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*Happy Valentine's Day!*

*February 14, 2015*

I recently got Invisalign braces to try to fix a jaw problem and to straighten my teeth. If you've never seen them they are quite odd little plastic forms that pop on and off your teeth. You won't see me wearing them because I don't like to wear them in meetings! Here's the thing; you are supposed to start with a new set every 2 weeks. The first set you get are an exact version of your "before" teeth and then each new set is a very slightly different mold of what your teeth should move to be by the end of the 2 week wearing period. When you put in the new pair on the first day they are very tight, hard to get in and slightly uncomfortable. But by the end of the 2 weeks they are easy to pop in and out and cause no pain, because your teeth have moved to the new location. They have changed...

Why am I telling you this? Well, I think a lot...about a lot of things and I've decided that this is not just a "braces thing" for me; but rather the braces are teaching me about **change** in general. Let's face it; it's hard to change. We may really want to change; we may even need to change, but the magnitude of the change we need to make often stands in the way of the incremental progress we could make if we limited the amount of change we wanted to make in a certain time frame to something that is only mildly inconvenient and slightly painful – like the braces. The problem with change is that we can only see where we are right now and we usually only visualize where we want to be when the complete change has occurred. For instance, you'll hear people say "I want to lose 30 pounds." We never hear people say "I want to lose 1 pound per week for 30 weeks." It's the same goal, but which one is actually more likely to occur? Which sounds "doable" and which seems overwhelming? With the braces the very best possible outcome, no matter what, is that my teeth will almost unperceptively move a tiny bit in 2 weeks. It's the "unperceptively slow" part that causes some people to give up on their goals too soon because they aren't seeing fast enough progress. Whether it's cleaning a house, settling an estate, losing weight, becoming a millionaire, improving relationships, getting out of debt, or quitting a bad habit; everything worth doing will be much easier to do and a lot more satisfying if you celebrate the incremental progress on the journey to the end result.

As you know, at Fries Financial Services, we believe in you as the whole person, not just your money. We take a "Healthy, Wealthy, and Wise" perspective to your dreams and goals. We seek a balance in our recommendations so that "all of you" benefits. You could be the richest person in the world, but without your health you are nowhere. And we certainly think it's challenging to lack the money for the things you want and need, so we work hard on the "wealthy" part. As for the "wise" part we love to include articles each year which cause you to think about things in a new way. So whatever you want to change, I invite you to think about the changes incrementally and take pride and comfort in knowing that for that period of time you accomplished everything you could do – no more and no less. It's the confines of the incremental change that give the sense of peace – at the end of 18 months my jaw should be free of pain and my teeth should be straight and I will know that I did the best I could; it was just unperceptively slow progress toward a perceptively perfect outcome.

Thank you for being a client and trusting us with helping you make progress toward your goals and dreams. Each step is an important part of the whole journey, we enjoy the journey with you and our relationship with you.



Kindest Regards,  
*Denise Fries*

## 2015 Stock Market Outlook

By Bradley H. Bofford, CLU, ChFC, CFP®



As we turn the calendar from 2014 to 2015, there are plenty of potential hazards that can negatively impact the stock market: from the Federal Reserve concluding Quantitative Easing, which can signal possible rate hikes, to the economic weakness in China as well as the Eurozone. Then, there are the unforeseen wildcards such as terrorist activity, which can theoretically propel the market into the negative territory.

Nevertheless, we encourage investors to take a deep breath and review the fundamentals, along with academic research, before jumping to negative conclusions. Most importantly, one needs to consider his or her respective investment horizon and risk tolerance before making impulsive investment decisions.

Though there could be some trouble spots, there are positive fundamentals in the economy and markets. Some of the factors that support the fundamentals of a positive market are: Price/Earnings (P/E) Ratios that are favorable for 2015; corporate balance sheets that continue to remain flush with cash and stronger than they have ever been; the 10-year Treasury yields which remain at near or close to historic lows; and unemployment levels that are at their lowest levels since 2008.

