Ellenbecker
Investment Group

In Touch

Since 1996 2nd Quarter 2020

Managing Finances through a Mental Health or Addiction Crisis

Julie Ellenbecker-Lipsky, CFP®
President and Senior Wealth Advisor
Ellenbecker Investment Group

Managing finances is challenging but managing finances through a mental health or addiction crisis can be downright paralyzing. Mental illness and substance use disorders have no boundaries and do not discriminate. Once faced with a crisis, the first step is to educate yourself. You are not alone. According to the National Association of Mental Illness (NAMI), 1 in 5 adults in the US experience mental illness. First, find a mental health specialist and develop a team of partners and people you can trust.

Next, call a qualified and supportive financial advisor. Your relationship with your advisor is unique and they often know the intimate details of your hopes, dreams and fears. They also know how you spend your assets and can help ensure your decisions won't negatively impact your quality of life. Choose someone who is experienced, unflappable, rational, supportive, empathetic and honest. Find an advisor who will ask the questions you don't even know to ask and who will gently hold you accountable as you navigate this journey.

Although dealing with a mental health crisis has many aspects, I am providing tools to assist in managing your finances through a diagnosis.

1. **Think rationally.** I know this is easier said than done but it is important to make financial decisions based on facts rather than fear. Be calm and ask for help.
2. **Plan for financial emergencies.** Expenses associated with mental health treatment have a huge impact on your investment portfolio and retirement plan. To prevent rapid erosion of your portfolio and damage to your other beneficiaries, work with your advisor to manage liquidity, develop cash reserves and control investment risk.
3. **Negotiate with behavioral healthcare providers.** Many treatment providers offer discounts for private pay, have scholarships or endowments to defray some of the out-of-pocket costs and have a sliding scale for benefits based on income.
4. **Understand the benefits available.** Many employers provide health insurance, short-term and long-term disability insurance and an Employee Assistance Plan (EAP). Know what is available through your health insurance, Medicaid or other governmentally funded programs.
5. **Review your estate plan.** It is important to protect your assets and protect your loved ones. There are oftentimes simple solutions to ensure that your assets will pass safely to the next generation. Beneficiary designations, along with financial and healthcare powers of attorney, should be reviewed and updated.
6. **Understand your taxes.** Work with your tax provider to make sure your decisions have the best long-term tax impact possible.
7. **Review your life insurance.** Many times, life insurance is forgotten when thinking about your assets. It is important to review your policies and align them with your estate plan.
8. **Plan an overall financial checkup with your advisor.** Make sure both you and your loved one are on the same page. Set parameters for what you are willing to commit both now and in the future. Creating a plan today will make following through with your decisions much easier down the road.

We all know that there is a fine line between helping and hurting ourselves and our loved ones. Sharing your story can be overwhelming but I encourage you to reach out and ask for support. When recognizing a mental health concern, don't deny it, don't hide it, don't enable it and don't wait. We are here to offer support and resources in any way we can so you can focus on what really matters ... healing. ■

Focus on What Matters

Happy Spring! It seems like the Christmas holiday season was such a long time ago! 2020 has introduced many challenges that have given us the opportunity to pause and reflect on what really matters.

The old adages, "don't jump off a roller coaster when it is moving" or "even if it is on sale, don't buy stale bread" remind us how to stomach the recent market volatility. These statements hopefully remind you that you have a high quality plan in place that has been structured for your life, regardless of the stock market and economic environment. It is the foundation of quality and solid planning that we believe provides you safety and peace of mind in a volatile market like this.

Many of us consider our investment portfolios to be a means to enjoy and maintain the quality of our lifestyles. I feel this way too; however, I also want to use my financial resources to enhance the life of my children and grandchildren and pass down my personal core values like an important family recipe.

I would like to offer a few ideas to use as a guide for transitioning our personal wishes and wealth to the next generation:

1. Make a list of your personal core values and share them with your family. Any time is a good time ... but I did mine several years ago at Thanksgiving. Give each person a copy and ask them to keep them visible. This list is a great conversation starter and an opportunity for you to share your wishes and hear their concerns and perspective. They may even have a few values to add!
2. I am very charitable and my hope is that my children and grandchildren continue that legacy. This past Christmas I gave each of my children and grandchildren the opportunity to gift from my IRA to fulfill the required minimum distribution (RMD). I asked them to pick a charity of their choice and share their selection at our Christmas dinner. It was wonderful hearing why they chose the charity and each one wanted to know if we would do it again next year. It was a win-win, they were able to experience the gift of charity and I was able to see my desire for a legacy unfold.
3. You might consider a Family Foundation. It is easy to initiate, cost effective and it simplifies your charitable recordkeeping at tax time. A Family Foundation includes your family in the decision making process during your lifetime and once you are gone they remain as the donors, keeping your legacy alive.
4. Several years ago, I gave each one of my children a small box. Inside I put twelve self-addressed and stamped envelopes with my address. I asked them to share with me, once a month, an act of kindness they did and mail it to me. It was wonderful getting mail from my family with spontaneous gestures of kindness.

