

Advisor's Corner

5 Retirement Tips for 2020 and Beyond

Here's how to prepare thoroughly for your golden years.

Maurie Backman (TMFBookNerd) Dec 1, 2019 at 11:42AM

1. Take advantage of catch-up contributions If retirement is on your radar, it probably means that milestone isn't all that far away. If that's the case, and your <u>savings</u> aren't up to par, then it's time to get serious about boosting them. Generally speaking, it's a good idea to have about <u>10 times your ending salary</u> socked away for your golden years. That means if you're in your late 50s or early 60s earning \$100,000, and you're sitting on \$250,000 in retirement savings, you're at risk of falling short if you want to leave the workforce within the next five years.

The good news? Both IRAs and 401(k)s offer catch-up contributions to workers 50 and older. For the former, you get a \$1,000 catch-up that brings your total annual contribution limit to \$7,000. For the latter, you currently get a \$6,000 catch-up that gives you the option to sock away \$25,000 on an annual basis. Come 2020, however, that catch-up is increasing to \$6,500, and since the regular 401(k) limit is rising as well, you'll get a chance to set aside \$26,000 annually for your golden years.

2. Know how to invest your retirement savings

The closer you get to leaving the workforce, the less aggressive your retirement investments should be. The reason? If the market tanks heavily in the near future, you may not have time to recover from losses before you need to start taking withdrawals from your savings. Therefore, if the bulk of your IRA or 401(k) is in stocks, and you're within a few years of retirement, it could be time to shift some of those positions to bonds instead. But don't dump your stocks entirely. Rather, figure out what percentage of your portfolio should consist of them. One rule of thumb is to subtract your age from 110 to get at that percentage. That means if you're 60, you should have 50% of your portfolio in stocks. That's not a perfect formula, though, and a lot will depend on factors like your tolerance for risk and additional income sources you might have in retirement.

3. Sock away funds for future healthcare costs

There's a good chance healthcare will be your greatest expense once you leave the workforce. That's because you'll be on the hook for Medicare premiums and deductibles, and you'll also need to grapple with the coverage gaps many seniors face. That's why it's wise to set aside funds specifically for healthcare purposes, and

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to this end, a <u>health savings account</u>, or HSA, is a good bet.

If you're currently enrolled in a high-deductible health insurance plan -- which, effective in 2020, means an individual deductible of \$1,400 or a family deductible of \$2,800 -- you can contribute money to an HSA to cover both near-term and future medical expenses. Any funds you don't withdraw immediately can be invested for added growth and carried all the way into retirement, and both contributions and withdrawals from an HSA are tax-free.

Beginning in 2020, you can save up to \$3,550 a year in your HSA if you're contributing as an individual, or up to \$7,100 on behalf of a family. And if you're 55 or older, you get a \$1,000 catch-up on top of the limit that applies to you.

4. Boost your Social Security benefits

Though you shouldn't plan to live on Social Security alone in retirement, those benefits could serve as a sizable income stream for you. Boosting them, therefore, is something it pays to do. The more you earn during your career, the higher your benefits stand to be, since they're calculated based on lifetime earnings, so don't grow complacent at work just because your career is winding down. Instead, fight for raises, go after promotions, and continuously research salary data for your industry to make sure your income is reasonable given your job title and experience.

Another good way to boost your Social Security benefits? Check your annual <u>earnings</u> <u>statements</u> for errors. If you spot a mistake and get it corrected, your benefits could rise as a result.



IMAGE SOURCE: GETTY IMAGES.

5. Start thinking about what you want to do with your time in retirement

Many seniors retire only to wind up bored and miserable. Even if you're not leaving the workforce just yet, think about the ways you want to spend your days once your career comes to a close, and determine whether you have enough savings to support those goals. Traveling extensively, for example, may be a good way to spend your golden years, but if you don't have enough money in your IRA or 401(k) to repeatedly globe-trot, it could pay to postpone retirement a few more years and boost your savings. Or, you could decide to reset your expectations. Both are reasonable solutions, but they're ones you'll want to work out before your retirement officially kicks off.

The better a job you do planning for retirement, the happier you're likely to be during it. Follow these tips, and with any luck, you'll wind up in a great position to enjoy your golden years to the fullest.

Don't Miss Out On The Massive Opportunity Created By Markets' Selloff

By. Randy Watts

This week marks the 203rd anniversary of the U.S. stock market's opening on Wall Street on March 8, 1817. Over the last two hundred years, it has been unwise to bet on the collapse of the U.S. economy and financial markets. And that still holds true in the current downturn. We believe the rapid market selloff, collapse in oil prices, and spike in fear presents investors with a major opportunity if they look beyond the next few weeks.

Stocks do not exist in a vacuum. They compete for investment dollars every day against bonds, commodities, real estate, and others. An informative predictors of stocks' long-term relative and absolute performance is the comparison between the S&P 500 dividend yield and the U.S. 10-year Treasury bond yield. The chart below shows that when the S&P 500 yield exceeds the U.S. Treasury bond yield, forward 12-month returns are strong.

Also, as yields fall, stocks are normally afforded a higher Price-Earnings multiple, as shown in the second chart. While the current low yields may not be sustainable, stocks are inexpensive relative to bonds. In the past, this kind of valuation spread has favored stocks over bonds.

We believe this will be the case again for several reasons. There is a high probability that the coronavirus outbreak will cause a U.S. economic and profit recession as well as a global slowdown. Stocks are adjusting to the reality that S&P 500 earnings will likely be down in 2020 by selling off violently. Given the seriousness of the outbreak, governments have begun to act, including a number of central banks easing their monetary policy, but we think major fiscal stimulus is likely as well. In the U.S. there has been discussion of suspending the

payroll tax or extending paid sick leave and unemployment benefits. We predict we will see the highest number of simultaneous fiscal policy actions across the globe since the Great Recession of 2007–2009. As a result, 2021 could see rapid global growth as countries and companies benefit from this year's policy boost. In addition, revenue and earnings growth suppressed by the coronavirus will result in easy comparables and high year-over-year growth, which should please investors.

The stock market usually bottoms with some sort of a capitulation low. The chart below shows the percentage of stocks on the New York Stock Exchange trading above their 30-week moving average. In December 2018's correction, that percentage fell to 8.5%. We are currently close to that level.

A capitulation low does not mean investors should rush back into the market. The 2002 and 2009 market bottoms occurred after three down legs, which occurred not over days or weeks, but over many months. These scenarios may not be directly comparable with the current one, especially given the that the current drawdown has not been gradual but unusually sudden. But, based on percentages, we may already be in the second down leg (10% down leg, 10% up leg, and second 10% down leg using intraday highs and lows). At William O'Neil + Company, we do not try to call the market bottom, but rather we seek to buy once a market trend is in place. While we respect the potential of rally failures (an undercut of prior lows), history teaches us to position for a new uptrend. To this end, we watch for what we call a follow-through day, when the market moves up 1.7% or more on higher volume than the previous day following the establishment of a previous low for three days or more. Once this occurs, we advise gradually committing capital back to market leaders.

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Tips for Teaching Money Management to Kids

By Mary Migliaro editor@ledgernews.com

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Children are not born understanding how to manage money and very few parents take the time when their kids are growing up to teach them.

Financial management may or may not be taught at school, so teaching financial responsibility at home is critical. Children run a greater risk of growing up to make bad financial decisions, if they do not learn basic money values at home.

Elementary school is a great time to teach children the importance and value of earning and saving money. Begin using money as a means of teaching when toddlers first learn how to count, allow children to run their own lemonade stand and yard sales during the summer, enforce good saving and spending habits with allowance, and begin explaining price differences during grocery store trips. Many middle school students have little understanding of finance and economics however they are beginning to enter the stage of their lives where they can start taking on more responsibility. Have pre-teens and teenagers start working jobs or doing extra work around the house and neighborhood to earn money. These are all excellent ways to instill the value of hard work and the importance of saving money.

According to Jumpstart Coalition for Personal Financial Literacy, the average student who graduates from high school lacks basic skills in personal money management. Many cannot balance a checkbook and have little understanding of basic concepts involving earning, spending, saving, and investing. It's never too late to start teaching your child about money management.

Consider using some or all these management strategies with your child:

♦ Integrate money into daily life. Take your child grocery shopping and compare the prices of two similar items. Discuss why the prices might be different. You could also let your child participate

or watch when you pay bills and explain the process.

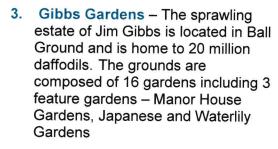
- ♦ Use comparisons a child can understand to help them grasp the value of money. Instead of stating, "Milk costs \$4," you might say, "I have \$4 to spend. I could buy a gallon of milk, two packages of chocolate chips, or two bags of apples. What would you choose?"
- ♦ Give your child an allowance but consider the frequency and amount. This will depend on your child's age and developmental stage. When your child has actual money, she learns how to handle it better.
- ♦ Model good financial behavior. Get your own financial house in order and be honest with your children. Let them know why you are doing what you are doing, and then embark on sound financial management principles as a family.
- ♦ Teach your children about choices in managing their money. Spending is not the only option for your child when managing his or her money. Saving, investing, or donating to charity are viable options.
- ♦ Back off and let your child learn. If your child wants to spend his entire allowance on an expensive toy that he thinks he must have, let him. In this way, he will learn that the money is used up and unavailable for other things he may have wanted, thus showing the value in savings and delayed gratification.
- ♦ Make it fun. Express thankfulness and gratitude for the money you have, and the ability to manage it wisely. Help your child to develop a way to earn extra money with something like a lemonade stand.
- ♦ Say no and mean it. Your child may ask for a loan or an increase in allowance and you may be tempted to give in. Your child will never learn how to live within their means if you keep giving in.

