The right partnership makes it possible.
Laraway
Financial Advisors, Inc.

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The Laraway Report

The 10 Commandments of Retirement

by Steven A. Laraway, J.D., CPA®, CFP®

Over the years I have advised many clients on what strategies to adopt prior to and in retirement. Always start with this rule: think of yourself first. Do not start gifting away your assets to the kids or others because they are needy. This is not being selfish, thoughtless or greedy. Pure and simple, if you run out of assets your kids don't want you to move in with them. Trust me on this one.

So what are some rules to follow as you approach what you hope is a comfortable retirement? I saw a blog post recently by Richard Quinn, called The 10 Commandments of Retirement which bears repeating. The 10 Commandments are:

1. Align your preretirement lifestyle with your retirement lifestyle. Make sure both are financially sustainable.
2. Realize that Social Security probably will fund only a small part of your retirement needs.
3. A financial and estate plan is a must.
4. Perhaps, try out your retirement locations prior to committing to them.
5. Make sure you meet all the deadlines for retirement items like Social Security, Medicare, etc.
6. Put retirement savings ahead of other goals – way ahead!
7. Save as much as possible-save early-save often. Compounding is a powerful tool.
8. Factor taxes into your plans. Realize they might not be lower in retirement.
9. Factor in health care costs in your plan. Health care is expensive and most likely going higher.
10. Make sure you have a steady income stream in retirement. Don't be totally exposed to stock market fluctuations.

There you have it. Happy Investing!

Getting Your Personal Finances in Shape for 2019

Fall is a good time to assess where you stand and where you could be.

Provided by Chris Wayne, AIF®

You need not wait for 2019 to plan improvements to your finances. You can begin now. The last few months of 2018 give you a prime time to examine critical areas of your budget, your credit, and your investments.

You could work on your emergency fund (or your rainy day fund). To clarify, an emergency fund is the money you store in reserve for unforeseen financial disruptions; a rainy day fund is money saved for costs you anticipate will occur. A strong emergency fund contains the equivalent of a few months of salary, maybe even more; a rainy day fund could contain as little as a few hundred dollars.

Optionally, you could hold this money in a high-yield savings account. A little searching may lead to a variety of choices; here in September, it is not hard to find accounts offering 1.5% or more annual interest, as opposed to the common 0.1% or less. Remember that a high-yield savings account is intended as a place to park money; if you make regular deposits and withdrawals to and from it and treat it like a checking account, you may incur fees that diminish the savings progress you make.[1]

Review your credit score. Federal law entitles you to a free copy of your credit report at each of the three nationwide credit reporting firms (Equifax, TransUnion, and Experian) every 12 months. Now is as good a time as any to request these reports; visit annualcreditreport.com or call 1-877-322-8228 to order them. At the very least, you will learn your credit score. You may also detect errors and mistakes that might be harming your credit rating.[2]

Think about the way you are saving for major financial goals. Has your financial situation improved in 2018, to the extent that you could contribute a little more money to an IRA or a workplace retirement plan now or next year? If you are not contributing enough at work to receive a matching contribution from your employer, maybe now you can.

Also, consider the way your invested assets are held. What are your current and future allocations? Some people have heavy concentrations of equities in their workplace retirement plan, IRA, or brokerage account due to Wall Street's long bull market. If this is true for you, there may be some pain when the next bear market begins. Check in on your portfolio while things are still bullish.

Can you spend less in 2019? That might be a key to saving more and putting more money into your rainy day or emergency funds. If your pay has increased, your discretionary spending does not necessarily have to increase with it. See if you can find room in your budget to possibly cut an expense and redirect the money into savings or investments.

You may also want to set some near-term financial goals for yourself. Whether you want to accomplish in 2019 what you did not quite do in 2018, or further the positive financial trends underway in your life, now is the time to look forward and plan.

Citations.

1 - thesimpledollar.com/best-high-interest-savings-accounts/ [8/31/18]
2 - ftc.gov/faq/consumer-protection/get-my-free-credit-report [9/6/18]

Health-care Planning ...Things to Consider

by James Schmitz

The health-care landscape has changed significantly over the past several years, with one consistent factor, it is getting more expensive. Individuals who are planning for retirement typically are concerned with future taxes and inflation but the cost of health-care has outpaced both and is usually overlooked.

People are living longer and the probability of needing health-care services increases with longevity. The problem is trying to predict the level care that will be needed and the costs associated with that care.

With fewer employers offering retiree health benefits and the continuation of baby-boomers retiring each year, more are relying on Medicare. Looking at the current existing federal debt and the increased demand for Medicare, could this lead to reduced benefits, higher taxes or both?

We all have our own personal stories of relatives living in a nursing home and the costs that come with the care. As we see the burden falls more and more on the individual and their retirement nest egg.

What can we do to off-set the risk?

- Manage income levels to avoid larger Medicare premiums.
- Postpone claiming Social Security benefits.
- Establish a Health Savings Account while you're still working.
- Create tax-free income in retirement using Roth IRA strategies.
- Maintain an emergency fund for unforeseen health costs.
- Use estate planning strategies to help protect the assets.
- Consider long term care insurance options to mitigate future care costs.

**Kaiser Family Foundation 2017*

33rd Street Road Construction happening NOW

A friendly reminder - if you are planning to stop by our office at 1219 33rd Street South, St. Cloud, please call us at 320-253-2490 to get the latest updated progress on the 33rd Street road construction project that will be on going thru late fall.

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Inside this Issue

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Investment Performance Through September 30, 2018

Category	3 Months	YTD	1 Year	5 Year
MORNINGSTAR				
Large Cap Value	5.55%	4.38%	-0.24%	9.93%
Large Cap Blend	6.85%	8.32%	15.71%	11.70%
Large Cap Growth	7.75%	15.72%	23.95%	13.86%
Mid Cap Value	3.16%	3.17%	9.03%	9.22%
Mid Cap Blend	4.11%	6.11%	12.15%	9.57%
Mid Cap Growth	6.69%	13.56%	21.02%	11.75%
Small Cap Value	.85%	4.63%	8.34%	8.20%
Small Cap Blend	2.67%	7.99%	12.10%	9.66%
Small Cap Growth	7.04%	18.96%	18.82%	11.65%
Foreign	1.70%	-0.13%	3.62%	4.27%
Govt. Bonds (Interm.)	-0.32%	-1.47%	-1.70%	1.21%
Corp. Bonds (Interm.)	0.20%	-1.39%	-1.08%	2.17%