

INFORMATIONAL

BLACK SWANS | 2

Are we experiencing a Black Swan event and what does that mean?

HELPING OTHERS TOGETHER | 4

Planning for college and navigating the financial aid process is critical. Some tips to help get started.

MEET THE TEAM | 5

FORM is happy to introduce our newest team member, Joann Fritz, CFP®



TYSON JON RAY, CFP® LUKE KUCHENBERG, CFP®
Founding Partner Founding Partner

FORM

wealth advisors

431 Geneva National Ave South
Lake Geneva, WI 53147

262.686.3005 / 844.600.3008

formwealth.com

NOW AND THEN

by Luke Kuchenberg, CFP®, CPWA®

Now. It's just a little word but one that can carry all kinds of action or even stress. Not later, now. Not when you have time to think about it, now. Can't I just sleep on it? Nope, now.

While the word does carry action, it doesn't seem to carry much grace or patience. I like those two words better, don't you? Grace and patience help me to take a breath, giving me time to think about it. When acting in the now, we all can make mistakes or be shortsighted. And in this current environment, 'now' doesn't very feel good for a number of reasons.

In 1989, Billy Joel wrote a song titled "We Didn't Start the Fire." In it, he goes decade by decade and tells of the major world events during his life to that point and the video of that song helps tell the story with pictures. The song illustrates that we have been through so much and that isn't changing soon. We are always breaking, changing, mending, learning. I believe the song makes several points, but in it I also see perspective. Many of those moments must have felt unprecedented. They call out the question, how do we get ourselves out of this? And then we do.

Let's put our thoughts about 'now' on the side for a moment, which leaves us with the past and the future. With the past truly behind us, its value comes when we use it as a gauge to navigate to a better future. The future may sound better... we have time to plan and make improvements. But on the other hand, it is unknowable. It is always out front and carries with it many "what if" scenarios. Depending on our current frame of mind, that outlook can be optimistic or somewhat negative.

CONTINUED ON PAGE 3

"Do your little bit of good where you are; it's those little bits of good put together that overwhelm the world."

— DESMOND TUTU



BLACK SWAN TO BLACK SWAN

by Tyson Ray, CFP®

Until the discovery of black swans in Australia, people thought swans were always white.

The phrase Black Swan is a metaphor describing an unanticipated event, but one which also has very far-reaching consequences. Black Swan events are those things that everyone would agree could never happen... until they happen.

COVID 19 is NOT a Black Swan, but the shutting down of the US economy and most of the world's economy was such an event. In my career, there have been a few Black Swans that had far-reaching consequences. History has shown these events cause considerable uncertainty, panic, and fear. These are the emotions that almost always create poor financial decisions. Yet this time around, both the Federal Reserve and the government took several actions to preemptively bring relief and aid to the problems created from the shutdown.

The shutdown was the death of the longest economic expansion in modern history (128 months). It is creating the most profound economic recession since the Great Depression. Yes, it is official; the National Bureau of Economic Research (NBER) has formally declared that a recession began in February; however, I believe the recession ended in April or May.

The NBER defines a recession as "a significant decline in economic activity spread across the economy, normally visible in production, employment, and other indicators." A recession begins (and an expansion ends) when the economy reaches a peak of economic activity and ends (as another expansion starts) when the economy enters a trough and begins growing again. The NBER does look at Gross Domestic Product (GDP), which is only available quarterly. Monthly figures play

GOLF

GOLF TOURNAMENT

**CWI Annual Golf Outing
August 17, 2020**

Mark your calendar – The CWI Golf Outing is set for Monday, August 17, 2020. The annual event will feature some modifications in response to the coronavirus, including scheduled tee times instead of a shotgun start. The needs are great and CWI is committed to continue its good work.

The proceeds of this event will be used to build a facility in Mirebalais, Haiti to house the long-time pastor and director of GVCM (Global Vision Citadelle Ministries), Pastor Yves Prophete. The facility will also serve as a guest home for mission workers who travel to GVCM for projects.

If you are interested in attending the outing or supporting the project, contact judy@cwi.org or kim@cwi.org. ■

Raymond James is not affiliated with and does not endorse the entities noted above.



