

RAYMOND JAMES®

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Welcome to Our First Annual Newsletter!

1st Edition

Economic Outlook: Policy Uncertainty and Demographic Constraints

By Scott J. Brown, Ph.D., *Chief Economist, Equity Research, Raymond James*

Prior to the election, there was a growing consensus that demographic changes would be a major factor restraining economic growth in the U.S. and around the world. The expectation of the “new normal” is based on the idea that populations are aging and labor force growth will be significantly slower than in previous decades. Barring a substantial increase in immigration or a sharp pickup in the pace of productivity growth, real Gross Domestic Product (GDP) can be expected to trend at a 1.5 - 2.0% annual rate, rather than the 3.0 - 3.5% pace seen in previous decades. Post-election, those constraints will still be binding. Hence, fiscal stimulus (increased government spending and large-scale tax cuts) may not provide much of a lift. Moreover, policy uncertainties,

particularly in regard to foreign trade, add more uncertainty and risk to the economic outlook.



U.S. ECONOMY

Recent data suggest that the economy is in good shape. Real GDP growth appears likely to finish 2016 at about 2% (4Q16-over-4Q15). Consumer spending growth has been relatively strong, fueled by robust job growth and moderate wage gains. Low gasoline prices have helped, but the beneficial impact will fade over time as oil prices stabilize and move somewhat higher. Business fixed investment has been sluggish, reflecting the contraction

in energy exploration, a sluggish global economy, and general uncertainty in the economic outlook. Residential homebuilding has continued to improve.

JOB MARKET

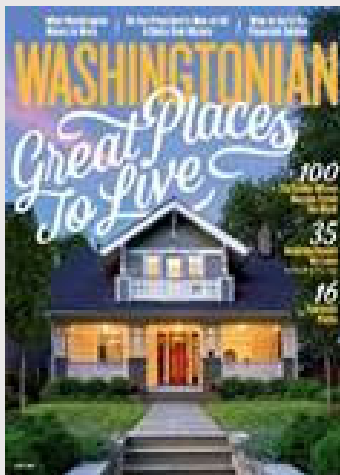
Job growth remained strong in 2016, but was somewhat slower than in the last couple of years. That may reflect business caution ahead of the presidential election, but job growth will normally slow as the job market tightens. A tighter job market would normally lead to faster wage growth. Average hourly earnings have picked up, but the underlying trend appears to be moderate, suggesting that there is still some slack in the job market. Long-term unemployment and measures of under-employment are still above levels considered to be “normal,” but they have been improving.

FEDERAL RESERVE

Federal Reserve (Fed) policymakers have remained focused on the job market and the outlook for inflation. As 2016 began, most Fed officials expected to raise short-term interest rates four times over the course of the year, but improvement in the labor market was slower than expected and inflation remained muted. Most Fed officials believe that the economy is getting close to full employment. Following the December 14 increase in the federal funds target rate, most officials expect two to four rate increases in 2017, with a median of three. However, that depends on the job market and the inflation outlook. If the job market tightens more rapidly than anticipated and wage growth picks up more sharply, additional monetary tightening could come sooner. Conversely, if growth is subpar and inflation remains low, officials would be inclined to move more slowly.

[From Raymond James Investment Strategy Quarterly. To read more articles go to:
http://www.raymondjames.com/branches/library/features/investment_strategy/investment_strategy.pdf

Ranked as a Top Wealth Advisor* in the April 2016 edition of WASHINGTONIAN MAGAZINE



*Recognition Based on Assets under Management > \$100mm

“Thank you to our clients who support our business which allowed me to be recognized last year in the Washingtonian Magazine “Top Wealth Advisers.” I am grateful for your faith and confidence in our practice.”

Tony Nerantzis

*Recognition based on assets under management >\$100mm. The ranking may not be representative of any one client's experience, and is not indicative of future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. *The Washingtonian* is not affiliated with Raymond James.
<https://www.washingtonian.com/2016/03/20/washington-dcs-best-financial-advisers-bank-wealth-advisers/>

e-Signature: Simplifying Your Life

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When you need to sign forms for our office, feel free to use our electronic signature (e-Sign) program. All you need is a text-enabled cell phone and an email address. Our office will prepare your forms and email you when they are ready to sign. Open the email and you will receive a code on your phone to view the form. Enter the code, “sign” where you see the yellow tabs. Your name will appear (you can even select the font you prefer), click on it and your document is signed. You do not need a stylus or pen. Click on the word “finish” and your form is sent back to Raymond James. It’s an easy and quick process that eliminates mailing time. Simply ask about e-Sign when you need to sign a document for us.