Additionally, one of the primary factors economists look towards as a driver of the economy and markets is Gross Domestic Product (GDP). Many can argue that the US GDP is anemic and needs to be greater than 3 percent per year to have meaningful growth. This is difficult to dispute. However, in dissecting GDP, 69 percent of it consists of consumption. The current improvement in vehicle sales, favorable manufacturing and trade inventories, and increased consumer spending, can assist in improving GDP. In fact, the current consumer balance sheet is also at its strongest level at \$82 trillion, which surpassed the previous high of \$67 trillion in 2007 (source: JPMorgan Asset Management). As a result, a stronger labor market and the wealth effect on consumers is boosting confidence, which, in turn, is driving earnings to support the probability of a positive market.

Circling back to the concern of rising interest rates, there too is another indicator that results in the stock market faring well. When the 10-year Treasury yield is less than 5 percent, investors tend to be more receptive towards risk and invest more in equities for the opportunity of a higher overall return. Even with interest rates possibly rising in 2015, the Federal Reserve is well aware of not increasing interest rates too quickly or to unreasonably high levels. Therefore, the fact that the markets typically perform well in rising rate environments, coupled with the fact that rates will still remain at low historical levels, all bodes well for the markets.

To quote one of our modern day sages, Yogi Berra, "It's tough to make predictions, especially about the future." Overall, we can infer the markets should rise in 2015, but that is said with caution. Undoubtedly, there are headwinds that need to be considered. Whether it is some of the items mentioned above, the rising dollar, or an unknown event that can spook the markets, we advise investors to have well-rounded portfolios. It is crucial to have a proper asset allocation model inclusive of vast diversification and tax structure to assist in weathering any storm that can be on the horizon.

## How can we help you achieve your charitable giving goals?

By Patricia Gerling

The start of a new year gives us an opportunity to consider the blessings of life and plan for the future. As you evaluate your priorities and goals for 2015, please consider how charitable giving can be a part of your financial plans. Fundamentally, giving is an expression of your personal values – it draws on your passions and concerns and provides you with an opportunity to make a difference by supporting local charitable interests in your community.

The Community Foundation of the Brazos Valley can help you realize your charitable goals. Established in 2003, the Foundation is a tax-exempt public charity that was created by and for the people of the Brazos Valley. Dedicated to ensuring an exceptional quality of life, both today and tomorrow, the Foundation advances community giving by matching donor interests and passions with local needs.

As your trusted resource and partner for charitable giving in the seven-county region, the Foundation builds and manages permanent endowment funds which provide a "forever source" of funding to benefit your favorite non-profit organizations. The Foundation currently manages 60 endowed funds for donors and nonprofit organizations with an endowment portfolio in excess of \$3.1 million. Thanks to our donors, last year over \$83,000 in grants were distributed to 55 nonprofit organizations and higher education institutions. Since its founding, the Community Foundation has ***invested more than \$700,000 in local causes that serve to impact and change the lives of citizens.***

We can help you accomplish your philanthropic priorities. As you determine your 2015 charitable goals or consider planned giving through your estate, please contact The Foundation to help you realize your goals by "***giving where you live.***"

In the words of Sir Winston Churchill, "*We make a living by what we get. We make a life by what we give.*"