CHILDREN'S WORLD IMPACT
431 Geneva National Avenue South
Lake Geneva, WI 53147

www.cwi.org



NOW AND THEN

continued from page 1

All of us as human beings fall victim to a common phenomenon called Recency Effect.

The recency effect, stated most simply, is the tendency to recall the most recent information most clearly. That makes sense, it is easier to remember what I had for lunch today versus recalling what I had for breakfast two weeks ago. In investing, we call it a Recency Bias. With a similar line of thinking, recency bias is our tendency to take what has happened most recently - markets going up or markets going down - then project that to continue in the future. We see this all the time.

When markets have gone up, there is a large psychological bias in believing it will continue. When this really takes hold, we get bubbles of large appreciation. This can happen in stocks, real estate and commodities like gold. When this happens, we often hear phrases like, "Real estate can't lose" or "Gold is going to \$5,000

an ounce!" Until it doesn't, and those assets head the other way.

Similarly, this happens to markets going down. When this happens, and like what we just saw in February and March of this year, it can feel like it will just continue and not turn around. Negative begets more negative - until it doesn't. This is why in investing, Recency Bias can really be dangerous to our investment or financial plan.

Where am I going with all this? Recency Bias happens not in the past, not in the future, but right now. I am all for living in the now, smelling the roses and all of that, but all of our planning here is about the future. Your investing isn't for today, it is for the future. And lastly, your legacy to your loved ones, while lived out day by day, will take place in the future, perhaps decades and decades from now through the life of your kids, grandkids and other family. One of my favorite quotes on this topic comes from Ian Wilson, former

chair of General Electric. He stated, "No amount of sophistication is going to allay the fact that all of your knowledge is about the past and all of your decisions are about the future." This takes my mind right to investing and your plan.

Clients have heard me say over the years that I believe we have three roles as your advisor. The first is easy and it's the technician where we help you build a plan, manage investments, taxes and discuss an estate plan. We love this and have now spent decades continuing our education to deliver the best in technical advice.

The next role we aim to serve is in that of a financial coach - motivating you to achieve the goals you have laid out and, at the same time, avoid the concerns you share with us.

Lastly, the role we hold in highest regard is that of an advocate. Getting to know you, your family, what pursuits you wish to chase down and how you wish to live it all out, that is what drives us and it is a role we are honored to share with you. It is also the role that allows us to walk alongside you in learning from the past, navigating and living out the now, to allow us to sustain and build the future you have in mind. Thank you for allowing us to do so and we look forward to the years ahead. ■





HELPING OTHERS TOGETHER SERIES – COLLEGE PLANNING

by Luke Kuchenberg, CFP®, CPWA®

As we approach another fall school season, it seems like a good time to put together some college planning tips for those clients or client families that are starting this adventure.

As most know or have heard, today's college cost requires a dose of planning. While it can seem a bit daunting, we hope the information below can help you, or a loved one start to piece together this critical planning point.

Let's first start with financial aid. As mentioned above, the cost of college today can seem overwhelming. Fortunately, there are financial aid programs available to help families address the need to fund a child's education. Financial aid comes in two forms: Need-Based Aid and Merit-Based Aid.

First, let's look at Need-Based Aid. Here we have two major players - the FAFSA and a CSS Profile. Most of you may have heard of a FAFSA form to apply for Federal Student Aid. The CSS Profile is an application that universities use

to determine how much non-federal financial aid you may need. Some of the biggest influencers of financial assistance are the income from a tax return (parent non-retirement assets), the number of children in college, and any assets that may be in the child's name like custodial accounts (UTMA/UGMA) or bank accounts. And with this last point comes our first recommendation - be certain assets are not in the child's name.

Assets owned in the child's name are assessed at 20% of contribution to pay versus a parent's, which is only 5.64%. Popular plans from the past, like UTMA or UGMA accounts, will be counted in the child's name, whereas newer college savings plans, like 529 savings, will be assessed at the parent's rate. A last important reminder here is that retirement plan values and home equity are assets NOT reported on the

FAFSA and, therefore, not included when calculating need-based aid.

