



THE STRATEGIC VIEW



JAY'S VIEW

Dear Friends:

I trust you are having a healthy year so far and a fun summer planned.

One of the topics that is consistently in the news and is very confusing for most of us is why it costs so much more to fill up your gasoline tank. According to AAA (American Automobile Association), the price per gallon of gas is the highest since 2014 and has increased 25% in the last 12 months. For our friends in California, you pay 25% higher for a gallon of gas than the rest of the country.

Why are prices so volatile? And why is the trend so much higher now than last year?

Cost of Crude: The price of crude oil is the most significant factor in the cost of fuel at the pump. For the period from 2008 to 2017, the U.S. Energy Information Administration estimated that crude accounted for 61% of the national average cost of a gallon of regular gas, with the rest attributable to refining (12%), distribution and marketing (12%), and taxes (15%).² All of these costs can vary at different times of the year and in different locations, but the cost of crude is subject to wide swings due to supply and demand on a global playing field.

The simple explanation of why gas prices are high this summer is that oil prices have reached levels not seen since 2014. The price of Brent crude, the global benchmark, topped \$80 per barrel in May 2018 before sliding back to around \$75 in mid-June. Back in June 2014, when the national average gas price was more than \$3.50

per gallon, Brent topped out above \$115 per barrel before plummeting to less than \$30 in February 2016.

Dwindling Supplies: Although oil exporters benefit from higher prices, increased costs and dwindling supplies have generated concern among industrialized oil-consuming countries, including the United States, which still depends on imports for almost 20% of the petroleum products that it consumes.

At a June meeting in Vienna, OPEC — supported by Russia and other non-OPEC oil exporters — agreed to a modest increase in production of up to 1 million barrels per day, about 1% of the global daily supply. The actual increase is expected to be less, but the additional output may help stabilize the market through the end of the year.

A Driving Nation: Despite high gas prices, Americans are embracing the summer driving season. For the week ending June 8, the estimated consumer gasoline demand rate was 9.88 million barrels per day, the highest weekly estimate on record. The American Automobile Association estimates that U.S. drivers are spending an average of \$69 more per month on gasoline this summer compared with last summer. Even with an improved economy and a tax cut, this is a significant burden. The average American is spending about 7% of his or her annual income filling the tank. How much is too much? In a survey conducted earlier this year, about a third of consumers said they would change travel plans if gas prices hit \$3.00 per gallon. For help in finding the best price of gas in your neighborhood, check www.gasbuddy.com.

Safe travels this summer, no matter what you pay at the pump! Thank you for your trust and your business.

Sincerely,

Jay Wilen



344.0	978.0	3983.0
743.0	4239.0	3241.0
335.0	3110.0	3.6%
1.9%	4.5%	2.7%
NMF	4.4%	NMF
NMF	NMF	NMF

UPDATED VIEW ON 529 COLLEGE PLANS

Effective January 2018, you can now use your 529 college savings plans for K-12 education up to \$10,000 per year per beneficiary. The qualified expenses can be used in public, private, or religious schools. This new rule is subject to certain state regulations.



MILESTONE VIEW TO RETIREMENT

We all know that Americans are living longer than ever. In fact, according to the American Academy of Actuaries, men have a 40% chance of living to age 90 and women have a 33% chance of living to age 95. Living longer means you need more financial resources during retirement.

The following are some milestones to consider when preparing for and living during retirement:

AGE 50: Beginning at age 50, you can make extra “catch-up” contributions to your qualified retirement plans. 401(k), 403(b), and 457 plans can take an additional \$6,000 more each year. SIMPLE IRA’s can take an additional \$3,000 more each year. Traditional and Roth IRA’s can take \$1,000 more each year.

AGE 55: If you have access to a Health Savings Account (HSA), you can add a “catch-up” contribution of an additional \$1,000 each year.

AGE 59½: Most retirement accounts may be accessed at age 59 ½ years old without penalty.

AGE 60: For those widows or widowers, you may be eligible for Social Security survivor’s benefit.

AGE 62: At age 62, you become eligible to collect Social Security retirement benefits. Your benefit is reduced at this age and you are subject to an earnings limit.

AGE 65: You become Medicare eligible. Unless you are still working and are covered by an employer health plan, you must file for Medicare Part B.

AGE 66-67: Depending on your year of birth, you become eligible for full retirement benefits with Social Security.

AGE 70½: The year you turn age 70 ½, you must take the required minimum distribution (RMD) from your qualified retirement plans (with some exceptions).

If you need some assistance on evaluating your readiness for retirement, please let us know.



RE-LAUNCH OF WEBSITE

We are very proud to announce the relaunch of our website. Please visit www.integratedfinancialstrategiesllc.com. The revised website has a new modern look and ease of navigation. The site is full of educational information on financial planning, investing, and insurance.



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