great spring and summer!



Ken Nelson — Well it's in the record books. Myself, my wife, brother Steve and his wife Deb tamed the Dragon's Breath Flight Line in Labadee Haiti during our recent Caribbean cruise. Simply breathtaking! A little nerve

racking as well. The take-off point is 500 feet above the

beaches of Labadee as you zip down a flight line wearing a flight harness travelling more than 2600 feet at speeds of 40-50 miles per hour. Quite the thrill that we all would do again in a heartbeat!

On the family side of things, we have some REALLY GREAT NEWS. Both of our sons recently got engaged to two wonderful young ladies that we cannot wait to have as our daughter-in-law's. They could not have made better choices for their future wives, and my wife and I could not be happier and more blessed. Going to be a very busy 2019! Hope all is well, and here's hoping that warmer weather finally arrives!



Val Hill — Elle is a few weeks away from completing her first year of college at the University of Iowa and is very close to making the Dean's List this semester. She enjoyed her first year and is all signed up for this fall. Alan and I enjoyed a fantastic vacation to Ixtapa, Mexico. We stayed in a beautiful condo and enjoyed fun in the sun with friends. Other than being totally confused on the pesos to dollars exchange, we had a wonderful vacation.



Jake Woodcock — It's nice to finally have some pleasant weather! We've been able to get a lot of work done outside in pretty comfortable conditions. Also we have been getting ready for the coming birthday parties. It is hard to believe Daria will be one already. The following month Zara will be four, and the month

after that Gabe turns eight! Gabe's school is winding down so soon he will have a lot more time to explore outside. He and Zara both like climbing the hills at our house and digging up whatever they can find. The kids definitely keep Samantha busy, but she loves the time she has with them and has enjoyed making decorations for their parties and rooms as well as trying out new dessert recipes. I hope everyone else's spring is off to a good start!

On a Personal Note...



Nate Kreinbrink —

As I'm sure is the case with everyone, the warmer temperatures are definitely long overdue. With the Spring sports schedule well underway, it's much more pleasant for practices and games to not have to battle near freezing temps and snow flurries! Alijah made the golf team out at Northeast, and has

been playing really well, and will be starting his baseball season in May. Emerson has transitioned into baseball, and I will be coaching his team again this summer. Braxtyn had a condensed soccer schedule due to the weather and is now in t-ball. Ashley and I definitely have a full schedule but enjoy watching the boys participate in activities they are passionate about. They are all looking forward to summer and enjoying the sunshine and being outside. Look forward to seeing everyone at our upcoming events and workshops.



James Nelson — I hope everyone is enjoying the start of spring after a long winter. At our house Sophia has been staying busy with soccer, tee ball, and gymnastics this spring. I am coaching her soccer team again this year, so I'm excited to get those games underway. Violet, our youngest, loves watching her sister play sports and has enjoyed getting out in the nice

weather as well. I look forward to seeing everyone in the office or at upcoming events.



John Nelson — I hope this finds everyone doing well. With spring finally here, Mercedes and I have begun some landscaping work at our new house. Fortunately we both enjoy this, because the list of outdoor jobs we would like to complete keeps growing. I am also hopeful to get a couple of rounds of golf in this spring now that the weather is in our favor. I look forward to

seeing everyone at upcoming events and in our offices.



Jamie Hugunin —

Hello everyone, what a winter it has been! As Spring has been here for a little while now, it sure hasn't felt like it. I hope everyone has made the most of the long winter we have had. If you are like me, I am sure you can't wait for sunny and 75! I

certainly took advantage of

any warm day that we had and got outside with my dog, Zeus. I didn't escape to anywhere warm or exciting this winter, but Brian and I celebrated our first anniversary which was pretty exciting itself. I can hardly believe how fast that first year went and I am looking forward to many more! Pictured is Zeus and I bundled up during a winter walk.

Weekly Financial Focus

Tune in to KROS FM 105.9 / AM 1340 every Wednesday morning at 9:05, as NelsonCorp

Advisors bring you the weekly Financial Focus Program. Various financial topics will be covered, with the first Wednesday of each month being an extended Live program.



Michelle Eversoll —

Happy Spring! A wonderful trip to Ixtapa helped fight off the winter blues this year! Our 7-day trip was full of sunshine, warm temperatures, beautiful sunsets and great company! I am already looking forward to going back! Pictured is my son, husband, and I aboard the Picante Sunset Cruise.

On a Personal Note...



Rich Phelan —

Carolyn and I were able to get away from the Iowa cold for a while on a cruise to the Caribbean.

Knowing we were going to visit islands that had been hit hard

by Hurricanes Irma and Maria we were anxious to see the lingering effects. The islands included the U.S. Territories of Puerto Rico, St. Croix and St. Thomas. All three of these islands were hit very hard.

