

PROVIDED BY
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES



Matthew J. Rogers

*Senior Vice President, Investments
Managing Director
matthew.rogers@raymondjames.com*

Christopher Norton, AAMS®

*Vice President, Investments
chris.norton@raymondjames.com*

Adele L. Jacques

*Senior Registered Sales Associate
adele.jacques@raymondjames.com*

FALL 2019

We hope that you and your families are enjoying the early Autumn season whether here in New England or in a different part of the country. We have a number of interesting articles to share with you in our Fall newsletter including speaking with high school aged kids about finances, understanding what it means when a corporation reports quarterly earnings, and learning what services may or may not be included in Medicare. As always, please call on us if you have questions or comments or would like to speak with us further about any of these topics.

How can I teach my high school student the importance of financial literacy?

Even though your child is just in high school, he or she may still have to deal with certain financial challenges. Whether this involves saving for an important purchase like a car or learning how to use a credit card responsibly, it's important for your high schooler to have a basic understanding of financial literacy concepts in order to manage his or her finances more effectively.

While financial literacy offerings in schools have increased in popularity, a recent study reported that only 17 states require high school students to take a personal finance course before they graduate.¹ Here are some ways you can teach high school students the importance of financial literacy.

Advocate saving. Encourage your children to set aside a portion of any money they receive from an allowance, gift, or job. Be sure to talk about goals that require a financial commitment, such as a car, college, and travel. As an added incentive, consider matching the funds they save for a worthy purpose.

Show them the numbers. Use an online calculator to demonstrate the concept of long-term investing and the power of compound interest. Your children may be surprised to see how fast invested funds can accumulate, especially when you match or contribute an additional amount each month.

Let them practice. Let older teens become responsible for paying certain expenses (e.g., clothing and entertainment). The possibility of running out of their own money might make them think more carefully about their spending habits and choices. It may also encourage them to budget their money more effectively.

PROVIDED BY
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES

Cover the basics. By the time your children graduate from high school, they should at least understand the basic concepts of financial literacy. This includes saving, investing, using credit responsibly, debt management, and protection planning with insurance.

¹ Survey of the States, Council for Economic Education, 2018

Earnings Season: What Investors Can Take Away from Corporate Reports

Publicly traded companies are required to report their financial performance to regulators and shareholders on a quarterly basis. Earnings season is the often-turbulent period when most companies disclose their successes and failures.

U.S. companies included in the S&P 500 index suffered year-over-year earnings declines in the first two quarters of 2019.¹ Rising wages and higher material costs (partially due to tariffs imposed on traded goods) had started to cut into profit margins.²



Earnings reports are closely watched because they reveal a corporation's bottom line. However, they generally reflect past performance and may have little to do with future results.

Performance lingo

A quarterly report includes unaudited financial statements, a discussion of the business conditions that affected financial results, and some guidance about how the company expects to perform in the following quarters. Financial statements reveal the quarter's profit or net income, which must be

calculated according to generally accepted accounting principles (GAAP). This involves subtracting operating expenses (including depreciation, taxes, and other expenses) from net income.

Earnings per share (EPS) represents the portion of total profit that applies to each outstanding share of company stock. EPS is often the figure that makes headlines, because the financial media tend to focus on whether companies meet, beat, or fall short of the consensus estimate of Wall Street analysts. A company can beat the market by losing less money than expected, or can log billions in profits and still disappoint investors who were counting on more.

An earnings surprise — whether EPS comes in above or below expectations — can have an immediate effect on a company's stock price.

Shaping perception

In addition to filing regulatory paperwork, many companies announce their results through press releases, conference calls, and/or webinars so they can influence how the information is judged by analysts, financial media, and investors.

Pro-forma (or adjusted) earnings may exclude nonrecurring expenses such as restructuring costs, interest payments, taxes, and other unique events. Although the Securities and Exchange Commission has rules governing pro-forma financial statements, companies have leeway to highlight the positive and minimize the negative. There may be a vast difference between pro-forma earnings and those calculated according to GAAP.

Many companies also take steps to manage expectations. Issuing profit warnings or positive revisions to previous forecasts may prompt analysts to adjust their estimates accordingly. Companies may also be able to time certain business moves to help meet quarterly earnings targets.

