

ON WEALTH

SUMMER 2019 NEWSLETTER



WHEN SHOULD YOU RETIRE?

THINGS TO CONSIDER BEFORE YOU DECIDE

SHOULD YOU BUY AN RV?

If you enjoy the creature comforts of home, but love traveling and experiencing the sights and sounds of the open road, you're not alone.

GOING GREEN AND SAVING GREEN

What is solar power, how does it work, and are solar panels a good investment?

BEAT THE SUMMER HEAT WITH SANGRIA

Cool off with the refreshing libations nature provides in the form of red and white sangria.

WELCOME

DEAR CLIENT,

For many, summer is a time for vacations, spending time with family, farmer's markets and enjoying the outdoors.

Spring rain is hopefully behind us as we head into the warmer beach months. Younger families are making final touches on plans for their children. Older couples are looking forward to visiting their grandchildren or other relatives. Summer is one of the busiest and most exciting seasons of the year.

In our Summer 2019 Newsletter, we will explore four hot topics to make your summer months fun and a little cooler.

First up, let's talk retirement. When should you retire? Deciding when you should retire depends on a variety of factors, including your retirement savings, health, and future plans. Every age has advantages and disadvantages. Learn more in our article on the best time to retire.

How about buying an RV? You've seen them cruising along the highways. But what's the scoop on the RV life? Find out whether an RV is right for you.

Solar panels may sound like a novel approach to generating energy. After all, the sun doesn't send you a bill for its sunshine. What is solar power, how does it work, and are solar panels a good investment?

Now, let's talk about red and white sangrias. Sangrias are delicious and the perfect addition to campfires on the beach. But in this article, we'll explore why sangrias are great for summertime, and we'll look briefly at sangria history. We will provide you with a couple of top-notch recipes that will keep you cool and happy – no matter what your weather forecaster tells you.

We're confident you'll find these articles useful, informative, and entertaining. As your financial professional, we at True Blue Financial wish you a lively and prosperous summer.

WARM REGARDS,

Luke Brown *VICKI HOLT* *Nicole Coar*

Luke Brown, Vicki Holt, Nicole Coar





SPOTLIGHT ON YOUR TEAM



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You love working. You love your job.

You love everything about being gainfully employed. But you're getting close to retirement. What do you do? Should you wait until you're 70? Retire at 62? Or continue working, but fewer hours, or maybe, in a different, less-demanding position?

In this article, we will explore some of your choices. We will take a look at some of the available options that may fit your circumstances and lifestyle, while also considering the condition of your health during your later working years.

Retiring Early

Retiring at 62 (or younger) has an obvious allure. You no longer have to report to work. You're no longer obligated to the confinements, time restrictions, and deadlines of a job.¹

What are the benefits of retiring at 62? You're generally healthier, and you may have more energy to pursue your retirement dreams. You can participate in exercise classes to keep your health on the up and up. You won't be stuck behind a desk or in some sedentary position for large

portions of your day. Suddenly, your weekdays are also open for scheduling. You may also decide to work part time.

Retiring at 62 gives you the obvious benefit of more free time. If you retire at 65 (or later), you'll have at least three fewer years of free time to spend with grandchildren, traveling, or pursuing other activities.

The Social Security Administration mandates that the earliest you can start collecting benefits is 62. Once you start receiving benefits, the amount



When to Retire

remains fixed. Early retirees (62) get 73.3% of their monthly full retirement allowance.²

Those collecting benefits at 62 would collect benefits for longer – 52 additional months, but while retiring at 62 may sound enticing, you're not eligible for Medicare until you're 65. So, you'll be in good shape if you have health insurance. But if not, you'll need to fill that financial gap with reliable coverage.^{2,3}

Full retirement age – when you receive 100% of your benefits – varies depending on your birth year. Americans born in 1960 and later get full-retirement-age benefits at 67.⁴

Can you afford to retire before you reach your full retirement age? How much money will you need to retire? Will you need \$1.5 million to do it comfortably? Set numbers can be a bit misleading. A better formula might be to multiply your pre-retirement income by 70-80%. If your investments can generate that amount, go for the gold. If not, you may want to consider other options.⁵

Going for the Big 67

The average retirement age in the United States is 63, but waiting until you reach full retirement age means you'll receive Medicare benefits and 100% of your Social Security benefits. Your full

retirement age is 66 if you were born between 1943 and 1954. Full retirement age increases by two months every year for birthdays between 1955 and 1960.^{6,7,8}

Retiring at your full retirement age (rather than waiting until you're 70) provides you with merely the same health advantages as retiring young. Your health is reasonably good, and you can generally expect to live another two decades.