Karen J. Ellenbecker
Founder & Senior Wealth Advisor
Ellenbecker Investment Group

There are many more ideas such as personal letters or videos, where you can share what really matters to you most. Sharing your legacy is a gift to your beneficiaries and to yourself. Watching it unfold during your lifetime is a blessing. Winston Churchill said, "We make a living by what we get, we make a life by what we give". We are happy to help you look at your personal situation both from your personal desires and from a tax perspective. As we continue to experience unprecedented circumstances, look for the silver lining, take a deep breath, pause to count your blessings and know that this too shall pass. ■

QR Code Instructions

You will notice new QR codes in this edition of our newsletter. The codes help direct you to recordings and websites by scanning over them with your electronic device. To do so:

- Open the camera app on your phone or tablet like you are going to take a photo.
- Put the QR code in the middle of your screen like you are about to take a photo of it.
- A link should pop up before you take the photo that recognizes the code and asks if you would like to click through to the link.

Enjoy!

Life Insurance for All Stages and Ages

Diane Gastrow
Director of Insurance Planning
Ellenbecker Investment Group

I am often asked by clients why they need life insurance at different stages of their lifetime. Here are a couple of thoughts on how life insurance can benefit you and your loved ones, at any age.

Children from Birth to Age 18 — Small permanent life insurance plans can be put in place and remain in force for the rest of their lifetime. For a minimal premium, payable to age 18 or 21, the child will have a life insurance policy that provides death benefit protection, with or without a cash value component. An optional rider can guarantee the ability to buy more coverage over their lifetime without evidence of insurability. This may be helpful if the child develops a medical condition or makes lifestyle choices that make it difficult or impossible to buy new insurance.

Ages 18 to late 20's — At this stage, many individuals have student loans, auto loans or credit card debt. A low-cost term life policy can provide tax-free liquidity to cover the debt or final expenses in the event of an early death. In addition, policies typically offer long-term guaranteed level premiums and the option to convert some or all of the policy death benefit to permanent insurance in the future without evidence of insurability.

Late 20's through Retirement Age — Although life insurance can never replace you, it does provide peace of mind and tax-free resources to help your family financially if you pass away during your income earning years. The death benefit can pay off mortgage and other debt, fund children's college expenses and future weddings and support a surviving spouse throughout their lifetime. The amount of coverage will typically be greater because your financial responsibilities are often greater. Depending upon your circumstances, term insurance and/or permanent insurance may work best from a cashflow and risk management perspective.

Retirement and Beyond — Insurance at this time can pay off any remaining debt and provide resources to support financial dependents. It can also cover long-term care expenses, guarantee liquidity to pay income or estate taxes or provide an inheritance to your family members or favorite charity.

Regardless of what stage you are in, it is important to discuss how life insurance planning may be an important component of your overall financial plan.

Let me or your advisor know what questions you have and how we can be of assistance with your insurance planning strategies. ■

Visit *moneysenseradio.com* to listen to the Money Sense radio show with Diane Gastrow.

COVID-19 Updates

Governor Evers directed the Department of Health Services to issue the 'Safer at Home Order' beginning March 25, 2020. The health and safety of our clients, employees and community are of utmost importance to us and EIG is complying with this order. As of the printing of this newsletter, our team will be serving clients remotely and holding meetings via phone or video conference. We are still serving our clients and can execute trades during this time, we are just adhering to these strict guidelines to keep everyone safe.

Updates will continue to be posted on ***ellenbecker.com*** and through our EIG Weekly Newsletter email sent out every Tuesday. If you would like to reach your EIG Wealth Advisor directly, please contact them via email. (Visit ***ellenbecker.com/our-team*** to view our emails.)

Market Volatility

Hear from EIG President and Senior Wealth Advisor, Julie Ellenbecker-Lipsky, CFP®, CDFA™, and EIG Senior Wealth Advisor, Anne Mank, CFP®, CPA, as they discuss how our wealth advisors provide structure and support so your financial plan can weather market volatility.