As is often the case in natural disasters, the poorest seem to be affected the hardest. While FEMA reacted quickly and is still on site, recovery is much more difficult on an island over 1000 miles from the mainland U.S. As of April 2018, 10% of the people of Puerto Rico still do not have electricity or running water.

An overwhelming lesson we learned is the resilience and determination of these Caribbean Americans to rebuild their communities. How lucky we are to live comfortable mid-western lives and not worry if we have a roof over our heads, clean food to eat and easy access to electricity.



Bob Lee — I hope you have been able to see one of the television commercials promoting NelsonCorp Wealth Management. They have been airing on WHBF, Channel 4, for the past

few months. Mostly they are shown on Sunday within network programming.

I have heard from many, many friends and acquaintances who saw the advertisements. The comments all praised the presentation, and some even complimented me!

This was a new initiative to spread the word about NelsonCorp in the media, and it appears to be effective.

The staff at WHBF did a very professional job of conceptualizing, scripting, directing, and placing the commercials. Kudos to Kelly Williams, Courtney Boothe, and their associates for guiding us through the process and producing an effective campaign.



that soccer field!!

Deb Montgomery— It is finally Spring!! I got to go on a short vacation to Florida right after tax season this year. It was a nice relaxing trip with one of my sisters and 2 friends. I now get to look forward to spending time with my grandkids! Norah And Hayden are in soccer, and Brody is starting baseball again. My picture is of the girls during their last soccer season. My sweet little girls get serious on



Becky Frederick—We have had yet another busy tax season pass us by. We really don't get to do a whole lot of "fun stuff" during the season, but we do manage to fit in a few things here and there. Brody played basketball this year for the first time in 3 years, and he did really good. I didn't realize how aggressive 5th & 6th grade boys basketball was, those boys really got after it!! MY picture is of my nieces(Norah-8 & Hayden-7) and Brody(10) at the rodeo. It was a first for all of us. Hayden tried her darndest to join the "Mutton Bustin" team.....but I didn't think her parents would appreciate that very much. Now, lets get ready for baseball season!!



Andy Fergurson —

The sun has finally come out. The air is beginning to warm. My flowers are timidly attempting to blossom hoping mother nature does not pull away the warm weather again. Baseball is here. Another tax season is

(mostly) in the books. The long-awaited summer is just around the corner. What a great time of year. Thank you to everyone who came in this past season. It was good to see so many familiar faces. Now our work will focus on wrapping up loose ends and processing the extensions for the 2017 season, as well as tax planning for next year. We hope this summer is full of laughter and memories for you and your loved ones. Here is a picture of a few of us at this year's Christmas Party. Please don't hesitate to call if there are any questions or if you want to do a little planning. Thanks for another great season.

Spring Gardening Workshop



Congratulations

- ✦ *Jamie Hugunin on passing the Series 65 Securities License Exam*
- ✦ *Nate Kreinbrink on passing the Life & Health Insurance Exams*
- ✦ *James Nelson on earning the RICP® designation*

In an Industry that is constantly changing, it is paramount to remain current with new laws and regulations. Having our team members go above and beyond what is required has become a necessity for NelsonCorp Wealth Management in continuing to provide comprehensive service to all of our clients unique situations.

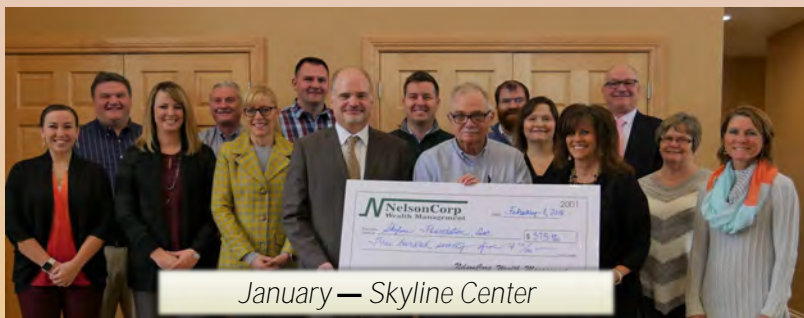


Blue Jeans Friday

Every Friday, our advisors and staff can wear jeans and pay \$5. At the end of each month, the money collected is donated to a different charity chosen by an advisor or member of the staff. In addition to the money paid by the employees, the office also provides a matching donation. Since starting the promotion in 2013, we have donated nearly \$34,000 to local charitable organizations.



December— American Red Cross



January — Skyline Center



February — Schmalling Memorial Public Library



March — Clinton Jr. Baseball





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Don't let friends & family make
uninformed financial decisions.
Be a friend and provide them with
financial confidence by:

-  Submitting a name to our mail/email list
-  Bring a guest to an upcoming workshop or event
-  Recommend a friend schedule a complimentary initial meeting

**Help Us
Grow In
2018**

The greatest compliment you can give is to refer family and friends!

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