People who retire in their 60s are also allowed, but are not required, to tap into their 401(k) plans and Individual Retirement Accounts. The penalties

for early withdrawals no longer apply after age 59½. Retirees, however, must take retirement account distributions after 70½. Many retirees with larger retirement accounts delay making withdrawals (or keep withdrawals at a minimum) to allow their accounts continued growth potential.⁹

Sliding Successfully into 70

Are you thinking of retiring at 70? Despite the perception that 70 is old, many septuagenarians are living active lives. For starters, you'll get 135% of your Social Security benefits. The average monthly benefit is \$1,461. If you wait until you're 70 before you collect benefits, you'll get \$511.35 more per month, on average.^{10,11}

If you haven't collected any income from your retirement account, it'll have 8 years of potential growth. For people between the ages of 65 and 74 who have a retirement account, the average account size is \$358,000. At a conservative annual growth rate of 5%, the average account may grow to nearly \$530,000. That's more than \$170,000 just for waiting.*¹²

Going for the Gold

Deciding when to retire depends on many factors, including age, health, finances, and vision of retirement. Some may decide to retire early because of poor health. Others may want to build their retirement savings and wait to retire later. In the end, you layout your priorities, paint your retirement vision, and proceed with gusto.

*This is a hypothetical example for illustrative purposes and not representative of any specific situation. Your results may vary.

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A man and a woman are kayaking on a lake. The man is in the foreground, wearing a dark cap and a blue denim shirt over a dark t-shirt. The woman is behind him, wearing a plaid shirt. They are both looking towards the left. The kayakers are in bright orange and yellow kayaks. The background is a dense forest of tall, thin trees under a clear blue sky.

In the end,
you layout your priorities,
paint your retirement vision,
and proceed with gusto.



SHOULD YOU BUY AN RV?



If you enjoy the creature comforts of home, but love traveling and experiencing the sights and sounds of the open road, you're not alone. An increasing number of retirees and those wanderlust souls are opting for both and choosing to invest in RVs.

Imagine your kitchen with granite countertops, a dishwasher, a double-wide refrigerator, and an oven. How about that spacious master bathroom with a skylight over the shower? What about a washer and dryer, one 48-inch and two 32-inch TVs, a fireplace, and a king-sized bed in your bedroom. All that, and you're cruising along Interstate 90's 3,000 miles, heading to Superman's birthplace in Cleveland, Ohio, or perhaps, the Circus World Museum in Baraboo, Wisconsin.



HOMES ON WHEELS ARE BECOMING *HOT PROPERTY*. BUSINESSES ARE SELLING MORE THAN 355,000 TRAVEL TRAILERS, MOTORHOMES, AND CAMPING TRAILERS EVERY YEAR.

Homes on wheels are becoming hot property. Businesses are selling more than 355,000 travel trailers, motorhomes, and camping trailers every year. A record 9 million are cruising highways in the United States. With 4.1 million miles of highway pavement, it is enticing.^{1,2}

But what exactly are RVs? Who buys them, and why?

WHAT ARE THEY AND WHO OWNS THEM?

RVs are vehicles that are equipped with temporary living quarters, making them suitable for travel and camping. The two types are motorhomes and towables, which are units pulled behind vehicles.

Prices for folding camping trailers are \$6,000 to \$22,000. Truck campers cost \$6,000 to \$55,000. The price tag for conventional trailers is \$8,000 to \$95,000. The range for fifth-wheel trailers is \$18,000 to \$160,000. Cost for Type B and C

motorhomes is \$60,000 to \$150,000. Type A motorhomes, the most expensive, can cost as much as \$500,000.

