



Hudock Capital Group Newsletter

Issue 17
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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

Increase in IRA Contribution

For the first time in six years, the Internal Revenue Service has increased the annual contribution limit for the Individual Retirement Arrangements (IRAs), beginning with the 2019 tax year. The limit for the IRA rises from \$5,500 to \$6,000, but the catch-up contribution remains at \$1,000. In addition, for employees who contribute to a 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan, contribution limits increase from \$18,500 to \$19,000. The limit for the catch-up contribution of \$6,000 for employees who are 50 years and older and participate in the above employer plans will remain the same.

References: <https://www.marketwatch.com/story/ira-contribution-limit-lifted-for-the-first-time-in-six-years-2018-11-01>

Important Tax Information

Pershing Advisor Solutions

- Dates of mailing for tax documents: Initial is January 31st, 2019 and will go as late as March 15th, 2019.

Fidelity

- Dates of mailing for tax documents: Initial is January 26th, 2019 and will go as late as March 8th, 2019.

FYI's

- All tax documents from Pershing, Fidelity or any other custodian should be held for your accountant. Additionally, K1's that you receive should be held for your accountant.
- As in the past years, when your accountant calls us requesting information or personal data, we are required, **unless we already have your permission on file**, to call you to get your permission to speak with them.

Inside this Issue

- ⇒ Increase in IRA Contribution
- ⇒ Important Tax Information
- ⇒ Economic Commentary
- ⇒ Barbara Included in *Barron's* Advisor Hall of Fame
- ⇒ New Faces of HCG
- ⇒ After the Closing Bell

Economic Commentary

2018: The Year in Review

Every January, it's customary to look back at the year that was. What were the highlights? What were the "lowlights"? What were the events we'll always remember? Most importantly, what did we learn?

When we review 2018, it's possible to draw *very* different conclusions. If you were to Google "2018 year in review in the markets", you'd find wildly varying opinions from analysts, pundits, bankers, economists, and others. They're all reviewing the same year – but their interpretations tend to be very different. Here's why.

The Markets

It was a volatile year for the markets. The Dow, S&P 500, and Nasdaq all ended the year *lower* than they started – the first time *that's* happened since 2008.¹ The S&P and Nasdaq are in or near bear market territory, and the Dow had its worst December since the Great Depression.² What's interesting to remember, though, is that the markets spent most of 2018 *climbing* rather than falling. The Dow soared to never-before-seen heights, and at one point, the Nasdaq was up 17.5% for the year!¹ The first half of the year saw dramatic peaks and valleys, too. The markets shot out of the gate in January after the new tax law went into effect, but then quickly plunged in February. The same pattern occurred in March and April.

What caused all this volatility? To answer that, let's look at:

The Economy

It's a fact oft forgotten by politicians and pundits, but the markets and the economy are *not* the same thing. While the markets ended the year on a down note, the overall economy soared in 2018. Observe these numbers:

Unemployment Rate ³	3.7% as of November	Lowest rate in 49 years
Wages ⁴	Up 2.9%	From September 2017 to September 2018
GDP ⁵	Up 4.2% in Q2 Up 3.4% in Q3	Some of the highest numbers since the Great Recession

Those numbers paint a picture of a strong economy – a picture that drove the markets to great heights earlier in the year, as we just mentioned. But it's a picture that doesn't tell the whole story – which is that the economy is likely now *slowing down*. The economic expansion has been driven for years by historically low interest rates – rates the Federal Reserve continues to raise. This, in turn, has affected the housing market *and* the stock market. Meanwhile, many of the world's largest economies are also slowing down, especially in China and Europe. In this ever-more connected *global* economy we all participate in, that spells trouble.

While good economic numbers cited above helped propel the markets, all these concerns helped bring it down to earth again. And if these trends continue, 2019 could bring even *more* market volatility.

The Future

That said, a slower economy is not the same thing as a *stagnant* economy. Interest rates are rising but still relatively low. Corporate profits remain steady, consumer spending is thriving, as is the labor market. These are all indicators of a healthy economy in 2019, even if it's not quite producing at the same pace it was before. On the other hand, there's a ceasefire in the trade war with China, but it could pick up again at any time. A large portion of the economy's growth over the last decade has been prompted by fiscal stimulus from the government – stimulus that will be harder and harder to provide as the nation's deficit climbs and climbs.⁶ And, as of this writing, the federal government is experiencing another shutdown creating additional pressures and uncertainties.

The fact is, investors often tend to be both irrational and impatient – a volatile combination. While the economy may be technically strong, *trends* are what anxious investors pay attention to. And if the economy looks like it's trending down, it's quite possible the markets will follow. This is why we work so hard with you, as your Wealth Partners with Purpose, to ensure that decisions are made rationally and with the appropriate amount of patience.