At a high level, this frames one of our long-standing recommendations to parents of young children - to build personal wealth in your retirement plans and pay down home loan values before adding large sums to college savings plans.

Next is Merit-Based Aid; this includes evaluating things like GPA, Advanced Placement, high standardized test scores, sports involvement, etc. To be awarded the most merit aid spend most of your time finding the right college, not looking for private scholarships. Often, the best scholarship money goes to the smartest searchers and finding the "right" school is at the top of the list. What do we mean by the right school? Focus on those that offer merit aid, aligned with what the student would bring to the school - like skills, and strengths in athletics, unusual extra-curricular talents like playing the accordion or tuba or top test scores or GPA. Schools also look for geographically unique students, like a Wisconsin student applying to a school in West Virginia or Oregon.

Ways to increase merit aid may not be as tough as you think. Demonstrating the student's interests can pay many dividends, so connect with the college or university by following the school on their social media platforms, call and talk with admissions counselors or athletic coaches, etc.

Another tip is to fill out the financial aid forms, even if you are unsure of student's eligibility. That's right, just completing both the FAFSA and CSS Profile can mean thousands. Most colleges will require it even for merit aid. And while there are others, the last tip to mention is to seek an

CONTINUED ON PAGE 7

A MILLION DREAMS

by Luke Kuchenberg, CFP®, CPWA®

A few weeks ago, while we were all trying to adjust to our new COVID-19 world, I came home late one evening.

Due to all the extenuating circumstances of the time, it probably goes without saying that many thoughts and concerns were heavy on my mind. Some dinner and a good night's rest were the only things left on my agenda for the day. But we have all heard the one about best laid plans.

As soon as I walked into the house, a sweet, little voice rang out from upstairs. It was Lauren and she was looking for a bedtime tuck-in. I feel guilty in even putting the words to paper, but that was the last thing I felt like doing at that moment. It had been a long day. However, I quickly snapped out of it and told her I would be up soon. After I got a quick bite to eat, I made my way upstairs. She didn't hear me coming, but I could hear her. There she was, lights off, surrounded by at least 20 stuffed animals of all kinds, singing quietly to herself. I couldn't make out the words, but I had heard the melody before. As I crept closer, I was able to understand the song she was singing. The verse I caught was, "Every night, I lie in bed, the brightest colors fill my head, a million dreams are keeping me awake. I think of what the world could be, a vision of the one I see, a million dreams is all its gonna take. A million dreams for the world we're gonna make."

I was stunned. I knew instantly that the song was not her own, but rather a popular soundtrack from 'The

Greatest Showman,' one of her favorite movies, and the words impacted me deeply that evening. Sure, I had heard the song before, but I had never really listened. Like a lot of life, we speed and skim through so much, never truly taking the time to listen or to think. That night, through Lauren's voice, those words suddenly had meaning.

Maybe it is the circumstances we are in that gave the words greater impact that night. Or maybe it was my mindset that caught me off guard. Either way, the effect was the same. The song wasn't just words or some verse to Lauren. She is my dreamer, my silly heart. She is an eternal optimist and honestly believes anything can be accomplished with a strong dose of determination. This left me with two impressions. One, I was proud - proud to be her dad and honored for the opportunity to raise this little, caring soul. The second feeling was envy.

Where along the line did we adults lose some of this optimistic wonder? I am not talking about fairytales - I am talking about the confident enthusiasm and belief that we can make things better. No matter what side of any position we find ourselves to be on today, maybe we could all take some of song's lyrics to heart. It would be good to remember when we were children and we seemed to carry a little more hopefulness, care, respect, and imagination. I know I can't be a kid again, but some focused determination to find more light in the seemingly dreary outlook of today certainly would be a great step. I know it's there and I'm ready to get started. What say you? A million dreams is all it's gonna take. ■

MEET OUR NEW TEAM MEMBER - JOANN FRITZ, CFP®

FORM Wealth Advisors welcomes Joann Fritz as our Senior Client Advisor. She joins the team with a desire to help people live their best lives. Her goal is to build strong relationships with her clients to help understand all their needs to help them achieve their goals.