The average RV owner is 48 years old and married, and generally, have an above-average household income of \$62,000. The rising interest in buying an RV has come from all segments of the population, both older and younger people. Those between the ages of 35 and 54 own the most RVs, at 11%.

According to the RV Industry Association, RV travelers have access to more than 18,000 campgrounds. Many are near popular attractions, tourist sites, and large cities, offering visitors swimming pools, game rooms, playgrounds, and snack bars. Many luxurious, high-end parks may offer travelers amenities like tennis courts, restaurants, golf courses, and spas.³

HITTING THE PROVERBIAL ROAD

Are you sensing the urge to buy an RV? Here are some need-to-know factors to get you thinking, and maybe, rolling.

What kind? That's the most important question. You have to decide what you want and how much you can afford.

The Class A motorhome is the big deal. This is luxury living on wheels. These motorhomes usually have captain's chairs for the driver and front passenger seats, sofas, dining tables, complete kitchens, full-sized refrigerators, ovens, and dishwashers. Bathrooms in these rolling behemoths have full showers and flushing toilets. Master bedrooms may have king- or queen-sized beds.

The Class B motorhome is built on the foundation of a full-sized van and is similar, but smaller,

than the Class A. The Class B works well for 2-3 people. Driving one feels like a large SUV.

The Class C is one more step down in size with lengths of 20-40 feet. Some have slide outs to provide additional space.

Traveler trailers are sturdy and can be easily towed by pickups, SUVs, and more powerful minivans. They range in size from 12 feet to 33 feet with three axles. Many have slide outs, bunk beds, and generators. Prices start at \$7,000.

The fifth-wheel trailer mounts by a hitch pin to the bed of a large truck. This creates a more stable and secure ride. Fifth-wheel trailers are ideal for long distances and mountainous terrain. You just have to make sure your truck is powerful enough to pull the load.

The pop-up trailer is the smallest and lightest of RVs; prices for the small models can run as low as \$4,000. Metal legs support the roof when you're camping. Getting a pop-up is a good initial investment to see if RVing is something you want to pursue. Pop-ups are easy to pull and park and usually have a small kitchen, shower, toilet, and two beds.

The sports utility recreational vehicle (SURV) is the latest and slickest entry into the RV world. SURVs have rear storage areas for motorcycles, watercraft, and other recreational equipment.

The truck camper provides a level of mobility and maneuverability the other RVs just can't touch. The camper fits into the bed of pickup trucks, so they are more self-contained and affordable. Despite their smallness by comparison, truck campers still have a bedroom above the truck cab, a kitchen, a toilet, and a shower.

**IF YOU ENJOY THE CREATURE
COMFORTS OF HOME, BUT
LOVE TRAVELING AND
EXPERIENCING THE SIGHTS
AND SOUNDS OF THE OPEN
ROAD, YOU'RE NOT ALONE.**

TAKING CARE

If you do decide to take the RV plunge, you'll also have to keep in mind other factors of RV ownership:

MAINTENANCE.

Your RV is going to require regular upkeep and repair, which can get costly. Maintenance of the larger units can get expensive. So, be prepared, and consider your budget.

TOWING.

If you're getting a travel trailer, a pop-up, or a truck camper, you will have to make sure your truck has the proper towing equipment and is powerful enough to handle the load.



GASOLINE.

The big units – especially the Class A and the Class B – will require more fuel for hauling. Fuel economy can range from 8 to 20 MPG.

LOCATION.

You have to keep in mind where you're going to park your unit. Check your community regulations to see if you're allowed to park your RV at your home as well as other necessary requirements.

VISITS

National parks and federal agencies provide information about camping costs and requirements. Plan your trips ahead (or even while you're traveling).

EATING.

You have to eat. And you'll have to decide where, what, and how. Of course, you can cook something in your kitchen. You can also go to a restaurant. You can cook at a campsite. Incorporate dining arrangements into your RV plan.

INSURANCE COVERAGE.

Check with your insurance provider about RV coverage. And do some shopping for the best rates.