Hover your phone's camera over this symbol to listen.

Advice from Someone Who HAS Retired!

Jean Range, CFP®
Senior Wealth Advisor
Ellenbecker Investment Group

A day in the office for me is a great day. I get to talk to clients and hear their passion and emotion around careers, families, heartaches, vacations and dreams — it is enlightening. I don't know if my clients realize how much I learn from them. Some of those lessons learned have gone home with me as I face life as a wife and mother. Some lessons find themselves in meetings when a client is facing similar challenges and fears.

This article will focus on the lessons I have learned from retirees about retirement as they have already journeyed through the process.

1. **Plan, plan and plan.** We have all heard the quote "if you fail to plan, you plan to fail." Being ready financially for retirement does not just happen, you need to plan for it. Retirement is very complex — involving savings, investment allocation, tax planning, social security planning and more.
2. **Save early and often.** Some retirees look back and realize they could have saved early in their careers and should have lived within their means. There is a fine line between "I only live once and I need to save for retirement." Retirees suggest that you prioritize your spending on experiences rather than things. Never use credit to finance lifestyle and contribute the maximum amount to retirement plans.
3. **Create a vision of what your "purpose" is during retirement.** Participate in those activities while you are working to make certain they provide enjoyment and fulfillment.
4. **Diversify your investments.** Work with an advisor to determine your risk tolerance and then create a portfolio that fits within that risk level.
5. **Own a home you can afford and pay off your mortgage.** Being debt free is liberating in so many ways including allowing you to retire when the time is right.
6. **Be flexible.** Life happens and all of us have and will continue to have unexpected challenges. The true art of preparing for retirement is designing a plan that bends without breaking. As challenges arise, you need to shift to a contingency plan.
7. **A health crisis can change everything.** Stay on top of your physical and mental health. Remember, a body in motion stays in motion. Annual physicals are a must.
8. **Mitigate risk with insurance.** Most of us can anticipate a tree falling on our home during a storm but they can't imagine being faced with a long-term illness. Review long-term insurance early in retirement planning. For many retirees, it was the last piece to complete their retirement puzzle.
9. **Never touch your 401(k)/IRA.** No matter how tempting, never tap into your retirement plan while working.
10. **Caution when supporting kids.** It is not selfish to keep the money you made your whole life for yourself. It may not be in your best interest to "borrow" money for homes and cars. Remember #4 above — buy a home you can afford.
11. **Biggest surprise in retirement** ... it wasn't that life was hurrying by, it was that retirement was a lot longer than they anticipated. ■

I want to close this conversation with a direct quote from one of my clients:

> *Jean,*
>
> *As I pondered what advice I would give to anybody preparing to venture into their retirement years I found this gem:*
>
> *Do not be frightened or hesitant to re-create yourself!*
>
> *What I mean by that is, you will need to find new daily challenges, hobbies or volunteering opportunities because you will be replacing all the hours and minutes you once spent at work.*
>
> *So be open to any and all possibilities, even if they are wildly different from the things that previously shaped who you were.*
>
> *The world is your oyster and be open minded about any and all things you might consider.*
>
> *But most of all do things that will make you happy!*
>
> *Respectfully,*
>
> *Tommy P. (retired for 3+ years)*

Sources:
- *rd.com/advice/saving-money/retirement-advice/*
- *msn.com/en-ie/money/personalfinance/8-pieces-of-advice-to-help-you-retire-when-you-want-according-to-people-who-have-done-it/*

Visit *moneysenseradio.com* to listen to the Money Sense radio show with Jean Range.

Living Your Legacy

How would you like to be remembered?

One dictionary definition of the word legacy is "something meaningful that is transferred from one person to another that comes from the person who is deceased." However, legacies can be created and handed down, endowed or shared during one's lifetime as well. Creating your own legacy can include many things such as financial gifts, heirlooms and stories.

If you would like to be remembered for helping your children with their financial lives, consider:

- paying to have their estate planning documents prepared;
- buying paid-up life insurance for them;
- providing a down payment for a home;
- matching or funding their Roth IRA contributions;
- sharing financial education like the EIG newsletter articles, webinars and seminars; and/or
- introducing them to your EIG advisor.

If education is important to you, consider:

- funding 529 plans;
- paying for tuition;
- paying off student loans for grandkids; and/or
- starting a scholarship fund.

If you are passionate about travel, consider treating family and friends to vacations.