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## 2015 Tax Facts

Tax Brackets for 2015	Social Security
<i>Taxable income (i.e. income minus deductions and exemptions)</i>	Maximum wage base \$118,500
<b>Married, Joint</b>	Income (in retirement) causing Social Security benefits to be taxable
\$0 - \$18,450 10%	Married, joint
\$18,451 - \$74,900 15%	50% taxable \$32,000 MAGI
\$74,901 - \$151,200 25%	85% taxable \$44,000 MAGI
\$151,201 - \$230,450 28%	Single
\$230,451 - \$411,500 33%	50% taxable \$25,000 MAGI
\$411,501 - \$464,850 35%	85% taxable \$34,000 MAGI
Over \$464,850 39.6%	
<b>Single</b>	<b>IRA &amp; Pension Plan Limits</b>
\$0 - \$9,225 10%	IRA Contribution
\$9,226 - \$37,450 15%	Under age 50 \$5,500
\$37,451 - \$90,750 25%	Age 50 and over \$6,500
\$90,751 - \$189,300 28%	Phaseout for deducting IRA contribution
\$189,301 - \$411,500 33%	Married, joint
\$411,501 - \$413,200 35%	\$98,000 - \$118,000 AGI
Over \$413,200 39.6%	Single, Head of Household
	\$61,000 - \$71,000 AGI
<b>Standard Deduction</b>	Married, separate
Married, joint \$12,600	\$0 - \$10,000 AGI
Single \$6,300	Phaseout for deducting spousal IRA
Married, separate \$6,300	\$183,000 - \$193,000 AGI
Head of household \$9,250	
Blind or over 65: add \$1,250 if married, \$1,550 if single or head of household	<b>Phaseout of Roth Contribution Eligibility</b>
<b>Long-term Capital Gains and Qualified Dividend Rates</b>	Married, joint
10% and 15% brackets 0%	\$183,000 - \$193,000 MAGI
25%, 28%, 33%, and 35% 15%	Single, Head of Household
39.% bracket 20%	\$116,000 - \$131,000 MAGI
	Married, separate
	\$0 - \$10,000 MAGI
<b>Affordable Care Act</b>	
Penalty for failure to maintain minimum essential coverage: One-twelfth of greater of a) flat dollar amount or b) percentage of income	<b>401(k), 403(b), 457 and SARSEP Elective maximum contributor</b>
a. b.	Deferral under age 50 \$18,000
2014 \$95 1.0%	Deferral age 50 and over \$24,000
2015 \$325 2.0%	
2016 \$695 2.5%	
<i>Household maximum is 3 times the flat dollar amount. Income is household income reduced by standard deductions and personal exemptions.</i>	<b>Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b), or 457 plan contribution in addition to deduction or exclusion</b>
<b>Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)</b>	Married, joint
Additional tax on excess of earned income 0.9%	Below \$61,000 MAGI
Additional tax on Net Investment Income 3.8%	Head of household
	Below \$45,750 MAGI
	Single or Married filing separate
	Below \$30,500 MAGI

## When You Die Who Will Settle Your Estate?

Have you ever wondered who will handle your financial affairs after you have died? If your children are not trained to handle such things why burden them with such a task? We've all heard stories about families fighting after someone has died. We can help you easily set up a meeting with a representative from **Premier Trust Company** who can talk you through the 3 easy steps to ensure a smooth transition after you die. If you like the way Fries Financial Services has handled your investments it can be set up so we continue to do our job for your heirs. Let us know if we can help you ensure that your wishes are carried out at your death. Call today to schedule an appointment to discuss this.



## How Much Do People Receive In Social Security Each Month?

Average Monthly Retirement Benefit

Men \$1,451  
Women \$1,134

Average Monthly Survivor Benefit

Men \$1,084  
Women \$1,248

*Source: Fast Facts and Figures about Social Security, 2014.*

## How would a raise in the Minimum Wage Impact an Employee?

The current minimum wage is \$7.25 per hour. If a person worked 40 hours for 52 weeks a year at \$7.25 per hour they would earn \$15,080 per year or roughly \$558 every 2 weeks. With withholding for social security and income taxes they would take home approximately \$460. There is a proposal to raise the minimum wage to \$10.10 per hour which would give the same hourly worker a take home of approximately \$640 every 2 weeks after withholding for social security and income taxes.

Debate continues on how a minimum wage hike would impact the businesses that pay the wages. It is generally seen as a boost to the overall economy, as the money earned is typically spent on rent, food and transportation, as opposed to invested. Minimum wages have not been raised in the United States since 2009.

## Healthy Eating: Bok Choy



Just call this ancient Chinese vegetable a superfood superhero. Packed with good-for-you power, bok choy is perfect for easy summer menus.

### BONE BUILDER

Thanks to its membership in the cabbage family, bok choy is a solid nondairy source of calcium, with 1 cooked cup containing 158 mg. It's also well-stocked with magnesium, which helps prevent bone loss, and with phosphorus and vitamin K, both of which play a critical role in strengthening bones. Add in bok choy's hearty supply of potassium, which helps support the surrounding muscles, and you've got a powerful team.

