



No One is Ever Alone.

State Trooper Craig Baum and Mike Galloway both recently receive Lifesaving medals from Director Frank Milstead of the Arizona Department of Public Safety.

Trooper Baum and Mike both were able to restrain a distracted female just as she was attempting to jump off an overpass on the 101/202 Red Mountain freeway interchange.

Sadly suicides accounts for more first responder and military deaths each year than those fallen in the line of duty. It's a subject difficult to discuss.

Remember, no one is ever alone.

- National Suicide Prevention Lifeline: [1.800.273.8255](tel:18002738255)
- Bulletproof: [1.602.433.2677](tel:16024332677)
- FireStrong: [1.844.525.3473](tel:18445253473)
- Military Crisis Hotline: [1.800.273.8255](tel:18002738255)





The Economy

by Pierre Brachet – Portfolio Manager

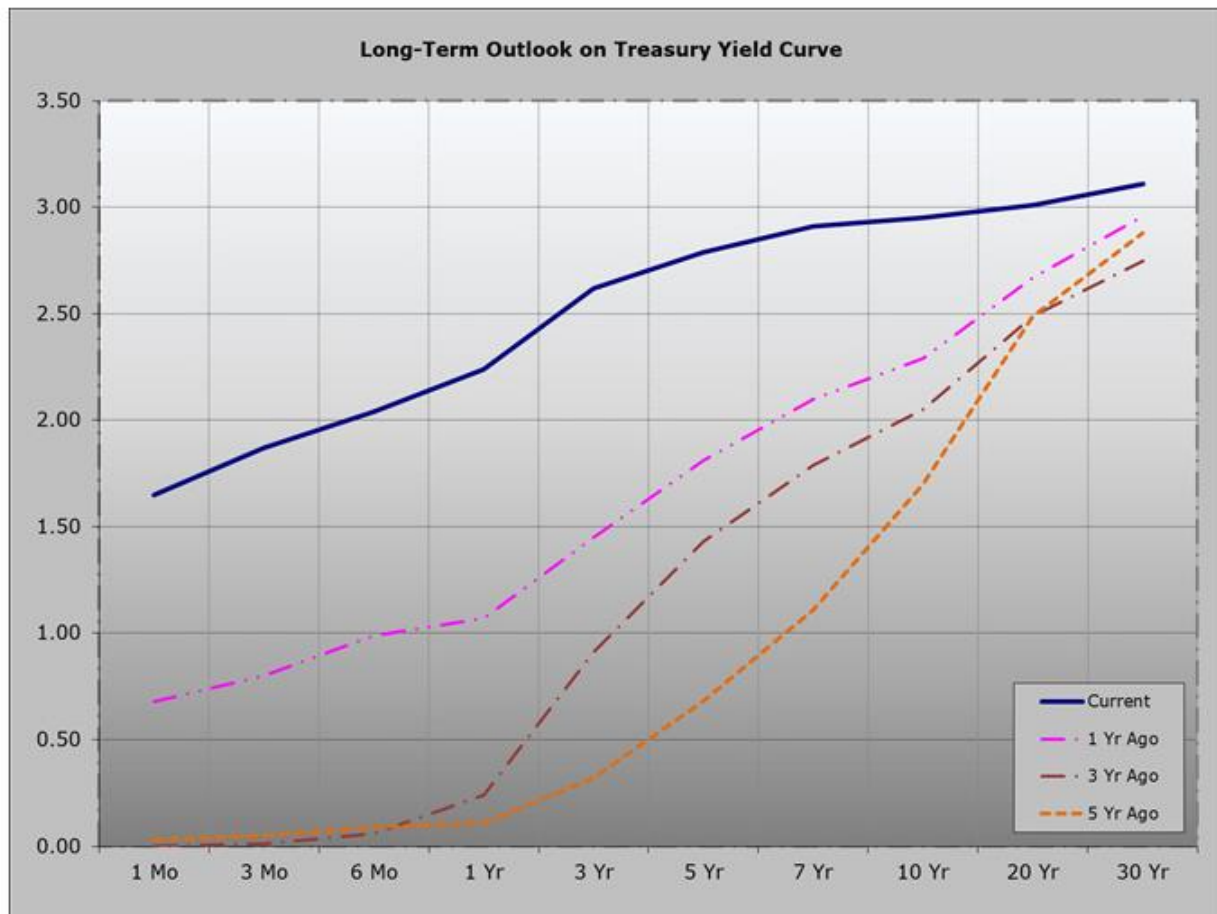
There has been much talk about the “flattening of the Treasury yield curve” in recent financial commentaries. The Treasury yield curve is a graphical representation of the yields investors can expect when investing in various maturities of U.S. Treasury Bills, Notes and Bonds.

Every one of the last seven recessions was preceded by an inverted yield curve (when short term yields are higher than long term yields) so the move from a steep yield curve to a flat curve is a cause of concern for some people.

The reason this phenomenon occurs is based on the *investor expectations theory*. As the prospects for the economy dim, investors expect long term rates to decrease, perhaps due to easing monetary policies, and flock to the long end of the curve in order to lock in the current higher rates. Doing so pushes the yields down further (high demand for long term bonds increases their price and because price and yields are inversely related, yields go down). Meanwhile, the reverse happens on the short end of the curve: demand falls and higher yields are needed to attract new investors.

If we plot the current yield curve and compare it to its shape 3 and 5 years ago, we can clearly see that it has indeed flattened. Compared to last year however, the change looks more like a parallel upward shift caused by an environment where interest rates over all are rising. The difference in yield between the 1 year and the 10 year Treasury however is still a respectable 0.75% so we still have some way to go before the curve inverts.

In addition, the historical correlation between an inverted yield curve and recessions does not imply causation. The US economy is still growing, unemployment is falling and consumer demand is improving. For these reasons, although we continue to keep an eye on the Treasury yield curve, the odds of a recession in the near term appear to be fairly muted.





GALLOWAY



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Pierre's Weekly Market Updates.**

Moving Out of Arizona?

If you are Public Safety Personnel Retirement System retiree and moved out of Arizona or only live in Arizona part of the year, below are important facts you should be aware of regarding your PSPRS pension income and taxes. Remember, we are not tax advisors so please consult your tax advisor regarding your specific situation.

- 1.) 1996 Federal law prohibits any state from taxing certain retirement income (mainly pension income) unless you are a resident in that state.
- 2.) PSPRS retirees who are AZ residents for a partial year are only required to pay AZ taxes on retirement income earned while they are residents. (AZ DOR form 140 PY)
- 3.) Non-Residents of Arizona are required to file taxes in Arizona if they earn personal non-retirement income in Arizona. (AZ DOR 140 WR form)
- 4.) PSPRS recipients that have paid taxes on this income as non-residents may file an amended Arizona tax return for each year back to as many as 4 years to get a refund. (AZ DOR 140X)
- 5.) 1099 forms cannot be altered to reflect residency, but the AZ DOR will change residency electronically. Their phone number is 602.255.3381.

If you are retired, collecting a PSPRS pension, and you are moving out of state please consult a tax advisor to determine if you are required to pay Arizona income taxes.

To stop Arizona income tax withholdings from your pension, PSPRS requires the A4-P form.

<http://go.pardot.com/e/147731/forms--resources-retirees/48vmbtr/249719090>

A special thank you to retired Chief Gary Bradbury for helping us research on this topic.



PSF/Galloway Welcomes Keilah Hamlin

Keilah joins Public Safety Financial/Galloway. An Arizona native, Keilah is a graduate of Grand Canyon University and the Colangelo College of Business. After earning her Business Administration degree Magna Cum Laude – with an emphasis in Human Resources — Keilah hopes to go back to school soon to earn her Master's in Business Administration. Although this is her first year in the Financial Services industry, Keilah has always been passionate in helping people achieve their goals. In her spare time, Keilah likes to hike, cook, travel, and spend time with her husband and puppy.

We Are Coming Your Way in June!

For more information regarding additional seminars throughout the year, please go to: <http://go.pardot.com/e/147731/seminars/48vmbt/249719090> or call us at 480.325.8668.

Financial Wellness - PSPRS Benefits & Recent Change

June 1, 2018 - (10AM-12PM)

Yuma Police Department Community Room

1500 S. 1st Avenue Yuma, Az. 85364

Retirement & Beyond - PSPRS

June 1, 2018 – (1PM-3PM)

Yuma Police Department Community Room

1500 S. 1st Avenue Yuma, Az. 85364

Financial Wellness - PSPRS Benefits & Recent Changes

June 7, 2018 - (10AM-12PM)

Glendale Regional Public Safety Training Center

11550 W. Glendale Ave., Glendale, Arizona 85307

Retiring From PSPRS

June 7, 2018 - (1PM-3PM)

Glendale Regional Public Safety Training Center

11550 W. Glendale Ave., Glendale, Arizona 85307

Financial Wellness - PSPRS Members

June 8, 2018 - (1PM-3PM)

City of Payson Council Chambers

303 N. Beeline Hwy, Payson, AZ

Where will PSF/Galloway Financial Advisors be in June?

- **May 30th- June 2nd** – PFFA Convention - JW Marriott Starr Pass Resort
 - **June 1st** – Yuma Fire Ball - Quechan Resort & Casino
 - **June 5th** – 2018 Open Enrollment Town of Benson - Benson, AZ
 - **June 7th** – The 21st Annual "Hope for Firefighters" Event - Los Angeles, CA
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Recent PSF/Galloway Client Retirements

We congratulate those PSF/Galloway Clients who have recently retired. We thank you for your service and hope you enjoy the next chapter in your life!

- **Chief Ron Knight** – Queen Creek Fire & Medical Department – 12 years
 - **Officer David Garcia** – Mesa Police Department – 21+ years
 - **John Simonis** – City of Mesa - Parks & Recreation – 27 years
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