If you like sharing family history, stories and traditions, consider writing or recording your memoirs. Here are a few books to help you get started:

- *The Book of Me: A Do-It-Yourself Memoir* by Nannette Stone
- *The Book of Myself A Do-It-Yourself Autobiography In 201 Questions* by C. Marshall & D. Marshall
- *How to Write Your Life Story and Leave a Legacy* by Melanie Johnson & Jenn Foster

If you support not-for-profit organizations like the arts, the animals or your alma mater, consider establishing a donor advised fund to make donations during your lifetime and upon your death.

As I transition into retirement, I plan to continue to shape my legacy. Primarily I want to create experiences with family and friends, hosting at our new home and traveling. I'll continue to support the causes that are important to me through our donor advised fund and volunteering my time.

Diane Byrne, CFP®
Senior Wealth Advisor
Ellenbecker Investment Group

Dave and I are developing our own small retirement community with the hope that it will continue in the future. Since we don't have children, we want to extend our dream to like-minded nieces, nephews and/or friends.

As far as my EIG legacy goes, I'd like my clients to think of me as a caring advisor who helped them realize their dreams, enjoy their lives and do what was important to them. By helping them organize their financial lives, make confident decisions with their money, plan for retirement, deal with financial uncertainties and work through life transitions, I hope they have peace of mind and sleep well at night.

Also, I'd like my co-workers to think of me as one who led by example, followed the golden rule and exemplified our EIG core values. As I say, "Often wrong but never without an opinion -- always with a sense of humor!".

I encourage you to think about your legacy, especially what you can create and share during your lifetime.

One of my favorite quotes and my plan for retirement. ■

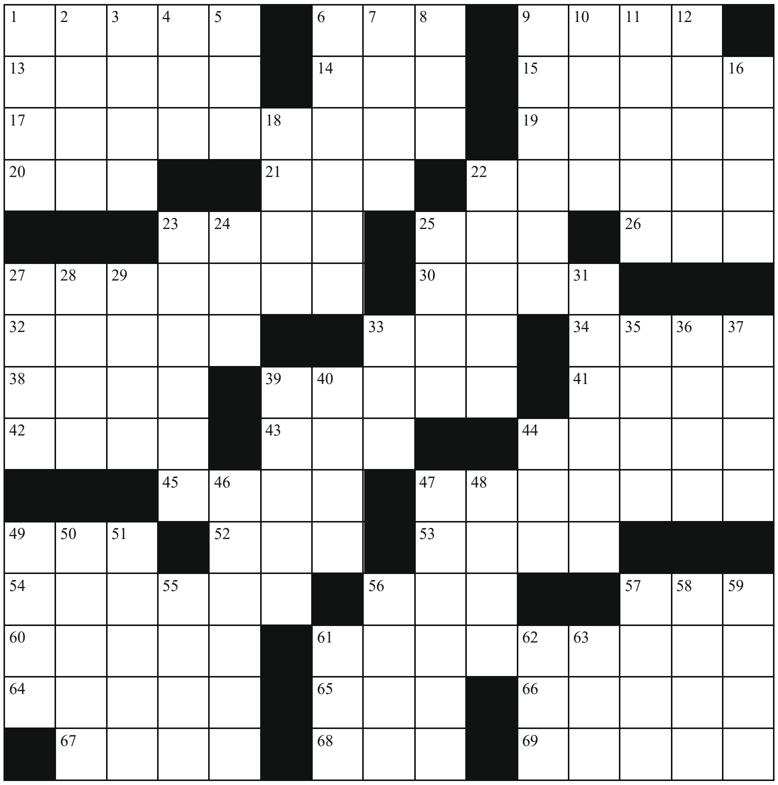
Live with intention.
Walk to the edge.
Listen Hard. Practice Wellness.
Play with abandon. Laugh.
Choose with no regret.
Continue to learn.
Appreciate your friends.
Do what you love.
Live as if this is all there is.