Joann is a CERTIFIED FINANCIAL PLANNER professional with over 22 years of experience in investment management, financial planning and trust administration. She recently worked for 11 years as an Investment Advisor and Financial Planner for a Registered Investment Advisor in Lake Geneva, Wisconsin. Prior to this she worked for 12 years in the Trust Department of an Investment Group in Woodstock, Illinois where she started in operations and worked her way up to an Assistant Vice President and Trust Officer. She also earned a Certified Trust and Financial Advisor designation.

Joann was born and raised in Harvard, Illinois and now lives in Darien, Wisconsin. Joann enjoys spending time with friends and being outdoors gardening, hiking and biking.

We hope you will join the FORM Team in welcoming Joann Fritz to the FORM family. ■



BLACK SWAN TO BLACK SWAN

continued from page 2

a crucial role in the determination of a recession, including nonfarm payrolls, industrial production, real (inflation-adjusted) business sales, and real personal income. These are the same four components in the Conference Board's Index of Coincident Economic Indicators.

However, this recession may not last two consecutive quarters; it might barely last a full quarter, as it is my opinion the birth of the next expansion started at the end of April or early May. While economic data reports suggest that the downturn may have ended in April, it does not mean everything is okay. Financial support and an aggressive response from the Federal Reserve have helped to lessen the damage, but much will depend on the virus and the unwinding of social distancing. Downside: risks remain. Following an initial sharp bounce off the bottom as state economies re-open, it will take many quarters to get back to where we were at the beginning of the year.

The NBER's job is to be definitive, not timely, in declaring beginning and ending dates for recessions. For example - the start of the 2007-2009 recession, which ran from December 2007 to June 2009, was not declared until December 2008, while the ending date was declared in September 2010, more than a year after the recession had

ended! The declaration of a recession depends typically on the duration of the downturn. One negative quarter has never been enough, but this time shutting the US economy down might prove otherwise.

We believe that regardless of a second wave, third wave, or a future virus, there may never be another time when the US economy will shut down. We also believe that, due to the amount of money sitting in cash, the vacations that have been rescheduled, and the fact that most unemployed people are being paid, all these events have come together to bring the market back to levels not expected.

These events reminded me of what Professor Jeremy Seigle teaches, "90% of the market return today is the expected value 12 months out." He is saying the market is not up because of what the market did in the last two months. Instead, the market is up because of what it believes will happen in the next 12 months. We believe there will be pullbacks and drops, but with record drops, we expect record recoveries. We are positioned for those recoveries and look forward to seeing the US economy come roaring back as it has throughout history. The shutting down of the US economy has been another Black Swan, and I believe when we look back next summer on what has happened, we will find the next 12 months of recovery could be yet another Black Swan event, this time with positive results. ■

EASY LOW-CARB CHICKEN GYROS WITH TZATZIKI SAUCE

Ingredients

For the Chicken:

- 6 chicken breasts, cut in strips
- 1/3 cup lemon juice
- 1/3 cup olive oil
- 2 tablespoons Greek Seasoning (or a blend of Greek Oregano, Garlic Powder and Lemon Zest)
- 3 garlic cloves, minced

For the Tatziki Sauce:

- 1 cup light sour cream
- 2 cloves garlic, minced
- 1 teaspoon dill weed
- 1 tablespoon fresh lemon juice
- 1/2 English cucumber

For serving:

- 6-8 low-carb tortillas (pita or flatbread)
- 2-3 Roma tomatoes, sliced
- 2 cups fresh arugula
- 2-3 teaspoons Greek Seasoning

For a light, tasty summer dinner, try this healthier version of a restaurant classic. Just be sure to plan ahead so the chicken can really marinate!

Chicken: Place the sliced chicken in a large ziplock bag. Mix the lemon juice, oil, garlic and seasoning and pour over chicken. Massage well. Marinate at least 3 hours – preferably 12.

Cook chicken in a large non-stick pan for 15 minutes or until marinade has evaporated. You can also grill this chicken for more authentic gyro flavor.

