

Insights

BUILDING
AND PRESERVING
YOUR WEALTH



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A close-up, high-resolution photograph of a woman's eye, showing the iris, eyelashes, and surrounding skin texture. The eye is light-colored and looking slightly to the right.

Women & Investing: A Fresh Perspective

What we can *all* learn from women's unique approach to financial decisions and planning



BY ADAM WITTAN
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What a Strong Dollar May Mean to You

After years of stability relative to other currencies, the value of the U.S. dollar charged upward in the past several years, rising 13% in 2014, 9% in 2015, and 4% in 2016.¹ This has put downward pressure on overseas investments for U.S. investors. But now the tide may be moderating, and Regions has adjusted its forecasts to help you to take advantage of the shift we expect.

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Non-U.S. developed market equities could benefit from a stabilizing, or perhaps even a weakening, dollar.
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First, the good news: For Americans traveling abroad, a strong dollar is welcome news. From hotel rooms to restaurants, sightseeing to souvenirs, a strong dollar means you can buy more with less. The same holds true for American consumers when we purchase foreign-made goods.

But for those who invest in overseas markets, a strong dollar is less than ideal. Much of the reason lies in currency-exchange rates: When most foreign securities are sold, the proceeds are converted from their native currency to U.S. dollars. If the dollar is worth more relative to a currency now than it was when the security was purchased, some of its value is lost in the translation.

The strong dollar has also been a drag on the large U.S. multinational corporations that comprise the S&P 500[®] stock index. Some of these businesses get 40% or more of their earnings overseas,

so they face these same exchange-rate issues when they convert foreign earnings back to U.S. dollars. In addition, a stronger dollar makes the companies' products more expensive overseas, so foreign consumers buy less of them.

We believe that the bulk of the U.S. dollar's strength is likely behind us and that its value will increase only marginally, if at all, against a broad basket of developed market currencies in 2017. In fact, the dollar was down nearly 2% in the first quarter of 2017.² Thus, international investments—including fixed income and stocks—may be less likely to face the same currency headwinds that they have over the past several years.

As a result, some investors may now be considering shifting their portfolio allocations to increase exposure to foreign investments. Emerging market equities are a particular area where we might see an uptick in interest from U.S. investors. Non-U.S. developed market equities also offer relative value vs. U.S. stocks and could benefit from a stabilizing, or perhaps even a weakening, dollar.

Fixed-income investors, on the other hand, may opt to keep only minimal exposure to foreign-bond mutual funds or ETFs, due to lower interest rates overseas and the rising likelihood that these rates will increase as economic growth accelerates abroad.

Rest assured that we're continuously monitoring the big picture for important intermediate and longer-term trends, and that we are committed to helping you try to reach your goals regardless of the market's whims. Feel free to reach out to your Wealth Advisor for ideas about how the shifting value of the dollar might affect your investment strategy. ▲

^{1,2} Bloomberg LLP, 2017

My Lawfully Wedded Business Partner

The husband-and-wife team of **Ivy and Josh Elrod**, New York artists and performers, turned their creative vision into a Nashville business reality.

Like many young creatives, Ivy Risser and Josh Elrod migrated to New York City. She studied playwriting and danced as a Rockette at Radio City Music Hall. He played drums in a band and performed for 10 years—bald, painted and wordless—with the Blue Man Group. After meeting, marrying and having two children, the couple faced a new challenge—how to settle down and raise a family while still making a living in the arts.

Their answer: They opened Wilder, a Nashville boutique that sells contemporary home decor, much of it by artisans from Tennessee and the broader South. The couple made it the site of frequent art openings and performances, and it's become a hub for the city's creative community. We caught up with the Elrods to learn the secret of their success—as entrepreneurs and as husband and wife.

AFTER “I DO”

Clockwise from top right: Ivy and Josh Elrod with daughter Rev; a look inside Wilder, in the Germantown suburb of Nashville.



RELOCATING

Ivy: We initially planned to open a store in New York, but I realized that in a less expensive city, we could afford to make creative choices and not face closure after one misstep. We examined the collective energy and creative backbone of a lot of cities, and Nashville really stood out.

THE NEW (CREATIVE) SOUTH

Josh: A lot of what we do is make connections and build community—we host artists from New York, collaborate with people in the Southeast. The artistic buzz we generate helps our business. These days, creatives don't have to go to L.A. or New York. They can move from a small town in Alabama to Nashville and have the best of both worlds—access to the greater cultural conversation and the intimacy of the South.

MIXING ART AND BUSINESS

Ivy: Josh and I are disruptive people by nature: socially, culturally, professionally. You wouldn't think so, but that helps us as entrepreneurs. In addition, as a performer, I had a real, solid base of technique in both ballet and classical music, and I use that focus and discipline in our business.

DIVISION OF LABOR

Ivy: We're both involved in the creative side of the business, but our roles are clearly delineated. Josh is the idea man. He spots trends, works with artists, creates the atmosphere in the store. I'm a sounding board for all that, but spreadsheets get me excited. Knowing that helps us balance our roles—and stay out of each other's hair.

TRUE PARTNERS

Ivy: We know each other really well. That's a result of us being married rather than just business partners.

Josh: We keep moving forward together, honoring the spirit of our relationship. ▲



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