### KEEPING GOOD HEALTH IN SIGHT

One serving of bok choy contains 100% of your day's quota of beta-carotene, an antioxidant that has been shown to protect vision and boost immunity.

### CANCER FIGHTER

Hundreds of studies have linked cruciferous vegetables to a lower risk of cancer. Their fiber and sulfur compounds help shuttle out inflammatory and potentially cancer-causing substances from the body. Bok choy is also rich in vitamins C and A, which are believed to neutralize free radicals, harmful molecules that can damage the body's cells and sow the seeds for disease.

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## Looking for Gluten Free Resources?

The Gluten Intolerance Group of the Brazos Valley meets every other Wednesday of each month at 6:30pm at the Bank and Trust Community Room at 2900 S. Texas Avenue, Bryan, TX 77802. Then we meet every other 2nd Wednesday of the month at a local restaurant with a gluten free menu. We provide information on living a healthy gluten free life. Call 979-255-6295 for more information.

Find a list of restaurants with a gluten free menu at [www.bvgig.com](http://www.bvgig.com).

Visit [taylormadeglutenfree.com](http://taylormadeglutenfree.com) for a list of locations where its products are sold and great gluten free recipes. Taylor made Gluten Free Bakery now has products in all 9 Central markets, 114 HEB stores across Texas and in 3 surrounding states.

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## A Half-Dozen Reasons Why You Can't Beat Eggs

1. **Protein** – If you start your weekday with cereal or toast instead of eggs, here's a wake-up call: Did you know eggs have 6 grams of high-quality protein? And did you know a protein-packed breakfast helps sustain mental and physical energy throughout the day?
2. **Got Choline?** – Eggs are rich in choline, which promotes normal cell activity, liver function and the transportation of nutrients throughout the body. Think of it as a commuter train for vitamins and minerals.
3. **Zero Carbs; No Sugar**
4. **Amino Acids** – Eggs have all 9 essential amino acids
5. **No Gluten? No Problem** – Let's not forget that eggs are naturally gluten-free.
6. **More Food for Thought** – Unlike most cereals and yogurt, eggs don't come with a complicated, jam-packed ingredient list because they only contain one ingredient. It's called "eggs". And at 15¢ a serving, eggs are the least expensive source of high-quality protein.

Source: The Egg Council



## Taylor's Column

Happy Valentine's Day! I hope this finds you doing well. 2014 was a big year for me and 2015 will be even bigger and is off to a great start.

I have a new love in my life and that is Reagan, my new puppy. She was rescued by my boyfriend Zach and he gave her to me for Christmas. She is a German Shepherd - Yellow Lab mix and is very adorable. Her quirk is that she doesn't like walking on grass! Last summer I was blessed with the opportunity to intern with The Bank & Trust as a Credit Analyst. I gained valuable knowledge and skills, both financial and interpersonal, and it was a joy to work alongside some of the best people in our community. In May I will be graduating from Baylor University. I plan to come back to Bryan and earn my real estate license and use my finance degree and real estate knowledge to work in the commercial real estate field. Wish me luck as I enter the real world!!

Love,  
Taylor





## Storage Wars

It is estimated that Americans spend \$5 Billion per year on storage units. What you may suspect is that the average person spends more on the storage unit throughout its rental period than the “stuff” in the unit is worth. Why do people have “stuff” in storage? Usually it is a circumstance that they thought would be temporary which became long term. Sometimes it is “stuff” that they do not really want or have a use for but they feel guilty getting rid of – maybe a deceased family member’s “stuff”. If you have a storage unit ask yourself these questions:



1. How much is it costing me in money and stress to continue to hold on to the contents in the storage unit? What could I buy (that I actually want) with the money I would be saving by NOT having the storage unit?
2. How often have I needed something in the unit in the last 12 months? Chances are if I did not need it in the last 12 months I will not need it in the next 12 months; or ever!
3. What charity could benefit from these items?

If you live in Bryan or College Station, The Habitat Restore will meet you at the unit and pick up the items. The money they make from the donated items will be used to help build decent affordable houses for carefully selected families.