Remember that helping kids learn to manage money is not a fixed event but something done over time. Teaching your children good money management skills now will ensure they become financially secure adults in the future. in Medicare Advantage plans offered by

Spring Blooms

Winter weather and constant rain have us all dreaming of sunshine and blooming flowers. On the next sunny day slip on your walking shoes and check out the following local blooming beauty spots.

1. Atlanta Botanical Garden - This garden oasis is located right next to piedmont park and has 30 acres of blooms, with the Atlanta skyline in the background. If you don't feel like driving downtown take a trip north to the Gainesville location of the Atlanta Botanical Garden. This charming 5-acre garden is full of 20,000 tulips. There are paved trails, as well 3 miles of hiking trails for the outdoor enthusiast.







 Sosbee Cove – In the shadow of Blood Mountain, Sosebee Cove begins above the nondescript, easyto-miss pull-off below and north of Wolfpen Gap on Georgia 180. This .3 mile hike is a perfect wildflower lovers paradise.



taking a stroll, CNC has something for everyone. With 127 acres on the Chattahoochee River, the possibilities for fun with nature are infinite! Learn all about your backyard with the only Nature Exchange in the Southeast or explore the birds of prey in the aviaries of the Wildlife Walk. Bring the family, have a picnic, and make a day of it!





10 Natural Spring-Cleaning Hacks

Spring is almost here, and your house may be begging for some much-needed postwinter freshening. You can do it without toxic chemicals! Here are 10 easy ways you can spring clean your home.

- Create a non-toxic room spray by mixing ¼ cup vodka, 1 cup water, 15 drops lavender essential oil, 10 drops tea tree essential oil, and 5 drops eucalyptus essential oil in a spray bottle. Also makes a great deodorizer for pet bedding.
- Give your carpet some freshening by sprinkling baking soda and letting it sit for a half hour, then vacuum.
- 3. Remove lime build-up from around the kitchen or bathroom faucets by soaking a clean cloth in white vinegar and let it penetrate the affected areas for 20 minutes (while you tackle other chores). Rinse with clear water. BONUS: Old pantyhose make a great bathroom scrubber.
- 4. Wash windows with a mixture of equal parts of white distilled vinegar and warm water. Dry with a soft cloth, newspaper, or clean coffee filters. This solution will make your windows gleam and will not leave the usual film or streaks on the glass.
- Take down that grungy plastic shower curtain and wash it with a load of soiled towels. Add 1 cup white vinegar to the rinse cycle. Hang it back up to dry with the

exhaust fan running, or line dry it outside.

- 6. Freshen your drapes, comforters, throw rugs, and blankets by hanging them outside (weather permitting not recommended on very humid days) for a couple of hours. Let the sun and wind work their magic. If the items are especially musty, sprinkle them with baking soda first. Shake or vacuum off.
- 7. To remove stubborn stains and deodorize the toilet, pour in a 1/2 cup baking soda and 1 cup white vinegar into the bowl. When the fizzing stops, swish with a scrub brush, and flush.
- 8. Use a pair of rubber kitchen gloves, dampened, to remove cat and dog hair from clothes and furniture. Rub in circles and toss the collected hair.
- 9. To de-grease and de-gunk the kitchen cabinets, wipe them down with a mixture of 1 quart of hot water and 1/2 cup of lemon juice and use a dollar store magic eraser pad. Works like ... magic! Don't forget to wipe down the hood of the exhaust vent while you're there.
- 10. A lemon juice and salt mixture makes a good copper and brass cleaner, as well as an effective mildew stain remover. Sprinkle the area with salt and rub with a half-cut lemon.

Slow Cooker Chicken and Dumplings



Ingredients

- 2 pounds boneless skinless chicken breasts or thighs
- 1 sweet onion diced
- 1 clove garlic minced
- 2 cans (10 ounces each) cream of chicken
- 3 cups chicken broth
- 1 teaspoon poultry seasoning
- 1 teaspoon dried parsley
- 1 teaspoon cracked black pepper
- 1 package 8-count refrigerated biscuit dough

INSTRUCTIONS

- Add all of the ingredients except for the biscuit dough to a 6 quart slow cooker and stir to combine.
- 2. Cover and cook on high for 3 hours or low for 6 hours.
- 3. When chicken is cooked through and tender, use two forks to shred the meat. Stir to combine.
- Open the can of biscuits and press each biscuit flat. Cut the biscuits into narrow strips

and add to the slow cooker. Stir to combine.

- Cover and cook on high for 1 hour or until the biscuits are cooked. Biscuits should be light and fluffy when finished.
- 6. Serve immediately.



April: Easter April 12th, April 15th Tax Day

May: Mother's Day May 10th, Memorial Day

May 25th

June: Father's Day June 21st



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