



CONLON DART

wealth management

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First Quarter 2019

Looking Back, Looking Forward

I am writing this column with mixed emotions. As you may or may not know, Conlon Dart will soon become part of EP Wealth Advisors. In many ways, EP is simply just a larger version of us, but with a deeper suite of services and expertise to offer our clients. While we are excited to get started and show you all EP has to offer, (see the adjoining Q&A for specifics), we do have our wistful moments, including the drafting of this, our final Conlon Dart newsletter.

Maybe this comes with the gathering of years, but the fact that Conlon Dart is celebrating its 15th anniversary in 2019 still surprises me a bit. It seems like only yesterday that Stephen and I first met and began our "dating" process. Neither of us had a partner in our previous firms, and the thought of having to be accountable to each other was unnerving. So we agreed to ask each other questions, a lot of them. We went well beyond the investment philosophy stuff, demanding answers about our favorite

sports teams, books, and musical artists. It would have troubled me deeply if, for example, Stephen had reported that Barry Manilow was his favorite artist from the '70s. He didn't, fortunately. Later in the process, our wives met, and they liked each other! We remain great friends to this day, and look forward to dinners at some fun new place a few times each year.

Fast-forward to today and we are proud of the firm we have become and the team we have built. Doing

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What's Next: Questions & Answers

Will I still work with my current advisor?

Yes. Your team will remain fully intact post-merger. Better yet, we will have a deeper support team behind us to further improve your experience.

Do I need to move my account?

No. EP Wealth works with Schwab and Fidelity, just as we do. Going forward, TD Ameritrade will also be available to our clients.

Will my fees change?

No, assuming you are already on the Conlon Dart fee schedule. A relative few clients are on legacy schedules from prior mergers. In these few instances, we will discuss revisions with you ahead of time.

Will you continue to update my financial plan?

Yes, and with more frequency in many cases. EP has deep financial planning resources and staffing ca-

pabilities, Financial Planners with specific subject expertise to help us work through more complicated planning solutions. EP also has an excellent suite of financial planning tools to augment what we currently use. As you can probably tell, we are eager to work with you on your next financial plan update.

Will I have access to a client portal and be able to view my account online?

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"May your hands
always be busy

May your feet
always be swift

May you have a
strong foundation

When the winds of
changes shift

May your heart
always be joyful

May your song
always be sung

May you stay
forever young"

Lyrics from

'Forever Young,'

Bob Dylan

Rich? Or Just Really Comfortable?

“The interesting thing about these numbers is that most of our tax policy assumes that one-percenters are truly rich...”

What would you have to make to be a one-percenter—that is, to have an income in the upper one percent of the population—in the U.S., Singapore, China, Brazil, England or Australia? The answer, of course, differs in every country. At the bottom of the scale, someone earning \$81,000 a year in India is in the upper one percent, while in the oil rich United Arab Emirates, you’d need to earn \$891,000.

The one-percenters threshold for each country, from lowest to highest, looks like this (all figures translated into U.S. dollars adjusted for purchasing power parity):

Country	Annual Salary
India	\$81,000
China	\$105,000
South Africa	\$162,000
Brazil	\$169,000
Canada	\$190,000
France	\$215,000
Australia	\$239,000
United Kingdom	\$290,000
United States	\$478,000
Singapore	\$694,000
United Arab Emirates	\$891,000

An article in Bloomberg also notes that different markets vary widely in terms of common expenses. For instance, to be one of the top 1% most expensive homes in Monaco, you would have to shell out \$26.4 million, far above number two on the list: Singapore, at \$6.8 million. Los Angeles and New York share the title of most expensive 1% homes at \$3.8 million, while the costs in Cape Town, South Africa and Mumbai, India for a one-percenter home is just \$600,000.

If the one-one-percenters wanted to hire a live-in nanny, the average cost in Los Angeles would be \$83,200, well above the \$41,000 cost in New York, or \$40,000 in Beijing, London and Vancouver. The average cost for a live-in nanny in Paris is \$48,000.

The interesting thing about these numbers is that most of our tax policy assumes that one-percenters are truly rich—and while people earning these numbers in these various countries are certainly comfortable, would you call them “rich?” It might be more helpful if tax policy changed the definition of “rich” to the upper one-tenth of one percent, or even one-hundredth.

- Robert Veres
Inside Information

Source:
<https://www.bloomberg.com/news/articles/2019-02-04/a-global-guide-to-what-it-means-to-be-part-of-the-1?cmpid>

Looking forward...

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the work we've done for so long, we know we are fortunate to have a place where we enjoy coming to the office each day. It helps that we get to engage with a variety of clients with disparate personalities and circumstances, and our job is made easier yet by having a wonderful team in place to support you. Speaking of our team, we are excited that each and every one of us will remain in place once we transition to EP.

