



FOUNDATION FOCUS

A PUBLICATION OF WILLAMETTE VIEW FOUNDATION

VOLUME 14, May 2019



Trimming the Sails

By Michael Gallagher, CFA Director of Investments at TPG Financial Advisors, LLC

After the uncomfortable 4th quarter last year (when stocks declined 14%), a few items were keeping our attention. Besides our indicators (which were negative at the time), the trade war with China and the Fed tightening monetary policy were top of mind. Here we are three months later and the negative trajectory of each item has reversed course sending stocks 13% higher. This increase basically recoups most of the previous quarter's decline. If we were on a boat experiencing these ups and downs, we'd all be seasick!

Last month we passed the ten year anniversary of the Financial Crisis lows in 2009. Everyone learned a lot throughout the Financial Crisis and its aftermath (at least we hope so!). Here are a few of our favorite lessons:

- The storm will pass - even though it may not feel like it at the time
- Choose the right boat - the right portfolio is different for everyone and minimizes the risk of abandoning ship
- Trim the sails - there are telltale signs that must constantly be monitored and used to adjust investment strategy

It's the last point we'd like to highlight. While there is no indicator, or set of indicators, that is 100% accurate in determining market turning points, we believe there are certain warning flags that have helped more often than not. One of these is the Leading Economic Index (LEI). The Conference Board (an economic think tank) has assembled a list of ten underlying indicators that tend to decline and improve before the economy as a whole. Of these ten, the biggest weight is given to average weekly hours worked in manufacturing, new manufacturing orders, consumer expectations for business conditions, and the interest rate spread (10 year Treasury bond yield minus the Fed Funds rate). The LEI usually leads other economic statistics like the unemployment rate.

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LETTER FROM DIANE

Spring marks the annual “cleaning” season. I’m sure that means something different to each of us. Whether it’s paper reduction, closet purging, or just plain re-organizing, it is amazing how cleaning can put a spring in your step. It just plain feels good. Gives us a sense of peace.

We all want to feel at peace and enjoy the place where we are. A feeling of calmness is truly a gift. We hope that you get that feeling from knowing that Willamette View Foundation is here to help you, often at a time in your life when you need that sense of security the most.

As we experience more sunny days and warmer weather, embrace all the good things around you and look for reasons to be happy; Willamette View Foundation is one of them.

Warmly,

Diane



FINANCIAL ASSISTANCE

Ready, Set, Go!

Are you interested in applying for Financial assistance through the Foundation? Well, if so, we have the following pointers to get you started.

What can the Foundation do for you?

The Foundation can help when ends don’t meet. We have resources available to assist with your Willamette View bill when you have outlived your resources.

How does the Foundation’s application process work?

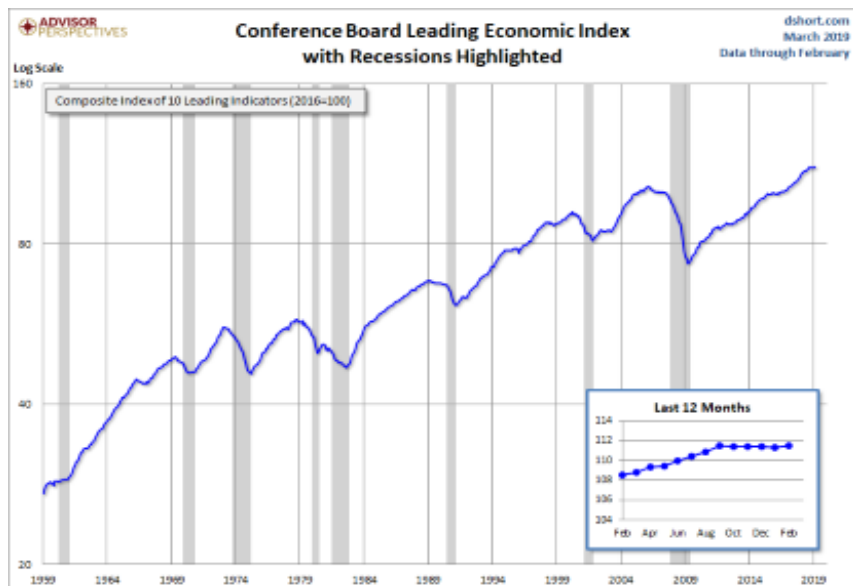
Your application is reviewed by the Foundation’s Board of Directors, with anonymity, on a case-by-case basis after an evaluation of the specific circumstances.

What are some standards to keep in mind and what is expected of the residents?

- ◆ Residents are expected to preserve and manage their assets wisely, including maintaining appropriate insurance.
- ◆ Residents should use their resources for reasonable recreation and personal expenses, including reasonable charitable contributions and gifts to friends and family.
- ◆ Residents should strive to live within their financial means and refrain from extravagant spending.
- ◆ Residents should obtain necessary medical care through economical means based on individual circumstances.

For more information about the Foundation and to obtain an application, please call (971) 233-8956





As you can see in the chart above, the LEI usually declines before recessions and market downturns. This indicator has been phenomenally resilient since it bottomed in March of 2009. While the LEI is still growing, it is starting to lose some momentum (as seen in the “Last 12 Months” pop-out). And like a telltale wind indicator on a sailboat, we are keeping a close eye on this. The LEI data is updated every month, and while there have been months it has declined, we look at the change over the last six months. This helps smooth out the month-to-month choppiness inherent in this type of data and capture a more meaningful change in direction.

We add this indicator in with our other indicators and when the combination of them changes direction, we take note and trim the sails. If it looks like we’ll be sailing into the wind, like in the Winter of 2008, we’ll get more conservative and sell some stocks. Conversely, if it appears there are clear skies ahead, like in the Summer of 2009, we’ll get less conservative and buy more stocks.

As you may recall, our indicators turned positive at the end of January (after being negative since the end of November). We must always man the ship. Talk to your portfolio advisor or financial planner to make sure that your ship is sound and prepared for the weather ahead.

Mike Gallagher is a Foundation Board member and serves on the Foundation’s Investment Committee. Securities and advisory services offered through Geneos Wealth Management, Inc. Member FINRA/SIPC. Advisory services offered through TPG Financial Advisors, LLC, a registered investment firm. Representatives at TPG Financial Advisors, LLC may not transact business in the State of Washington unless appropriately registered, excluded or exempted from such registrations.



In Memory of Bill Spooner

Tenderly we say goodbye to our dear friend and colleague, Bill Spooner who passed away on March 27, 2019. As a member of *Willamette View Foundation’s* Board of Directors, Bill regularly shared his knowledge of senior culture and his compassion for WV residents. We will miss his storytelling, warm personality, humor, and his kindred spirit. We will forever treasure our friendship, his valuable contribution and the memories we share.

Willamette View Foundation

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THE FOUNDATION'S MISSION is to help qualified residents of the Willamette View Retirement Community maintain their dignity and independence through assistance in satisfying their need for housing and financial security. Aid is provided through resident assistance and financial management programs, educational seminars, financial information service, publications and grants to Willamette View, Inc. that benefit the community's residents.

“Where flowers bloom so does hope”

-Lady Bird Johnson