Upcoming DOL Rule



On April 6, 2016 the Department of Labor (DOL) announced a new *Conflict of Interest* rule related to fiduciary responsibility for retirement accounts. The new rule will mandate that Individual Retirement Accounts (IRAs) be covered by the Employee Retirement Income Security Act (ERISA), as are most employer sponsored retirement plans, including 401(k) plans. The purpose of the rule is to increase protections for retirement investors by ensuring that all advisors are acting in their client's best interest and addressing potential conflicts of interest. Recently, President Trump issued a memorandum which asked for more study on the effects of the DOL rule, so implementation of this rule is in a holding pattern.

If this rule were to go into effect, it would change the standard to which financial advisors act from a "suitability" standard to "fiduciary" standard. The current suitability standard requires the advisor to make recommendations that are suitable to the client, but does not require the advisor to disclose any conflicts of interest. An advisor could potentially recommend proprietary products that result in a higher commission for the advisor. Acting from a fiduciary standard requires advisors to disclose any conflict of interests and put the client's needs ahead of their own financial gain.

We feel this rule will have limited effect on our clients, as we work daily for our clients' best interest and do not offer any proprietary products. We always fully disclose fees and expenses associated with accounts. Accounts set up on a fee basis have always been held to the fiduciary standard from a regulatory standpoint and we always put our clients' interests first. If this rule is enacted, it will likely raise standards across the industry as a whole.

We will keep you informed on any forthcoming information about the DOL rule. Please contact your advisor if you have any questions or concerns. We appreciate the opportunity to serve you and provide the best experience possible.

Meet the Staff



Kathleen began her career in the financial services industry in 2007 after graduating from Radford University with a double major in Business Management & Marketing. Within the branch she is the office manager, her focus is to oversee support for clients regarding account maintenance as well as any operational needs. Kathleen's personal attributes, professionalism, skills and her wealth of experience benefits clients by streamlining the operational aspects for the branch. She makes sure any client issues are addressed, and that she is available to answer any questions. Kathleen is married and lives in Sterling, VA with her husband Sam and their dog Patron. In her free time she provides volunteer hours to local organizations that help the needs of underprivileged citizens in our community.



Erin brings years of experience to our Raymond James office. Her past jobs include working as a paralegal in the Los Angeles US Attorney's office, Major Frauds Section; as an administrative assistant and a technical writer for Electronic Data Systems, and most recently as a client advocate for Catholic Charities, USA. Erin holds a Bachelor of Arts in English from Washington State University. She lives in Leesburg with her husband, Mark, and their four children. Scouting, camping and hiking are a big part of the Voorheis family life. In her spare time, she is a Scout leader for a troop of American Heritage Girls that her daughters, Peyton and Lillie attend. And she enjoys participating in scouting events for her sons, Robbie (working toward his Eagle Scout) and Thomas (working toward his Cub Scout Arrow of Light).

Accessing your Account Online Enrolling in Investor Access:

LET'S GET STARTED:

- Visit your financial advisor's website and click the Account Login link in the upper right corner of the screen. Or, go to raymondjames.com/investoraccess.
- Click the link that says Enroll in Investor Access

STEP 1 – PERSONAL INFORMATION

1a Enter your personal information and your account number in the corresponding fields. NOTE: If you do not have a Social Security number or used a different form of identification to open your account, select the ID type you used by using the Document Type drop-down.

1b Create a login ID, and confirm your new login ID.

1c Read the Terms and Conditions, and select the check box.

Click the **Next** button.

STEP 2 – PASSWORD AND SECURITY

2a Create a password, and confirm your new password.

2b Select three of the security questions, and enter the answers in the corresponding fields.

Click the Next button.

STEP 3 – NOTIFICATIONS AND DELIVERY

3a Enter your Account Notification and Document Delivery email addresses in the appropriate fields.

3b Select your preferred delivery method for your account documents. You are defaulted to viewing your account documents online only. To specify which documents you would like sent to your address of record, select **I want to specify which account documents to receive by mail** and choose your preferences.

Click the **Finish** button. Investor Access opens and displays your account information.

2017 NYSE Holiday Schedule

Our office will be closed on the following dates:

February 20th – **Presidents' Day**

April 14th – **Good Friday**

May 29th – **Memorial Day**

July 4th – **Independence Day**

September 4th – **Labor Day**

November 23th – **Thanksgiving**

November 24th – **Early Close 1 PM (EST)**

December 25th – **Christmas Day**

Raymond James Vault:

Vault allows clients and advisors to quickly, easily and securely store a variety of file types. Clients and advisors can use Vault as a space to collaborate and build stronger relationships by sharing these files and using the comment feature to initiate conversations. Popular items include, client reports, Insurance policies, Tax Returns, Outside Investment information (401(k), IRA) as well as Mortgage Information. For more information call our office and speak with the support staff to start utilizing this feature.

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