

the BENCHMARK

BCS Wealth Management's Quarterly Newsletter



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By Philip Bachman

Data Breach: Your Security To-Do List

Unfortunately, data breaches have become common in today's digital world. It is estimated that more than 111.7 million Americans have their personal information exposed to data breaches every year. Whether it's a planned cyberattack or an unintentional data leak, the risk of a data breach is a reality that we all face.

Names, email addresses, account numbers, and other sensitive information are being swept up by hackers for fraudulent activities. These breaches happen across two spheres: breaches of institutions that people trust with their data directly, such as retailers and banks, and breaches of entities that acquire user data secondarily, such as credit bureaus and marketing firms.

Steps to Minimize the Impact

Data breaches can occur even if you practice good cybersecurity habits and are not personally targeted. If you receive a notification that your sensitive information has been stolen in a data breach, it's important to take immediate action to mitigate the damage.

Stay Informed: Keep yourself updated about the breach by signing up for updates from the affected company. This helps you stay aware of any developments or actions being taken to address the breach.

Understand What Data Has Been

Compromised: Read the notification carefully to understand what specific information may have been exposed. This could include your name, address, email, passwords, credit card details, or even your Social Security number. Knowing exactly what data has been compromised will help you take appropriate action.

Report Identity Theft: Whether due to a widescale breach or otherwise, if you suspect you are a victim of identity theft, report it to the Federal Trade Commission (FTC) through its website [IdentityTheft.gov](https://www.ftc.gov/identitytheft). This resource will guide you through the necessary steps to recover from identity theft and protect yourself from further harm.

Change Passwords: Change the passwords of all your online accounts, especially those that may have been compromised. Use strong, unique passwords for each account.

Financial and Credit Accounts: Report fraud or identity theft to your financial institution, and follow instructions they provide regarding your account. Monitor your financial accounts for any suspicious activity as time goes along. Also, monitor your credit reports periodically. You can request a free credit report annually from each of the three major credit bureaus (Equifax, Experian,

and TransUnion). The official website is [AnnualCreditReport.com](https://www.annualcreditreport.com).

Consider Placing a Credit Freeze: Placing a credit freeze blocks identity thieves who might be trying to open lines of credit in your name. A freeze works by preventing potential creditors from accessing your credit report. A credit freeze won't affect your credit score or your ability to use your existing credit cards, apply for a job, rent an apartment, or buy insurance.

You'll need to contact each of the three major credit reporting agencies individually to freeze your credit with them. You can do this online, via the phone, or through the U.S. mail. The quickest and easiest way to freeze your credit is online. The websites and contact information to freeze your credit are listed at the top of the next page.

If you need to apply for new credit, you can lift the freeze temporarily. Placing and lifting the freeze is free, but you must contact the three credit bureaus to lift it and put it back in place. A freeze lasts until you remove it.

Or Consider Setting up Fraud Alerts: A fraud alert offers some peace of mind and isn't as extreme as a credit freeze. Setting up fraud alerts doesn't limit access to your credit report, but it tells businesses to check with you before opening a new credit account in your name. Usually, that

Credit Bureau	Online	By Phone	By Mail (Credit Freeze Only)
Experian - Credit Freeze	https://www.experian.com/freeze/center.html	888-397-3742	Experian Security Freeze P.O. Box 9554 Allen, TX 75013
Experian - Fraud Alert	https://www.experian.com/fraud/center.html	888-397-3742	
Equifax - Credit Freeze	https://www.equifax.com/personal/credit-report-services/credit-freeze	888-298-0045	Equifax Information Services, LLC P.O. Box 105788 Atlanta, GA 30348
Equifax - Fraud Alert	https://www.equifax.com/personal/credit-report-services/credit-fraud-alerts	800-525-6285	
TransUnion - Credit Freeze	https://www.transunion.com/credit-freeze	888-916-8800	TransUnion P.O. Box 160 Woodlyn, PA 19094
TransUnion - Fraud Alert	https://www.transunion.com/fraud-alerts	800-680-7289	

connection. For even more solid security when you browse, you could opt for a VPN (virtual private network) service that encrypts 100% of your browsing traffic.

Update Your Software: Keep your phone and computer's operating system and antivirus software up-to-date to ensure you have the latest security patches and protections against known vulnerabilities.

Regularly Back up Your Data: To be prepared for a breach or other data loss event, regularly back up your important files and data to an external hard drive or cloud storage service.

While these steps can minimize the risk of personal data breaches, no security measure is foolproof indefinitely. We all must stay vigilant in protecting our personal information as time goes on.

Our office takes data security seriously, and so do our account custodians. Charles Schwab & Co. will cover losses in any of your Schwab accounts due to unauthorized activity. The webpage <https://www.schwab.com/schwabsafe/> security-guarantee provides details.

Thank you for your trust in our team. Let us know if we can be helpful in these or other areas.



Philip Bachman,
CIMA®
Financial Advisor,
Investment
Management &
Portfolio Research

means calling you first to make sure the person trying to open a new account is really you.