PROVIDED BY
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES

The media hype surrounding an earnings surprise can sometimes draw attention away from important details that may be revealed in a company's quarterly report. Factors such as sales growth, research and development, new products, consumer trends, government policies, and global economic conditions can all affect a company's longer-term prospects.

The return and principal value of stocks fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. The S&P 500 is an unmanaged group of securities that is considered to be representative of the U.S. stock market in general. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index.

¹FactSet, August 9, 2019

²Reuters, April 9, 2019

What health services aren't covered by Medicare?



Original Medicare — Part A hospital insurance and Part B medical insurance — offers broad coverage, but many services are not covered.

Some may be fully or partially covered by a Part C Medicare Advantage Plan, which

replaces Original Medicare, or a Medigap policy, which supplements Original Medicare. Both are offered by Medicare-approved private insurers. (You cannot have both a Medicare Advantage Plan and a Medigap policy.)

Whether you are looking forward to Medicare in the future or are already enrolled, you should consider these potential expenses.

Deductibles, copays, and coinsurance. Costs for covered services can add up, and — unlike most

private insurance — there is no annual out-of-pocket maximum. Medicare Advantage and Medigap plans may pay all or a percentage of these costs and may include an out-of-pocket maximum.

Prescription drugs. For coverage, you need to enroll in a Part D prescription drug plan or a Medicare Advantage plan that includes drug coverage.

Dental and vision care. Original Medicare does not cover routine dental or vision care. Some Medicare Advantage and Medigap plans may offer coverage for either or both of these needs. You might also consider private dental and/or vision insurance.

Hearing care and hearing aids. Some Medicare Advantage plans may cover hearing aids and exams.

Medical care outside the United States. Original Medicare does not offer coverage outside the United States. Some Medicare Advantage and Medigap plans offer coverage for emergency care abroad. You can also purchase a private travel insurance policy.

Long-term care. Medicare does not cover "custodial care" in a nursing home or home health care. You may be able to purchase long-term care (LTC) insurance from private insurers.

A complete statement of coverage, including exclusions, exceptions, and limitations, is found only in the LTC insurance policy. It should be noted that LTC insurance carriers have the discretion to raise their rates and remove their products from the marketplace.

This information was developed by Broadridge, an independent third party. It is general in nature, is not a complete statement of all information necessary for making an investment decision, and is not a recommendation or a solicitation to buy or sell any security. Investments and strategies mentioned may not be suitable for all investors. Past performance may not be indicative of future results. Raymond James & Associates, Inc. member New York Stock Exchange/SIPC does not provide advice on tax, legal or mortgage issues. These matters should be discussed with an appropriate professional.

The information contained within this commercial email has been obtained from sources considered reliable, but we do not guarantee the foregoing material is accurate or complete.

Prepared by Broadridge Advisor Solutions Copyright 2019.

PROVIDED BY
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES

ON THE HOMEFRONT

Chris - Chris and Shannon had a wonderful summer boating on Casco Bay and spending time in the Kennebec River Valley region with friends and family.



Chris with his nephew, Henry Norton, on Lake Moxie in West Forks, ME

Adele - Adele, Jim, Charlie and Samuel had a fantastic summer playing on Popham beach in Phippsburg, ME. They also took a fun trip to Quebec City in August.

Samuel and Charlie at Montmorency Falls Park Quebec City, Canada.



Matt - Matt, Stacey, Nate and Liza enjoyed summer at the lake and are now back into the school routine. Liza is playing volleyball and was named to the AVCA Under Armor Phenom List for the second consecutive year. Nate finished up his baseball showcase season and is applying to colleges (Yikes! Where does the time go?!). Both kids are loving Cheverus High School and are ambassadors for the Ronald McDonald House & Key Club volunteers. The family is still actively volunteering at Preble Street Resource Center and Stacey volunteers at the Animal Refuge League of Greater Portland. The family hosted Sea Dog players again (names to follow for you Sox fans: Mike Shawaryn, Tanner Houck, Bobby Dalbec and Jarren Duran).



Nate's senior high school photo.

Liza playing volleyball for Cheverus High School.



PROVIDED BY
ROGERS NORTON WEALTH MANAGEMENT GROUP OF RAYMOND JAMES

TRIVIA QUESTION

What animal is often blamed for starting the great Chicago fire of 1871?