Whatever 2019 has in store, rest assured there will be both obstacles to avoid *and* opportunities to seize. But whatever happens, we here at Hudock Capital Group will continue analyzing *all* the facts and data to help you make smart, unbiased, unemotional financial decisions – both this year and beyond.

As always, please let us know if there is anything we can do for you in 2019. Happy New Year!

¹ "Investors Find Few Places to Hide," *The Wall Street Journal*, December 18, 2018. https://www.wsj.com/articles/market-slide-foils-investors-11545154550?mod=ig_2018yearinreview

² "Dow closes lower, ending a volatile week on Wall Street," *CNBC*, December 27, 2018. <https://www.cnbc.com/2018/12/28/us-stocks-and-futures-dow-sp-and-nasdaq-on-roller-coaster-week.html>

³ "Let the Good Times...Stay a Little Longer?" *The Wall Street Journal*, December 16, 2018. https://www.wsj.com/articles/let-the-good-times-stay-a-little-longer-1154493632?mod=ig_2018yearinreview

⁴ "U.S. workers see fastest wage growth in a decade," *The Washington Post*, October 31, 2018. https://www.washingtonpost.com/business/economy/us-workers-see-fastest-wage-increase-in-a-decade/2018/10/31/3c2e7894- dc85-11e8-85df-7a6b4d25cfbb_story.html

⁵ "U.S. Economy at a Glance," *Bureau of Economic Analysis*, September 19, 2018. <https://www.bea.gov/news/glance>

⁶ "U.S. deficits and the debt in 5 charts," *Politifact*,

Barbara Included in Barron's Advisor Hall of Fame

At the 2018 *Barron's* Women's Summit, held December 5-7 in Palm Beach, Florida, Barbara was included in the *Barron's* Advisor Hall of Fame. The *Barron's* Advisor Hall of Fame recognizes those advisors who have been ranked by *Barron's* for at least ten years. Barbara has been ranked by *Barron's* among the top women financial advisors in the country ten times since 2006¹. When asked about the recognition, Barbara said "this is a tremendous honor that really belongs to our amazing clients and spectacular team. It is our clients and their dreams, coupled with our team members and their dedication, that make our unique brand of a purpose-driven client experience possible. Our clients' sense of purpose and our team members' commitment to excellence imbues everything we do. I'm so fortunate to be able to work with all of these incredible individuals. A big THANK YOU to each and every one."



Congratulations Barbara!

1. *Barron's Magazine Top 100 Women Financial Advisers*, June 12, 2006, June 11, 2007, June 9, 2008, June 8, 2009, June 7, 2010, June 10, 2013, June 9, 2014, June 8, 2015, June 4, 2016, June 5, 2017. *Barron's Magazine* is a weekly business periodical published by Dow Jones. Rankings are based on assets under management, revenue generated for advisors' firms, quality of practices and philanthropic work

New faces of HCG

Jennifer Zielewicz started her career with Hudock Capital Group in January 2018. Prior to joining HCG, she held various roles within the same retail organization: Store Trainer, Human Resources, Assistant Store Manager, and Operations Manager. She earned a Bachelor of Science Degree in Accounting at American Public University. Jennifer was born and raised in Trout Run and currently resides in Williamsport. In her spare time, she enjoys spending time with family, camping, sewing and doing DIY projects.



Carissa Kurtz joined Hudock Capital Group in October 2018. She has a Bachelor of Arts Degree in International Business & Management with minors in Spanish and Economics from Dickinson College. While attending Dickinson, Carissa studied abroad in Malaga, Spain during the fall semester of 2012. Prior to joining HCG, she worked as a Mortgage Loan Closer at Jersey Shore State Bank and as a Credit Analyst at Auto Trakk, LLC. Carissa was born and raised in Montoursville and currently resides in Williamsport. In her spare time, she enjoys spending as much time as she can with her friends and family, sports and traveling.



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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

Our first hire after establishing our independent advisory firm in 2001 (it's been 17 years!!!) was Holly Tagliaferri. Holly has, from the very beginning, been an amazing team member; she has kept our calendars, scheduled appointments, completed all of our mailings, coordinated ALL of our events from beginning to end.



More than that, Holly is and always has been strong, loyal, thoughtful, and tirelessly working in the best interests of our clients.

We have loved having Holly as part of our company, our growth, and our successes. She is more than a team member. She is a member of our family.

As of February 8th, Holly is retiring to spend more time with her own family. We wish her all the best and unbounded happiness in this next chapter of her life. We are deeply grateful for her many contributions to our firm and our clients. We are thankful for her friendship and all the love she has brought into our lives.

THANK YOU, HOLLY! WE WILL MISS YOU!

Lost and Found

Women's Jacket

- Black with tan stitching
- Light-weight, belted
- ESPRIT brand, size Large

***Left in Williamsport office around September 2018**

At this time, when there are scams all around us, we want you to feel free to contact our team for assistance.



Visit our website for up to date news & events at:
www.hudockcapital.com

Barbara

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