Place a fraud alert by contacting any one of the three national credit bureaus. That one must notify the other two. A fraud alert lasts one year, and you can renew it for free. If you've experienced identity theft, you can get an extended fraud alert that lasts for seven years.

Preventative Online-related Steps

Even if you've not been part of a wide data breach, it's important to take steps to prevent some risk of identity theft. Here are some steps that are particularly geared towards reducing the risk of an online attack.

Limit the Information You Share:

Be cautious about sharing personal information online, especially on social media platforms. Avoid posting your full birthdate, phone number, or other sensitive details that could be used for identity theft.

Be Cautious of Phishing Attempts:

Phishing is a common tactic used by hackers to trick individuals into revealing their personal information. Be skeptical of emails, messages, or phone calls asking for personal information, exhibiting a sense

of urgency about a money matter, or directing you to click on suspicious links. When in doubt, contact the organization directly through their official website or phone number to verify the request.

Use Strong, Unique Passwords: Avoid using common or easily guessable passwords. Additionally, use a different password for each online account to minimize the risk of multiple accounts being compromised if one password is breached. Update passwords regularly.

Set up Multi-Factor Authentication:

Enable multi-factor authentication for all your online accounts. This adds an extra layer of security by requiring a second form of verification beyond your password, such as a unique code sent to your phone.

Use Secure Wi-Fi Networks:

When accessing the internet in public places, use secure, password-protected Wi-Fi networks. Avoid using public Wi-Fi networks that are unsecured, as they can easily be intercepted by hackers.

Look for the "https" & the Padlock Icon

When You Visit a Website: Not just http, but https. When you see that added "s" at the start of the website address, you are looking at a website with active TLS/SSL encryption. A padlock icon in the address bar confirms an active TLS/SSL



By Nathan Goodwin

Quarter Review

Last quarter, Myra commented how a return chart full of green makes these updates easier to write. The third quarter, unfortunately, takes us back to red figures, but we still see gains on the year for stocks.

On one hand, it's easy to focus on the negative quarter. Battered by rising interest rates and other headlines, the quarter delivered negative returns for stock and bond indexes.

On the other hand, the stock market still maintains positive gains year-to-date, despite the "September Effect" (referring to the historically weak market returns for the month of September, the worst performing

month of the year on average). After the first half of the year that produced gains of almost 16% for the S&P 500 and 32% for the Nasdaq, a drawdown was natural and likely.

One of the difficult things to grasp about the stock market is that it's not one perspective or the other that's necessarily right. It can be both at the same time. It's not "pick a side;" it's "examine and digest all sides." So, let's take a deeper look.

Interest Rate Policy Still in Focus

While we started the quarter with positive returns for July, another 25-basis point rate increase on July 26th started a shift in the markets. This increase moved the Fed Funds

Major Stock Indexes	3rd Quarter 2023	YTD
DJIA	-2.6%	1.1%
Nasdaq Composite	-4.1%	26.3%
S&P 500	-3.6%	11.7%
Russell 2000	-5.5%	1.4%
Global Dow	-2.9%	7.8%
Japan: Nikkei 225	-4.0%	22.1%
Stoxx Europe 600	-2.5%	6.0%
UK: FTSE 100	1.0%	2.1%
Major Bond Index	3rd Quarter 2023	YTD
Bloomberg Barclays US Aggregate (Total Return)	-3.7%	-1.2%

Rate to 5.25-5.50%. Loan rates are an example of how the Fed's interest rate policy influences real life.

The average 30-year mortgage rate is now over 8%, up a whopping 157% from this time two years ago (3.12% compared to 8.03%).

What's behind these increases? The Fed uses these tightening policies to slow inflation, which has been in constant focus over the past couple of years. The most recent data available at the time of writing comes from the Personal Consumption Expenditures index for August, which showed a 0.1% increase in core prices and a 3.9% trailing 12-month inflation rate.

The 3.9% inflation rate was down from a 4.2% reading in July. Yes, it's moving in the right direction, but it's still not near the Fed's target inflation rate of 2%.

The Fed did not raise rates in September, citing signs of a slowing economy. One might have thought this pause would have been well received by the markets. However, it was accompanied by dialogue asserting that future increases are still possible and will be used if inflation doesn't continue to drop. Perhaps what echoed most throughout the markets were the inferences suggesting the "higher for longer" scenario is becoming more of a certainty. Markets that have benefitted from low interest rates for more than a decade did not like hearing this.

Headlines and Headwinds

Fears of recession, a possible government shutdown, and general uncertainty and

turmoil didn't help markets either. We believe such headlines contributed to the stock market selling off in September.

The worst performing stock sector in the third quarter was utilities, followed by real estate. Although generally considered to be on the more stable side of equities, utilities tend to carry higher debt loads. Those obligations are now being affected by higher interest rates. Real estate stocks are being hit in similar fashion, with home affordability hitting a 40-year low in September. Conversely, the best performing sector in the quarter was energy, which gained 11.3%. This was the result of higher oil prices amidst historically low supply.

An Optimistic Stance

Looking ahead, there are positives to consider. Some Fed officials have stated that if we're not at peak rates yet, we're close. While the "higher for longer" mantra is still playing out, many economists agree that the current interest rate level is at or near the peak.