PRICE TAG.

Buying an RV is an investment. Approach it in the same manner as you would in buying a car or a home. Do some serious tire kicking.



TAKING THE FIRST STEP

You've almost decided you want to make the investment. Where do you go to look and to buy?

RV shows provide an excellent opportunity to explore various models. Representatives at shows can also give you insight into what you may need. Dealerships are great ways to look around and learn. Just like at a car lot, take your time, ask questions, and get a feel for the different RVs. Manufacturers' websites can provide you with a very valuable education on RVs. You can often download content or brochures.

Check with your bank or credit union about financing before you go RV shopping. Once you know how much you can finance and how it fits into your budget, you'll be better equipped to do some smart shopping.⁴

**GO AHEAD. EXPLORE THE
WORLD OF RVING. YOU MAY
DISCOVER THAT YOU REALLY
ENJOY THE TRIP.**

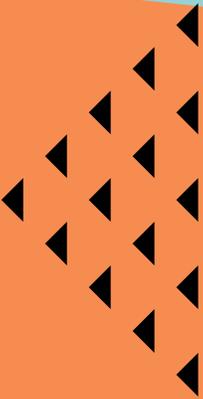
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Going GREEN

AND SAVING GREEN WITH SOLAR PANELS

Keeping your house warm in the winter or cool in the summer can get costly during more severe seasons of weather extremes.

While paying our utility bills may seem unavoidable, what if we could cut costs by harnessing the energy of the sun?



Some analysts say that homeowners in many states reap monthly savings to their utility bills of more than \$100. Over 20 years, that savings can rise to \$30,000.

WHAT IS SOLAR ENERGY?

Solar panels capture the sun's energy and convert it into electricity. The sun's photons travel 93 million miles in 8.5 minutes to the Earth. The sun's photons hitting the earth in one hour are capable of satisfying the entire planet's energy needs for one year.

Photovoltaic energy, however, covers only 0.5% of the United States' total energy needs. Tapping into the sun's energy for electricity is becoming increasingly popular for its cost savings and lack of environmental impact.

Solar panels collect the sun's photons, which are converted to energy by breaking loose electrons from atoms. Conductors in panels are attached to the positive and negative sides of silicon cells, which creates a circuit, like a battery. As electrons flow through the circuits, electricity is generated.

Solar panels, or modules, are comprised of multiple cells. A group of modules wired together is called an array.

The direct current (DC) electricity from solar panels is generated as electrons move in one direction around a circuit. Alternative current (AC) electricity is generated when electrons move

back and forth. Utility providers use the less-expensive AC electricity for its ability to transmit long distances.

Inverters are used to convert DC electricity into AC electricity for home use. The use and invention of microinverters has revolutionized the solar industry, allowing for the optimization of the individual modules and preventing the system from shutting down if one module malfunctions.

When you're not at home or when the sun's not shining, the excess energy the panels generate is fed back into a grid system in a process called net metering, which measures and records the energy surplus. Homeowners earn credit for the additional electricity generated and can use it later.¹

DOES SOLAR SAVE MONEY?

Going solar not only generates electricity, but big savings as well. Some analysts say that homeowners in many states reap monthly savings to their utility bills of more than \$100. Over 20 years, that savings can rise to \$30,000. In sunny Hawaii, homeowners have saved on average \$64,000.

Many homeowners are signing up for solar purchase power agreements and solar leasing. This enables them to put nothing or very little down to get started. Another popular approach is

a pay-as-you-go option. Additionally, a big benefit of solar units is increased property values. Homes with solar panels sell 20% faster and buyers are usually willing to pay 17% more.²

SAVING WITH SOLAR TAXES

The federal solar tax credit also provides homeowners with a matching tax deduction that equals 30% of the total cost of the system. With an \$18,300 average system cost in 2019, the tax credit can reduce the total federal tax cost by \$5,490. While utility providers may increase electricity costs, solar energy expenses are stable. Many manufacturers also provide a 25-year warranty, which means your bill won't change.^{3,4}

Besides the cost savings, the most obvious benefit is to the environment. The U.S. ranks second in the world in total carbon dioxide emissions from fuel combustions behind China. Going solar is going green in so many ways. You save money, you help save the environment, and you become less dependent on your utility provider.⁵

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Beat the Heat with *Sangria*

We may not be able to escape the consequences – and opportunities – of the ongoing rotations of planet Earth: the chilly winters, colorful autumns, vibrant springs, and bright (and sometimes oppressive) summer. While lovely summer can sometimes send us scampering indoors for the cool solace of air conditioning, we can look for the refreshing libations nature provides in the form of red and white sangria.

AH, SWEET SANGRIA. CAN WE ASK FOR ANYTHING MORE?

What's Sangria?

For those not familiar with this particular summer delight, sangria is an iced drink made with red or white wine, sugar, fruit juice, soda water, and spices. It may also contain fruit slices.¹

Now, there's good reason to bring on the heat.

Sangria may have come from the Spanish word meaning "act of bleeding" or the Latin word for "blood."

Thirsty, overheated, and health-conscious connoisseurs of the Middle Ages may have mixed up the first sangrias to avoid gulping down water from unhealthy sources. Fermented beverages, ancient health experts discovered, tended to produce fewer health problems. Plus, sangria was so much more fun to drink. And lest we conclude our ancestral sangria teetotalers were raging luses or at least perpetually happy people, fermented drink of the Middle Ages was not as potent as today's alcoholic beverages. The old publicans often mixed their lighter sangrias with spices.²

Sweet Spain

Although the ancient mixologists may have

whipped up some interesting and flavorful concoctions, their European descendents, especially the Spanish, took to heart – and tongue – the culinary venture with some amazing sangria recipes of their own.

Spain provides imbibers with a wide variety of sangria delights, based on region.

Healthy Perspectives

Let's return to the summer heat. Do iced drinks, especially sangria, cool you down in hot weather? Experts say that the answer is a little complex. Icy-cold drinks on empty stomachs may initially lower body heat, but the process of digestion may actually raise the temperature.³

Our response to the ruminations of health experts: Who cares? We're not sipping sangria to lower body temperatures. We're sipping sangria because it's delicious and downright fun.



Here are some exceptional recipes to get you stirred up.

This one, red wine sangria, is from celebrity chef Bobby Flay.⁴

<i>Ingredients</i>	<i>Directions</i>
<ul style="list-style-type: none"> • 2 bottles red Spanish table wine • 1 cup brandy • ½ cup triple sec • 1 cup orange juice • 1 cup pomegranate juice • ½ cup simple syrup, or more to taste (equal parts sugar and water, heated until sugar dissolves, cooled) • Orange slices • Apple slices • Blackberries • Pomegranate seeds 	<ol style="list-style-type: none"> 1. Mix the ingredients in a container. 2. Put in a pitcher or tightly sealed container in the refrigerator for at least 24 hours. 3. Serve and enjoy!

THESE TWO FABULOUS SANGRIA MIXES ARE SURE TO MAKE YOUR SUMMER COOLER, BRIGHTER, AND A WHOLE LOT MORE FUN.

Here's one for white sangria from celebrity chef Rachel Ray.⁵

<i>Ingredients</i>	<i>Directions</i>
<ul style="list-style-type: none"> • 3 Tbsp. sugar • 3 shots Calvados or other apple liquor • 1 lime, sliced • 1 lemon, sliced • 2 ripe peaches, cut into wedges • 3 ripe green apples, seeded and cut into wedges • 1 bottle white Rioja Spanish wine or other dry white wine • 1 pint raspberries • Sparkling soda water, for topping off glasses of sangria at table 	<ol style="list-style-type: none"> 1. Put sugar, Calvados, lime, lemon, peaches, and apples in a large pitcher. 2. Pour the bottle of Rioja wine over the mix and let chill for a few hours. 3. Use a spoon to put the fruits in glasses. 4. Add a few fresh raspberries in each of the glasses. 5. Pour the wine mix into the glasses on top of the fruit. 6. Splash a little soda water into each glass. 7. Serve and enjoy!

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