Financial Strategies
For Your Future

May Newsletter

Hello Eric,

May is the month where I put away my skis and take out my hiking boots. The birds and frogs are chirping, the trees and flowers have bloomed and there is a sense of optimism in the air.
Although change is sometimes difficult it can bring prosperity.

I hope you are enjoying the season and are experiencing joyous life changes.

Please give me a call at (603) 343-4515
I am available over the phone, virtual or in person.

Did you know...

The birthstone for May is the emerald which represents **love and success**.

https://www.americantraininginc.com/mayfacts/

Events & Resources

5 Hacks to Simplify Life for the Busy Woman

- Learn how to effectively plan and schedule your time.
- Learn how to prioritize your personal and professional goals.
- Learn how to identify tasks that you can take off your plate.
- Learn how to prioritize your physical and mental health (for a happier, healthier you!).

The Help to Grow Institute can help you achieve your goals, overcome obstacles and

‘Fun Home’ at the Seacoast Rep

Where: 125 Bow St.
Portsmouth, NH 03801

When: Varies each week:
Th-Su
Cost: Varies

Winner of 5 Tonys, **Fun Home** is a groundbreaking musical based on Alison Bechdel’s graphic novel. In this tragicomedy, Alison sets out to unravel the many mysteries of her childhood through a series of memories and conversations – from her coming out story to challenges, and ultimately live your best life.

More Information

her moving journey of acceptance.

More Information

Walking Tour: Historic Preservation

Where: Discover Portsmouth
10 Middle St.
Portsmouth, NH 03801

When: Thursday May 13, 2:30 p.m.–4:00 p.m.
(Also June 10th, July 7th and Aug. 12th)

Cost: $12 - $20

'Portsmouth Advocates' presents a series of guided architectural walking tours showcasing Portsmouth's famous neighborhoods, led by local historian and Portsmouth treasure, Richard M. Candee. Historic preservation tours provide an excellent opportunity to dive into the details and stories that make Portsmouth and its neighborhoods unique.

More Information

A "Green Thumb" Member Grown Plan Sale!

Where: Greater Dover Chamber of Commerce
550 Central Avenue
Dover, NH 03820

When: Sat, May 22, 2021
12:00 PM – 3:00 PM

GFWC Dover Area Woman's Club is a group of local women who volunteer their time, strengths and spirits to make a difference in our local communities and in the lives of others. Meets 2nd Wed Sept - June.

A portion of proceeds of this event to benefit NH Children's Trust.

More Information

Eight Mistakes That Can Upend Your Retirement

Pursuing your retirement dreams is challenging enough without making some common, and very avoidable, mistakes. Here are eight big mistakes to steer clear of, if possible.

1. No Strategy: Yes, the biggest mistake is having no strategy at all. Without a strategy, you may have no goals, leaving you no way of knowing how you'll get there—and if you've even arrived. Creating a strategy may increase your potential for success, both before and after retirement.
2. Frequent Trading: Chasing "hot" investments often leads to despair. Create an asset allocation strategy that is properly diversified to reflect your objectives, risk tolerance, and time horizon; then make adjustments based on changes in your personal situation, not due to market ups and downs.[1]
3. Not Maximizing Tax-Deferred Savings: Workers have tax-advantaged ways to save for retirement. Not participating in your employer's 401(k) may be a mistake, especially when you're passing up free money in the form of employer-matching contributions.[2]
4. Prioritizing College Funding over Retirement: Your kids' college education is important, but you may not want to sacrifice your retirement for it. Remember, you can get

loans and grants for college, but you can't for your retirement.

5. Overlooking Healthcare Costs: Extended care may be an expense that can undermine your financial strategy for retirement if you don't prepare for it.
6. Not Adjusting Your Investment Approach Well Before Retirement: The last thing your retirement portfolio can afford is a sharp fall in stock prices and a sustained bear market at the moment you're ready to stop working. Consider adjusting your asset allocation in advance of tapping your savings so you're not selling stocks when prices are depressed.[3]
7. Retiring with Too Much Debt: If too much debt is bad when you're making money, it can be deadly when you're living in retirement. Consider managing or reducing your debt level before you retire.
8. It's Not Only About Money: Above all, a rewarding retirement requires good health, so maintain a healthy diet, exercise regularly, stay socially involved, and remain intellectually active.

1. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost. Asset allocation and diversification are approaches to help manage investment risk. Asset allocation and diversification do not guarantee against investment loss. Past performance does not guarantee future results.
2. Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty."
3. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost. Asset allocation is an approach to help manage investment risk.

Asset allocation does not guarantee against investment loss. Past performance does not guarantee future results. The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security.

Investment Challenges of the Affluent Investor

High net worth investors face investment challenges that some would consider unique to their financial status. The fundamental tenets of investing apply equally to them as with any other investor, but the affluent investor needs to be mindful of issues that typically arise only from substantial wealth.

Let's examine a few of these.

B**eing Too Conservative** - When an individual has more assets than they think they'll ever spend, there can be a tendency toward conservative investment. This may result in lower long-term returns that may shortchange the impact of bequests to charities or the wealth that will transfer to the next generation.

Collectibles - The affluent have a tendency to invest in their passions, and many collectibles have performed well over the years. However, one common mistake is not keeping up-to-date appraisals on record, which may have adverse consequences with regard to estate liquidity and taxes.[1]

Concentrated Equity - Some senior executives accumulate large stock positions in the company that employs them.[2] This creates a unique risk and potentially can be managed in several ways.

DIY Mentality - Some wealthy investors have achieved a high level of success in their careers, in large measure due to their intelligence, hard work, and self-confidence. This very success often carries over to the belief that building or managing successful enterprises is not dissimilar to managing great wealth. But it can be quite different, requiring a whole different body of knowledge and experience.

Too Many Professionals - Affluent investors often place their investment assets with multiple professionals, thinking that better results will arise from that. However, many of the key needs for larger portfolios, such as risk management and tax efficiency, will suffer since there is no overarching view into the larger picture of an individual's entire portfolio. The independent actions by separate professionals, all with the best of intentions, may actually work to suboptimal outcomes.

With increasing wealth come even more unique challenges beyond those covered by this discussion. Consequently, affluent investors are encouraged to seek professional guidance that may be best suited for their particular needs and circumstances.

1. The value of collectibles can be significantly affected by a variety of factors, including economic downturns or markets that have little or no liquidity. There is no guarantee that collectibles will maintain their value or purchasing power in the future.
2. Keep in mind that the return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

Does Your Child Need to File a Tax Return?

As parents, we encourage our children to work, so they can learn important values about work and independence. At what point, if at all, do children need to file an income tax return for the money they earn?

The IRS does not exempt anyone from the requirement to file a tax return based on age, even if your child is declared as a dependent on your tax return.[1]

Your dependent children must file a tax return when they earn above a certain amount of income.

Dependent children with earned income in excess of $12,400 must file an income tax return. Dependent children with unearned income of more than $1,100 must also file a return. And if the dependent child's earned and unearned income together total more than the larger of $1,100, or a total earned income up to $12,050 plus $350.[2]

These thresholds are subject to change, so please consult a professional with tax expertise regarding your individual situation.

Here's an example. Kyle is a 20 year old college student who's claimed as a dependent by his parents. He received $400 in unearned income and $5,500 for a part-time job on campus. He does not have to file a tax return because both his unearned and earned income fall below the thresholds. Kyle's total income of $5,900 is less than his total earned income plus $350.

Even if your child earns less than the threshold amount, filing a tax return may be worthwhile if your child is eligible for a tax refund.

If you decide to prepare a separate return for your child, the same reduced standard deduction rules detailed above will apply.

1. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties.
2. IRS.gov, 2021

At AZTEC Financial Group, we help individual, families, business owners and employees manage their financial goals through a comprehensive wealth management process.

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