Call (979) 822-7200 to arrange a free pick up service.

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### Are You Hiring?

Do you want to hire an A&M graduate or current student?

Check out these job posting sites:

- For TAMU graduates visit <http://www.aggienetwork.com/careers/hireaggies.aspx>
- For current students visit <https://jobsforaggies.tamu.edu>
- To connect with student organizations visit <http://studentactivities.tamu.edu/online/search/index>

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### Two Steps, One Sticker Comes to Texas

As a result of House Bill 2305 passed during the 83rd legislative session, the State of Texas will stop issuing inspection stickers and transition to a “Two Steps, One Sticker” vehicle inspection and registration program. Beginning **March 1, 2015**, vehicles will no longer be issued an inspection sticker. Your registration sticker will serve as a combined proof of registration and inspection.

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### Do you have Long Term Care Insurance?

Ever since Texas A&M stopped offering Long Term Care insurance we are noticing how few of our clients have this valuable coverage. Don’t want to go to a nursing home? Well, who does! But the reality is that most people experience some period of time when they can no longer care for themselves without help. Is this a job you want your kids to have to do? What if you don’t have kids or they can’t (think geography, their own jobs, etc.) or won’t do it. What then?

Many people think that Long term care insurance is too expensive. Consider this: A healthy 62 year old man could get a Long Term Care policy for \$122 per month that would provide \$3,000 per month in benefits in a nursing home, Assisted Living, or Home Care. These benefits would last until \$175,000 in total benefits have been paid out. Of course, this is just an example of one type of policy and what is actually selected for you could be customized to your needs. Your age and health impact premiums.

Call us to schedule a time to discuss options. Generally the premium is cheaper the younger you are when you start your policy. So don’t delay.

**One sticker, one date:** Are you one of the millions of Texans whose inspection sticker and registration sticker expire in different months? With “Two Steps, One Sticker” you will just have one sticker with one expiration date.

**Less clutter, better view:** Who wants multiple stickers in their view while behind the wheel? With “Two Steps, One Sticker” you will just have the familiar blue-bordered registration sticker in the corner of your windshield.

**Safer streets, cleaner air:** Because a passing vehicle inspection will be a requirement to renew your registration, more Texans will comply with the safety and emissions testing laws. So with “Two Steps, One Sticker” there will be safer and more environmentally-sound cars on the road.

For more information, visit [www.TwoStepsOneSticker.com](http://www.TwoStepsOneSticker.com)

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### What’s A Form 1095-A And Why Do I Need To Complete A Form 8962?

If you got your health insurance from Healthcare.gov and received a subsidy to reduce your health insurance premium you should have received a Form 1095-A from the IRS by February 2<sup>nd</sup>. If you did not; or you thought it was junk mail and tossed it you can download the form from your Healthcare.gov account.

The 1095-A is like a W2 for health care and gives you all the info you need to complete a Form 8962 which is submitted with your tax return. If you actually earned more in 2014 than you predicted in 2013 when you applied for your health insurance you might end up having your 2014 tax refund reduced if you received too high of a subsidy. But if you guessed too high and actually earned less money in 2014 you could get a refund.

Confused? Don’t call your health insurance company for suggestions. Call your tax preparer or watch for help sessions in your community.

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*Happy Valentine's Day*

**POSTMASTER:** PLEASE DELIVER ON OR BETWEEN DATES, FEBRUARY 11-14, 2015

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**Disclosures:**

Dow Jones Industrial average is a price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange.

S&P500 is an unamanged index considered representative of the financial market.

MSCI EAFE is an unmanaged index considered representative of stocks of Europe Australia, Asia and the Far East.

Barclays is an unmanaged index considered representative of fixed-income obligations issued by the U.S Treasury, government agencies and quasi-federal corporations.

Investing in emerging markets involves greater risk and potential reward than investing in more established markets. Risks for emerging markets include, for instance, risks relating to the relatively smaller size and lesser liquidity of these markets, high inflation rates and adverse political developments.

The opinions and forecasts expressed are those of the author, and may not actually come to pass. This information is subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any specific security or investment plan. Past performance does not guarantee future results.

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