Tzatziki Sauce: Cut cucumber in half, seed and grate. Squeeze out excess water. Place in a bowl and stir in remaining ingredients, season with salt & pepper to taste, and chill for at least an hour before serving.

Assembly: Place 4-5 pieces of chicken on a low-carb tortilla. Add tomato slices and 1/4 cup arugula. Top with 2-3 Tablespoons of Tatziki Sauce. Roll up in a wrap and enjoy!





I think we have all heard the adage, "a bird in the hand is worth two in the bush", but what about two at the front door? These two made a visit earlier this month during a hectic rain shower. While we initially thought they were simply seeking shelter from the storm, later we found out they have three little ones and were eager to start some 529 college savings plans. I guess the early bird does indeed get the worm...

HELPING OTHERS TOGETHER SERIES – COLLEGE PLANNING

continued from page 4

excellent letter of recommendation or submit a unique college essay with your application for admission.

Once all your aid is applied, and you receive your award letter, if it is not what you need, try to negotiate with an appeal. You will need to state a reason, but if a parent's work hours were modified or there was another financial circumstance that changed, that may qualify. And if the student got a better aid offer from another school, let them know that too. Schools are competitive, especially for a good student. These types of appeals can save families thousands.

At the end of the day, and more than anything else, we recommend having a comprehensive strategy to find and pay for college. Today, with the cost of higher education, gone are the days of picking a school for the football team or because a friend goes there. Try to find a school that makes sense academically but also financially. Plan out a budget and stick to it. Lastly, there is no doubt COVID-19 will have its effect on colleges and universities. While we have yet to see how that landscape will be changed, we know now that visits to tour campuses are canceled, some testing has been canceled, and things will have to evolve - at least over the short term.

College is and can be an enjoyable experience, both academically and socially. However, with the price of that experience continuing to rise, it will be best to approach it with a plan and the mindset that it is truly an investment in your child's future. ■

FORM COVID-19 UPDATE

by Tyson Ray CFP®

It appears that this coronavirus will be with us for the rest of this year and quite likely into next spring, if not forever. Past pandemics have had a 16-month time frame, meaning that next summer could be the beginning of our new normal.

During this time, it has been evident to me that everyone has a different perspective on how to live during the COVID-19 pandemic. And rightfully so - there is no one-size-fits-all response. Out of respect for all our clients, we are planning to continue to limit client face to face meetings in our office.

As the State of Wisconsin opened in May, most of our associates at FORM Wealth have continued to work from home, and we plan on having the team back in the office by the end of the summer. Those team members who come into the office, in general, will work to maintain a distance of 6 feet from each other, including desk locations and will use non-contact methods of greeting (i.e., no handshakes).

To continue to stay connected to our clients, we plan to continue to leverage tools such as Zoom and eSignature to limit the number of visitors that need to come into our office. However, in the case where a face to face meeting is requested, it will be by appointment only and held in a way where we can maintain social distancing. We have face coverings, hand sanitizer and disinfectant wipes for our staff, advisors, and visitors when an in-office meeting is required.

I have been enormously proud of how well our team has worked remotely and continued to care for you, our clients, through these past few months. While we miss seeing you face to face in the office, we very much want to protect our team members, their families, and you. Thus, we will continue to serve you remotely for the rest of this year as we seek to do our part to keep this virus from spreading and infecting those we love. Stay well. ■

FORM FAMILY

Summer 2020



FORM MISSION

FORM Wealth Advisors seeks to be a family's sole financial advisor. Working with only a select number of clients, we consult by knowing your Family, Occupation, Recreation, and Mission. Then we focus on risk management.

FORM
wealth advisors

431 Geneva National Ave South | Lake Geneva, WI 53147 | 262.686.3005
formwealth.com

FORM Wealth Advisors is independent of Raymond James Financial Services, Inc. and is not a registered broker/dealer. Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Certified Financial Planner Board of Standards Inc. owns the certification marks CFP® and CERTIFIED FINANCIAL PLANNER™ in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements. Any opinions are those of Tyson Ray or Luke Kuchenberg and not necessarily those of RJFS or Raymond James. Expressions of opinion are as of this date and are subject to change without notice. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions. Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional. The information referenced has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation.