KESSLER INVESTMENTS, INC.

Autumn Newsletter 2018

College Savings with Kessler

Did you know that Kessler Investments offers options for saving for college? You can start a college savings plan for as little as $50 a month. We often assist parents, grandparents, aunts and uncles in developing a plan for assisting with the ever rising cost of college. We can also work with expecting parents who wish to get a jump start on saving.

In one option, the 529 Plan, funds can be used to pay for more than the traditional 4 year college or universities. You have the option to use your savings for community colleges, vocational or trade schools or graduate degrees. Changes for the 2018 tax year also allow for withdrawals of up to $10,000 per a student per a year to pay for private school tuitions for grades K through 12.

If you are interested in learning more about how you can start today to save for college tomorrow please reach out to our offices at 978-249-2837.

Thank You, Nick the Intern!

If you visited Kessler Investments this past July you might have met our summer intern, Nick Rumke. Nick is from Bel Air, MD and is currently attending Olivet Nazarene University in Bourbonnais, Illinois. He is interested in becoming a CFP, or Certified Financial Planner. Nick spent his two weeks shadowing the team and being fully immersed in the "Kessler Way". As you can probably tell he had a very full schedule of learning the ends and outs of the financial planning world. We wish him the best of luck in his future.

Congrats to Our 2018 Scholarship Recipients

Kessler Investments is very proud to announce our 2018 Scholarship recipients. This year we had three outstanding students from the Athol Orange area.

Daryl Chapalonis is a 2018 graduate from Athol High School. Throughout his high school years he was active as the Girls Volleyball Manager, Spirit Week Committee Member, Student Council Events Coordinator/ Manager as well as assisted with the Annual Santa Funds Deliveries. He was also a member of the SADD (Students Against Destructive Decisions) and the 84 Group.

Connor McCarthy (pictured left) is a 2018 graduate of Ralph C Mahar. Connor is now attending UMASS Amherst for Business Management. Throughout his time at Mahar he was a member and secretary of the Key Club and a Member of the National Honor Society. Connor was also an active with the Boys Varsity Soccer team and a very active member with the many bands at the high school, including marching and pep.

Cynthia Doyle (pictured right) is a resident of Orange, MA and a current student Fitchburg State College. Cynthia is working towards her degree in Business Management while also working a full time job with Mount Wachusett Community College and being a mom to her two children. She also recently graduated from Mount Wachusett with her Associates in Business Administration. During her time at Mount Wachusett she was an active in Phi Theta Kappa Honor Society, Alpha Beta Gamma Honor Society and was awarded a medal for 80 plus hours of community service upon graduation.

And Baby Makes Three

Chris and Catey Deveneau recently revealed they are expecting a baby girl in February 2019. Congrats to the happy couple!

Christmas in July?!

There is nothing wrong with a little wishful thinking. The heatwave made us long for cooler weather, so we decided to celebrate early.

Learn more about your saving options.

(978) 249-2837

Saving for Retirement & a Child's Education at the Same Time

You want to retire comfortably when the time comes. You also want to help your child go to college. So how do you juggle the two? The truth is, saving for your retirement and your child's education at the same time can be a challenge. But take heart — you may be able to reach both goals if you make some smart choices now.

Know Your Financial Needs

The first step is to determine your financial needs for each goal. Answering the following questions can help you get started:

For retirement:

- How many years until you retire?
- Does your company offer an employer-sponsored retirement plan or a pension plan? Do you participate? If so, what's your balance? Can you estimate what your balance will be when you retire?
- How much do you expect to receive in Social Security benefits? (One way to get an estimate of your future Social Security benefits is to use the benefit calculators available on the Social Security Administration's website, www.ssa.gov. You can also sign up for a my Social Security account so that you can view your online Social Security Statement. Your statement contains a detailed record of your earnings, as well as estimates of retirement, survivor's, and disability benefits.)
- What standard of living do you hope to have in retirement? For example, do you want to travel extensively, or will you be happy to stay in one place and live more simply?
- Do you or your spouse expect to work part-time in retirement?

For college:

- How many years until your child starts college?
- Will your child attend a public or private college? What's the expected cost?
- Do you have more than one child whom you'll be saving for?
- Does your child have any special academic, athletic, or artistic skills that could lead to a scholarship?
- Do you expect your child to qualify for financial aid?

Many on-line calculators are available to help you predict your retirement income needs and your child's college funding needs.

Figure Out What You Can Afford to Put Aside Each Month

After you know what your financial needs are, the next step is to determine what you can afford to put aside each month. To do so, you'll need to prepare a detailed family budget that lists all of your income and expenses. Keep in mind, though, that the amount you can afford may change from time to time as your circumstances change. Once you've come up with a dollar amount, you'll need to decide how to divvy up your funds.

