



## **Economic Commentary**

### **Trade War???**

*Our core purpose, our passion, is to make a positive and profound difference in the lives of our clients and in the communities we serve.  
~Hudock Capital*

#### **What happened?**

- ◆ Stock markets around the world initially dropped 2-3% following the announcement of new Chinese tariffs on US imports.
- ◆ Most negatively affected were those US companies with the most exposure to China.

#### **Is this a serious threat to the economy?**

- ◆ Not yet. While there are still a lot of unknowns related to exactly what products and industries will be impacted, the size and current economic impact appear modest.
- ◆ It's worth mentioning that the steel and aluminum tariffs initially announced a few weeks ago have since been significantly softened (to exclude allies like Europe).

#### **What are the greatest risks (and unknowns) going forward?**

1. Will trade tensions continue to escalate from here?
2. Will the current system for trade disputes continue to function or be radically changed?
3. Will either of the above trigger unintended consequences and serious headwinds for global growth?

#### **Looking on the bright side.**

Recent economic indicators continue to confirm that the US and broader global economies are the healthiest they've been in decades. After so many years of good market performance, investors are naturally concerned about a major correction (a la 2008). Broad-based corrections typically occur as the economic season shifts from autumn to winter (i.e the business cycle rotates from "slowdown" to "recession". Using this metaphor, evidence continues to suggest that the US economy is still in late summer, early-fall (see graph to the right). While a full-blown trade war could certainly accelerate the timetable for a recession, it's unclear whether this recent announcement significantly advanced the clock.



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## Quarterly Tax Tip:

# Charitable Giving

Under the new tax reform, the standard deduction increased to \$12,000 for individuals and \$24,000 for married filing jointly up from \$6,350 and \$12,700 in 2017. Because of this increase, many taxpayers who previously itemized may find it more beneficial to use the standard deduction in 2018. Below are two tips for charitable giving to help maximize the tax benefit in 2018 if you elect the standard deduction.

Use Qualified Charitable Distributions from IRAs – By donating funds from your IRA to charities you avoid counting the distribution as income and being taxed. For standard deduction taxpayers, it is as good as or even better than taxpayers who itemize charitable gifts; especially if you are older than 70 ½ and are required to take minimum distributions.



Gift appreciated assets instead of cash – For taxpayers who will not meet the threshold to itemize in 2018, you can still realize a tax benefit by giving appreciated assets to charities who will not owe taxes on the capital gains when the asset is sold. You as the giver will avoid paying capital gains tax. You can always use the cash you would have given to buy the asset again and reset the investment to a higher cost basis.

References: <https://www.kiplinger.com/article/taxes/T055-C032-S000-strategies-for-giving-to-charity-under-new-tax-law.html>

*Because Your  
Opinion Matters  
to Us...*

*If you have a topic in  
mind for a future  
Educational Event,  
related or unrelated  
to planning and  
investing, please  
contact us!*

*Call us at:  
570.326.9500  
866.855.0569 (toll free)*

*Send us an email to:  
[info@hudockcapital.com](mailto:info@hudockcapital.com)*

## Educational Events

You may know that we offer an ongoing series of educational events for our friends and clients. Past topics have included social security optimization, market updates, and other issues related to retirement. Most recently, we hosted renowned art historian and consultant Amy Herman for a presentation on how to improve one's ability to perceive and communicate effectively.

Please consider joining us April 18<sup>th</sup> for our upcoming educational event on charitable giving. The presentation will cover several important topics, including how to involve your family and future generations in giving, how to secure your legacy by creating a succession plan, and how to select the most appropriate and tax efficient giving vehicle.

### Charitable Strategies Event Details:

*Presenter: Josh Maeulen of Hudock Capital*

**Wednesday, April 18<sup>th</sup> 2018**

5:30 p.m. - 7:30 p.m.

**The Capitol Lounge, Community Arts Center**

220 West Fourth Street, Williamsport, PA 17701



Please call or email Holly Tagliaferri, Communications Specialist  
by **Friday, April 13<sup>th</sup>** to reserve your seat.

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# In the News

## **BARRON'S Top 50 Financial Advisor in PA for 2018 THANKS TO YOU, WE DID IT AGAIN!**



The *Barron's* Magazine, issued March 10, 2018, announced its 2018 Top 1200 Financial Advisors list and ranked Barbara Hudock, Hudock Capital Group, as one of the Top 50 Financial Advisors in Pennsylvania. This is the ninth year Barbara has been included on this list as one of the most successful financial advisors in the U.S. Barbara is the second highest ranked woman financial advisor in Pennsylvania!

Published by Dow Jones & Company since 1921, *Barron's* covers U.S. financial information, market developments and relevant statistics. The publication releases this list annually to recognize leading financial advisors within the industry on the basis of the volume of assets under management by the advisor and his or her team, revenues produced for the advisor's firm, the advisor's regulatory record, the advisor's quality of practice, and the advisor's and his or her firm's philanthropic work. Barbara, who holds

both the Certified Investment Management Analyst (CIMA) and Certified Portfolio Manager (CPM) professional designations, recently marked 43 years of experience in the wealth management industry.

Barbara said "I am deeply humbled to be included again among our nation's top financial advisors and know that it is because of you—our valued clients and the trust you've placed in us—that we have received this honor. THANK YOU!" She added, "I am proud to share this profound honor with our entire team of experienced professionals who devote themselves to making a positive and profound difference in the lives of our clients and the communities we serve. It is our privilege to help our clients realize their financial goals through dynamic, tailored planning and investment strategies that are firmly grounded in a deep sense of purpose."

## Hudock Happenings



**Jane's new Executive Assistant**

**Kolb Family is Expecting!!**

### Barbara's Quote Corner

*"A wise man saves for the future; but the foolish man spends whatever he gets."*

*~Proverbs 21:20*

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*"You want to know if you will be rich. The answer is, Can you save money?"*

*~Andrew Carnegie*

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If you have any suggested topics for or feedback about the Hudock Capital Newsletter please feel free to call us and share!

## After the Closing Bell

For over forty years, Jane Hawkins, our Coordinator of First and Lasting Impressions, has had a staggering crush on Tom Selleck. If you call her home telephone number the answering machine will say (and has said for many years), “if this is Tom, please, please, please leave your number and I’ll get right back to you.” She has also wanted an assistant for over 40 years. So, in order to keep her happy, we decided to hire her an Executive Assistant to cover for her when she’s out of the office or away from her desk. He will also help her in her day-to-day work activities. Below is a picture of Jane with her new Executive Assistant.... she’s spending more time in the office than ever before! Please stop in to say hi to him. . . and Jane.

Warmest Regards,  
*Barbara*



### 2018 Scheduled Events: Holiday Events

#### Williamsport Country Club

Saturday, December 8th  
(11:00 am—2:00 pm)

#### The Club at Shepard Hills

Tuesday, December 11th  
(11:00 am—2:00 pm)

#### Williamsport Country Club

Friday, December 14th  
(11:00 am—2:00 pm)



Visit our website for up to date news & events at:  
[www.hudockcapital.com](http://www.hudockcapital.com)