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Why the Future is Often Better Than We Think

Chances are, you're underestimating the amount of progress we're going to make in technology, medicine and a host of other things. Why? Because your brain, and mine, and everyone else's, thinks linearly, rather than exponentially. We are living in an age of exponential change in things like computing power and speed, decoding and finding medical uses for the human genome, adoption of the Internet mobile technology and various social media sites, self-driving cars and many other things that were not even on your radar ten years ago.

According to an article at Singularity Hub, our brains are wired to predict the future based on the past. If we're walking down a road, and taking steps a meter in length, we assume that it will take 30 steps to travel 30 meters. This progress is relatively easy to predict, and this linear thinking would have worked pretty well for evaluating the growth of our economy and its various technologies until fairly recently.

But now think about exponential growth, where each step we take is twice as long as the previous one. Our first step is a meter, the next one is two, and by step number 30, you will have traveled a billion meters—a distance equal to 26 trips around the equator. This kind of rapid change is very difficult for our minds to comprehend, but it accurately describes the evolution of many of the technologies and medical services that we enjoy today.

Individuals and companies can't predict exactly what will happen. But we can prepare for a future that moves so quickly that it seems out of control, and know that it's actually the result of steady progress where a lot of previous steps built on each other invisibly but exponentially. We can allow ourselves to be pleasantly surprised by what the world brings us in the next ten or twenty years in the form of new therapies, new conveniences and access to more and better information—because changes are coming faster than our humble minds can predict.

Couples' Decision Therapy

There have been studies showing that financial issues are one of the primary sources of conflict between married couples. A recent article in Market Watch suggests that the biggest reason for these significant disagreements is a failure to create a unified view of the financial future that both parties have agreed to. In many cases, one spouse (or significant other) will make decisions on behalf of the couple, which can lead to disagreements (and a potential split) down the road, as one spouse feels left out of the picture.

How can you come to a basic mutual understanding of your financial priorities? Even if you already have a financial plan, there may be areas where you disagree with the current one. Take some time together to write down the answers to a few basic questions: How would you like to live when you retire? What does retirement look like in terms of activities, travel and your daily routine? Is helping the kids (if you have them) a priority? If so, how much support do you have in mind? What will it cost to achieve these various goals?

Both parties will almost certainly give different answers—which, of course, is where the conflict comes from. The next step is to look for areas of compromise. Create “must have,” “want” and “dream” lists, which helps prioritize where you might be willing to give up goals and where you want to stand firm.

After compromise comes evaluation. This may require amending your current financial plan to see if you're still on track to achieve your mutual goals. But the result may be more harmony, better communication, and a better understanding of what's important to each other.

Meritas can assist with the conversation and we have the tools and support to help with the long-term planning.

FPA NorCal 2016



This month, members of the Meritas team had the opportunity to attend the 44th Annual Financial Planning Association's NorCal Conference in San Francisco. The conference has a national reputation for hosting inspirational and innovative speakers, and offering networking opportunities for hundreds of the industry's professionals. For Jackie Kendall, Meritas' Paraplanner, this was her second time attending the conference. “This conference is great because it has something for everyone, including in-depth sessions for experienced planners and fundamental content for those new to the industry.”

Meritas' Administrative Assistant Jen Bahi attended the conference for the first time, getting a comprehensive look into the world of Financial Planning. “It was a great experience to hear such expertise in all the various aspects of the industry. It made me excited to learn more!”

Genealogy

Upcoming Genetic Genealogy Course Being Taught by our own Phyllis Garratt

Some of you already know about Phyllis' passion for family history, something she's been actively involved with since childhood. As a current Board Member of the Marin County Genealogical Society, she is often called upon to teach classes. One such 4-lecture series began in May at the Mill Valley Library with Phyllis covering two of the lectures. The other two classes are being taught by the History Project, a new techie start-up based in Oakland, and by San Anselmo based Photograph and Art Conservator Gawain Weaver. Phyllis' final 2-hour talk on July 14th will cover some lesser known genealogical resources and techniques, with most of the two hours spent on the increasingly popular use of DNA testing for family history purposes.

Phyllis also works as an intermediary with adoptees and biological family who desire to find their "lost" family members and possibly reconnect, but who don't know how to go about it or have just given up after years of searching. The desire to know our origins and history is particularly keen for those of unknown parentage. The confluence of genealogical research skills, the understanding of DNA test results, and being familiar with adoption records and resources available to family members helps her solve these family mysteries.

Phyllis' lecture titled "Getting Started in Genealogy: More Tools, Tips & Techniques, Including DNA Testing", will be held at the Mill Valley Library on July 14th starting at 6:30 pm.

Registration is required as space is limited <http://www.millvalleylibrary.org/Index.aspx?page=195&recordid=25081>

Summer Reading Ideas

Looking for a good book this summer? Check out Meritas' book recommendations!

The Portable Veblen by Elizabeth McKenzie — An exuberant, one-of-a-kind novel about love and family, war and nature, new money and old values by a brilliant *New Yorker* contributor. (Google Books)

The Girl You Left Behind by Jojo Moyes — A nuanced story of love, grief, absence, and the choices we make to hold onto the things we love... It's a compelling read for anyone in search of a good story, and a good escape. (Everyday Ebook)

The Rational Optimist ; How Prosperity Evolves by Matt Ridley — A delightful, trouble-making, brilliant futuristic look at what is happening to us all.—Ben Macintyre, *The Times*

Collected Stories by Tennessee Williams — Arranged chronologically, the forty-nine stories, when taken together, not only establish Williams as a major American fiction writer of the twentieth century, but also constitute the real autobiography of Williams' art and inner life. (Amazon)

The DOL Rule

In April 2016, the DOL announced a new rule that requires all financial advisors (including broker-dealers, registered investment advisors and insurance agents) to put their clients' best interests first when giving investment advice for *retirement* accounts. It also imposes strict "fiduciary" requirements for the advisors. Fiduciary essentially means that the customer's interests must be the priority when any investment recommendation is made. Although there are investment advisors who already abide by this fiduciary standard (including Meritas), broker-dealers and insurance agents are held to a different standard called the "suitability standard". The suitability standard allows broker-dealers to give investment recommendations that may not be in the client's best interests but are still considered suitable for them. Often times the broker-dealer earns a commission off this investment advice, which is usually a major reason why they recommend it. However, as a result of this new ruling, the broker-dealers and insurance agents will now be held to the fiduciary standard when giving advice on 401(k)s, IRAs, and other retirement accounts. For most advisors who are already upholding this fiduciary standard and have heard countless stories about clients being sold investment products that weren't in their best interest, we welcome this new rule.

What does this mean for Meritas? Well, since we are already well-positioned to meet this upcoming regulation, there will not be much of a change from what we have been doing all along. We will continue to put our clients' interests first, and we will continue to document our investment recommendations, for both retirement and non-retirement accounts, and why they are in the best interest of the client. We are happy to hear that broker-dealers and insurance agents will now have to uphold the fiduciary standard with regards to investment advice for retirement accounts, and we hope that it will mean more transparency in the financial services industry going forward.

Italian Street Painting Festival 2016 – *Ciao Bella Roma!*

On June 25th and 26th a touch of Italy came to San Rafael, California, as it held its annual Italian Street Painting Festival. Fifth Avenue was beautifully mosaicked with the pastel drawings of over 100 artists, which was truly a sight to see. As in past years, Meritas sponsored a 6 x 6 square, in an effort to support art in our community. If you have never made it down to witness this sight, and are interested in having a little Italian experience right here at home, we recommend that you put it on your calendar for next year!