Inflation is retreating. As mentioned previously, we're not at the Fed's desired target of 2%, but it is falling and is now under 4%.

The Fed's policies, while painful and debatable at times, seem to be working if being judged strictly by inflation's trendline.

Piggybacking on something Myra noted in our last letter, only a handful of stocks are responsible for the bulk of the market's gains this year. That leaves room for a more robust recovery for many other companies that haven't rebounded yet. The fourth quarter

historically is often the best quarter in the stock market.

Centering on Financial Planning

We always mention the importance of reviewing your financial plan and sticking to your plan during times of uncertainty. I say this in every one of these I write, but I believe it's worth repeating. We don't know what the markets will do in the near term, but having a good financial plan means we don't have to. Being emotionally reactive to down markets last year could have cost you sizeable returns this year.

There are valleys on the way to the mountain summit. It may feel like a treacherous hike, but we're walking beside you every step of the way.

It's hard to believe this is our last newsletter of 2023! It has been a great year here at BCS Wealth Management. We're well on our way to completing our 25 service projects commemorating our 25 years in business. We could not have achieved this milestone 25th anniversary without you, our amazing clients and friends.

We wish you a blessed holiday season, and we hope to see you soon.



The Benchmark Podcast Coming Soon!

Employee Spotlight

Meet Ginny!

Our newest team member and Insurance Client Service Associate

Q. Where are you from originally?

A. I'm originally from Georgia (a Georgia Peach), and my whole family still lives there.

Q. Can you tell us a little about your husband and family?

A. My husband Joel and I have been married for 23 years. He's worked as the student pastor at Heritage Baptist Church the last ten years. He's an active, busy guy who loves his job and the kids he works with. We have two kids—Ben is 17 and Daniel is 16. They were homeschooled and have attended Kingsport Christian Academy as well the last several years. They are my proudest accomplishment, and I'm so grateful to have been a part of watching them grow into responsible, kind young men.

Q. What do you like to do outside of work? What are your hobbies?

A. Our family loves to hike, and we are just starting to kayak some as a family. I enjoy reading, and my absolute favorite books are Jane Austen's. We also are big movie fans and enjoy family movie night once or twice a week.

Q. What is the top place you would like to travel to?

A. So many places! Joel and I met in Moscow, Russia, so I would love to go back there one day. I want to travel around Europe and see the history of the cities there. We had the joy of traveling out west for two weeks to visit six national parks back in May, so I would love to go back and explore more of our own country. Like I said, I'd love to travel just about anywhere.

Q. Anything else you would like to share?

A. I'm happy to be a part of this organization, and I appreciate how warmly you all have welcomed me.



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By Scott Hoilman

Insurance Group Benefits

With ever-increasing costs of healthcare services, many are turning to rely on their employer for holistic healthcare coverage options. A Compt study revealed 91% of C-level executive and vice president roles think their employees are happy with their group benefits, while the same study shows nearly a third (31%) of their employees said they weren't happy with the package.

In today's competitive job market, employers are increasingly offering comprehensive group benefits packages to attract and retain top talent. This is a popular time of year for business owners to think about their benefit offerings. Many employers have their insurance group benefits renewal on January 1st each year, although it can also be on other cycles.

Managing group benefits can be challenging and time-consuming for some employers. With costs rising and pressure from employees mounting, how should employers tackle this? Here are a few high-level tips in insurance group benefits administration.

- Have a "point person," such as an HR or office manager role, to internally oversee and administer group benefits to staff. They should ensure all eligible new hires are presented appropriate information and benefits enrollment options.
- Work with a trusted group benefits agent, who can provide cost-saving solutions and plan designs to fit your company's needs.
- If company size merits it (over 50-100 full-time employees), use a group benefits administration platform, like EmployeeNavigator.com, to streamline enrollments, onboarding, and much more while reducing paperwork burdens.
- At renewal time, employers have the ability to consider alternate carriers and plan designs, add additional lines

of coverage, or even add an HSA option, for example. Employers should keep an ear open to staff to continually cater the package to their teams' needs.

It's no surprise that a study from Willis Tower Watson showed 78% of employees reported they're more likely to stay with an employer because of their comprehensive benefits package. We encourage you to annually evaluate your insurance package. Do not hesitate to reach out to us if the coverages and/or costs are a pain-point for you and your staff. We'd be happy to help!

Scott Hoilman,
Group Benefits and
Insurance Advisor



Here to Stay!

We are happy to announce that Eliza Parton has joined us as a financial planning associate. Eliza was a May 2022 graduate of ETSU, with a degree in finance and a minor in management. She will complete her MBA through ETSU in May 2024. Eliza has been with us as an intern since January of 2021, and we're excited that she is now an official member of the team!



BCS Wealth Management is an independent financial planning firm in Johnson City, TN. We help individuals, families, and businesses reach goals important to their financial wellbeing. We provide investments and financial planning, insurance, and group benefits.

bcsworld.com



Client Event at Johnson City Country Club

We had a great time celebrating our 25th Anniversary with our clients! From photo booths to special guests, it was a beautiful day spent with the ones who made this event possible.



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