- Mary Anne Radmacher

advisors who *listen*

Crossword Puzzle: EIG's Special Interest Groups

For crossword solutions, visit *ellenbecker.com/p/newsletter.*



Kelly Whitt
Insurance Advisor Associate
Ellenbecker Investment Group

Across
1. Electric car company
6. Grandma, in Germany
9. Sullen
13. IRS tax return examination
14. Take quickly
15. Carry on
17. EIG's special interest group Armchair ___ discusses places like Croatia and Chile
19. Scary 1978 novel by Stephen King, *The* ___
20. Just fine (abbr.)
21. List shortener (abbr.)
22. EIG's special interest group Sustainable ___ discusses topics such as eco-tourism and reducing food waste
23. *Pygmalion* playwright George Bernard ___
25. Instead of paper or plastic, bring a reusable one of this
26. Bread often served at fish fries
27. Nation of the Plains
30. Sound like a bell
32. Listen in on EIG's special interest webinar series Savvy ___ Habits
33. Former Russian space station
34. Killer whale
38. Sicilian volcano
39. "Would you like ___ with that?"
41. Trick
42. Close at hand
43. Fishing device
44. EIG's special interest group Women's ___ Study has been studying Psalm 23
45. Wine glass support
47. Occurrence
49. Sister to Marcia and Cindy
52. Tiny
53. Trail
54. EIG's special interest group ___ Veterans Group meets the fourth Monday each month
56. Miss Piggy's pronoun
57. Hit the slopes
60. Shop or stock
61. EIG's special interest group Wisconsin Widows ___ holds a Valentine's Day Luncheon every year
64. Himalayan country
65. EIG's tax operations associate ___ Schaubel
66. A sedimentary rock
67. Type of pool
68. Brand of pickup truck
69. Nags

Down
1. Bye bye
2. Money across the pond
3. Home to the Badlands (abbr.)
4. 54 in Roman numerals
5. Had a meal
6. "___, buckle my shoe" (2 wds.)
7. Designer Jacobs
8. Stomach muscles
9. Blueprint
10. As seen ___ (2 wds.)
11. ___ Force Academy, CO (2 wds.)
12. Like over easy eggs
16. Rim
18. Rachel's sister, in the bible
22. Homes for wolves
23. Singer Britney
24. Food for horses
25. Cheese with a thick rind
27. Prayer ending
28. Memorization by repetition
29. *Pitch Perfect* actress Kendrick
31. Kid's card game (2 wds.)
33. Center
35. Prefix for call or cop
36. Common sickness
37. Sheltered side
39. Released
40. Home to Trevi Fountain
44. Nipped at
46. Uses Twitter
47. One for whom something is named
48. ___ and suffering
49. Fair
50. Ludicrous behavior
51. Sorrowful mother of Greek myth
55. ___ leches cake
56. Place to see Van Gogh's The Starry Night (abbr.)
57. Betelgeuse, for one
58. Seaweed
59. "Beware the ___ of March"
61. Mustang or Beetle, for example
62. Key in the upper right corner of your keyboard
63. Word, when repeated, that is a Cuban dance

For crossword solutions, hover your phone's camera here.

Staying the Course During Market Volatility

Seeing your investments grow over time can be quite rewarding, as we are often saving for important events such as funding retirement or building wealth for a family legacy. Through our actions we can become emotionally vested in the experience. The process over time has a direct correlation of how we envision the positive outcomes intended for us and those closest to us in our lives.

The concept of achieving success by investing long-term is essential to funding our goals. With that said, we must remember that there are a variety of factors relating to market conditions as well as economic conditions that will lead markets to periods of volatility that would be considered normal and expected.

The Emotional Side of Investing
Investments are cyclical and can change with broad based market or economic conditions and with this can come with a range of emotions. With periods of positive market performance investors exhibit confidence, pleasure and euphoria. On the converse, as markets turn to less favorable circumstances, this can lead to feelings of uncertainty.

It is in these times that we encourage investors to turn to the disciplined fundamentals unique to them, meet with their advisor and revisit their strategy relating to their long-term and short-term needs.

Jamie Williams, CFP®
Wealth Advisor
Ellenbecker Investment Group

Markets are Efficient
Theories and studies suggest that markets react quickly or almost immediately to new data, analytics and news both when positive or negative conditions are brought to light. It is widely known that market timing or "timing the market"; the ability to make changes quickly enough to realize the benefits or eliminate the downside risk of performance within a particular investment, is simply not possible.

Having Enough in Safer "Lower Risk" Assets
One of the key tenants that should be thoughtfully considered is positioning the portfolio to hold enough in safer assets to cover spending for a period of time. In the event of prolonged market volatility, or during a correction, the idea would be to spend from these assets. This provides some peace of mind and allows time for markets to cycle and normalize without the feeling to take action and liquidate when markets are down.

While significant periods of growth and positive market returns are great, it would be unrealistic to expect such growth to continue for overly extended periods; however, with a properly allocated portfolio that is aligned with risk tolerance and time horizon along with a disciplined approach, we would expect to see positive performance over time. ■

Hover your phone's camera here to listen to a recent Money Sense interview about Market Volatility.