Retirement Takes Priority

Though college is certainly an important goal, you should probably focus on your retirement if you have limited funds. With generous corporate pensions mostly a thing of the past, the burden is primarily on you to fund your retirement. But if you wait until your child is in college to start saving, you'll miss out on years of potential tax-deferred growth and compounding of your money. Remember, your child can always attend college by taking out loans (or maybe even with scholarships), but there's no such thing as a retirement loan!

If Possible, Save for Your Child's Education and Your Retirement at the Same Time

Ideally, you'll want to try to pursue both goals at the same time. The more money you can squirrel away for college bills now, the less money you or your child will need to borrow later. Even if you can allocate only a small amount to your child's college fund, say $50 or $100 a month, you might be surprised at how much you can accumulate over many years. For example, if you saved $100 every month and earned 8% annually, you'd have $18,415 in your child's college fund after 10 years. (This example is for illustrative purposes only and does not represent a specific investment. Investment returns will fluctuate and cannot be guaranteed.)
If you're unsure about how to allocate your funds between retirement and college, a professional financial planner may be able to help. This person can also help you select appropriate investments for each goal. Remember, just because you're pursuing both goals at the same time doesn't necessarily mean that the same investments will be suitable. It may be appropriate totreat each goal independently.

Help! I Can't Meet Both Goals

If the numbers say that you can't afford to educate your child or retire with the lifestyle you expected, you'll probably have to make some sacrifices. Here are some suggestions:

- Defer retirement: The longer you work, the more money you'll earn and the later you'll need to dip into your retirement savings.
- Work part-time during retirement.
- Reduce your standard of living now or in retirement: You might be able to adjust your spending habits now in order to have money later. Or, you may want to consider cutting back in retirement.
- Increase your earnings now: You might consider increasing your hours at your current job, finding another job with better pay, taking a second job, or having a previously stay-at-home spouse return to the workforce.
- Invest more aggressively: If you have several years until retirement or college, you might be able to earn more money by investing more aggressively (but remember that aggressive investments mean a greater risk of loss). Note that no investment strategy can guarantee success.
- Expect your child to contribute more money to college: Despite your best efforts, your child may need to take out student loans or work part-time to earn money for college.
- Send your child to a less expensive school: You may have dreamed your child would follow in your footsteps and attend an Ivy League school. However, unless your child is awarded a scholarship, you may need to

lower your expectations. Don't feel guilty — a lesser-known liberal arts college or a state university may provide your child with a similar quality education at a far lower cost.

- Think of other creative ways to reduce education costs: Your child could attend a local college and live at home to save on room and board, enroll in an accelerated program to graduate in three years instead for four, take advantage of a cooperative education where paid internships alternate with course work, or defer college for a year or two and work to earn money for college.

Can Retirement Accounts Be Used to Save for College?

Yes. Should they be? That depends on your family's circumstances. Most financial planners discourage paying for college with funds from a retirement account; they also discourage using retirement funds for a child's college education if doing so will leave you with no funds in your retirement years. However, you can certainly tap your retirement accounts to help pay the college bills if you need to. With IRAs, you can withdraw money penalty free for college expenses, even if you're under age 59½ (though there may be income tax consequences for the money you withdraw). But with an employer-sponsored retirement plan like a 401(k) or 403(b), you'll generally pay a 10% penalty on any withdrawals made before you reach age 59½ (age 55 or 50 in some cases), even if the money is used for college expenses. You may also be subject to a six-month suspension from plan participation if you make a hardship withdrawal in 2017. There may be income tax consequences, as well. (Check with your plan administrator to see what withdrawal options are available to you in your employer-sponsored retirement plan.)

Thanks for Attending Community Shred Day!

Thank you to all who attended our Community Shred Day! We are so happy we are able to offer this service to the community. In this day and age of the increased concerns with identity theft it is extremely important to do everything you can to protect your personal information. We look forward to the next event and will send out information via email and social media so you can participate.

Need Help Planning for Your Future?

Kessler Investments, Inc. is a comprehensive Financial Planning Firm. Our philosophy is to provide our clients with both personal and professional service. We offer Investment Advisory Service, Estate Planning, Retirement Savings, Insurance, a full range of Employee Benefit Plans, and more.

Our mission is to create and maintain wealth for our clients through long term effective asset management. We will build client relationships based on trust, competent professional advice, continual communication and prompt personal service. We will assist our clients in setting financial goals, monitoring these goals and keeping them informed of the process and achievement of these goals.

To learn more about what services we can offer you and your family, please give us a call at (978) 249-2837 or visit our website at www.kesselerinvestments.com.