Why are we joining EP?

Much of this will be addressed in the adjoining Q&A, but some color first. Over the last couple of years, Stephen and I have each fielded more questions from clients of the "What happens if you retire?" variety. Why, I don't know. While we might be deluded, we still consider ourselves young upstarts in this business. Still, the questions lingered. So we found ourselves contemplating them more frequently over our twice-monthly, end-of-day "beer meetings," which in our defense, often prove reasonably productive.

Neither of us plans to retire any time soon (frankly, I wonder if Stephen ever will), but we did conclude that having a succession plan in place was the responsible thing to do, both for our clients and our team. We've both seen too many advisors stay on too long, or conversely, sell their practices to the highest bidder, caring far too little about how their clients were treated post-transaction. We didn't want any part of that.

So we spent time looking at our options, and, sometimes grudgingly, allowed firms to come in and speak with us. For various

reasons relating to firm culture or investment philosophy, we knew pretty quickly that most firms were not the right fit. But a few meetings went better, so we took the process further. Eventually, EP stood out. Their 'client first' approach, including a very robust financial planning department, made our advisory team (myself, Stephen, Rick Bryan and Joe Boden), excited about spending the remainder of our careers as senior EP professionals. That, along with the fact that EP valued our talented staff, not just our clients, was a real plus.

In going through this process, we learned one more thing. Over the years, as our team has grown, both Stephen and I have naturally taken on more responsibilities in addition to working with you, our clients. Given that EP has a deep, experienced support team, we are more than happy to relinquish many of these day-to-day administrative duties. Going forward, we will have more time to spend working on solutions alongside our clients, which is what drew each of us to this profession in the first place.

As a client of Conlon Dart, we are confident you will find the transition seamless. We will of course be discussing the transition with each of you, but we think the accompanying Q&A should answer some of your questions.

In the meantime, we would like to extend a very big thank you for your continued trust and support over these many years of working together.

- Mitch Conlon

"This process of joining EP has swelled my appreciation for our clients and the people I work with each day. It's been a great journey and I look forward to the next chapter."

- Stephen Dart

Finding
Clarity
in
the
Complex.

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Q & A...

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Yes. EP offers a portal similar to what we currently use. They also offer an enhanced viewing experience that supports a more automated update to important aspects of your financial plan. We will discuss this feature in more detail with you in the coming months.

Will my portfolio holdings remain the same?

Generally speaking, yes. It was critically important to us to partner with a firm who has a similar investment philosophy to our own. EP is very much aligned with us in that regard, blending both active and passive strategies in a cost-efficient manner. EP offers a deep investment team, including a team of Chartered Financial Analysts™, (CFA®) along with very robust research capabilities. We look forward to augmenting your current portfolio with additional recommended holdings over the next several years.

Can we keep our regular meeting schedule?

Yes. Our objective is to improve the client experience,

not diminish it. If you are pleased with the current level of communication you have with your advisor, we will gladly maintain it as is. If you would like the plan tweaked in some fashion, we encourage you to talk with your advisory team and adjust as needed.

Will you continue to blog and offer commentary?

For good or bad, you are stuck with us on that front. We will continue to share our thoughts in some fashion, though we will be slowing down the pace of our weekly blog. Fortunately, we are impressed with EP's own brand of client communications, including their own newsletter, extensive market commentaries, and financial planning messaging. EP also offers frequent educational webinars and speaking events, not unlike our existing Speaker Series. We think you will be pleased with the array of learning opportunities ahead. We will keep you posted as these events arise.

STAT BANK

48 ... Percentage of working Americans surveyed in 2018 anticipate working past age 65, up from 16% of workers who felt that way 30 years earlier.
(Employee Benefit Research Group)

25.5 ... Percentage of Americans who had no claims for any health care service (no doctor or clinic visit, or drug prescription fill) in 2017.
(Health Care Cost Institute)

40...Percent of American homeowners who own their home free and clear of any debt. Of those with debt, the median outstanding loan balance is \$126,000.
(Census Bureau)

6.6 ...Percentage growth of Chinese economy in 2018, its lowest growth rate since 1990. The US economy grew by 2.9% in 2018, its best growth rate since 2005.
(National Bureau of Statistics of China)

10,400...Number of Americans who will turn 65 each day this year. This group represents the 9th of 19 years Baby Boomers will turn 65 through 2029.
(Government Accountability Office)

301...The number in billions Venezuela has in estimated oil reserves. This represents the largest reserve in the world and is nearly 8 times the estimated reserves in the United States.
(World Atlas)

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