Milwaukee's Philanthropic Community® Past Guests

Tune in on WISN AM 1130 at 10:00am CST or connect online at *newstalk1130.com*. Shows can also be heard on demand via Apple Podcasts, Spotify, Stitcher or Google Play.

This quarter's featured organizations include:

- Alliance of Therapy Dogs
- American Heart Association
- Better Business Bureau
- Cathedral Center, Inc.
- Center for Veterans Issues
- Chosen in Love
- College Possible Milwaukee
- Economics Wisconsin
- Elmbrook Humane Society
- Fellow Mortals
- Friendship House of Milwaukee
- Lutheran Social Services
- Milwaukee Justice Center
- MKE Scholars
- The Conservancy Organization
- The Norris Center
- Urban Economic Development Association WI
- Veterans Outreach of Wisconsin
- WI Ovarian Cancer Alliance
- Wildlife in Need

Email Jill Economou at ***jill@ellenbecker.com*** to recommend a non-profit.

Milwaukee's Philanthropic Community presented by EIG

Hover your phone's camera here to listen to past shows on our website.

Living in a Digital World

It's not hard to see how intertwined our daily lives are with technology. Our smart speakers order groceries, toothpaste and anything you desire; smart doorbells monitor activity on our doorsteps and neighborhood; smart thermostats, ovens, lightbulbs, cameras and garage doors let you can control your home from anywhere in the world. We can freely travel or work away from home but still have control and security. Wearable tech, like Apple Watch and FitBit, monitors your health, sleep and activity. The data helps you make decisions that improve your life and livelihood.

Coordinating all the aspects of our digital world can be a challenge. Going paperless is a basic way to take advantage of technology but there are many things to consider for an efficient and accurate system. Tax returns and supporting documents should be kept in original form for at least six years. (Business taxes have specific requirements so be sure to check with your accountant.) Keep the originals of important documents like contracts, titles/deeds, estate plans and insurance policies forever. Other documents can be stored or accessed digitally. Establish online access with utility or credit card companies to access monthly statements, pay bills and run reports on usage or charges. Set up autopay to ensure you won't miss a payment or incur late fees.

Make sure your online account is secure. Use a different strong password for each login by using a mix of letters, numbers and symbols. Consider storing your usernames and passwords in a password book and be sure to keep this in a secure place.

Heather Deaton, CFP®
Wealth Advisor
Ellenbecker Investment Group

With online access, there is little need to store documents in your own files. But for files you do keep on your hard drive or secure cloud storage, set up a file folder structure like you would use in a file cabinet. For organization and easy searchability later, use a standard naming convention starting with date (yyyy-mm), then document type and description.

See below for details or hover your phone's camera here to register and see what electronic items can be recycled with our new provider, Goodwill Industries.

Benefits of going paperless include improved security, management from anywhere and reduced paper and energy consumption. Plus, online access to your bank accounts and credit card accounts gives you an easier way to monitor your cashflow. Download your transactions and then sort by the assigned category (Gas, Grocery, Charity, etc). Reviewing what comes in, what goes out and where it goes can highlight where you are confident and where you need a change to realize your financial goals. As you sort and purge paper files, safely and securely dispose of the sensitive information. See below for our annual Shredding & Recycling Day. ■

Coming this Summer: Shredding and Recycling Day

Check back on ***ellenbecker.com/events*** for a date and more information.

Ellenbecker Investment Group
Pewaukee Parking Lot
N35 W23877 Highfield Court
Pewaukee, WI

No CRT (tube) TV's or monitors

ON-SITE PAPER SHREDDING
Up to three boxes.

ELECTRONICS RECYCLING
See ***ellenbecker.com/events*** for a list of unacceptable items.

EYEGLASS / HEARING AID DONATIONS
Help support Lions Club International by collecting used, yet usable, eyeglasses and hearing aids.

CLOTHING DONATIONS
New this year - along with electronics, Goodwill is accepting clothing donations.

Preserving Tax Flexibility in Retirement

Kristina Schnuckel, CFP®, AIF®
Wealth Advisor
Ellenbecker Investment Group

For many retirees today, saving in tax-deferred 401(k) plans and IRAs had always been the best strategy. Retirees were able to defer taxes in higher earning years and kick the tax can down the road to a later date. But is deferring taxes always the best option, even for higher income earners? Many of the retirees we see believed they would be in a lower tax bracket in retirement. While many retirees think their lifestyle will decrease in retirement, we've noticed the opposite. This increase in spending during early retirement years coupled with rising tax rates has had the reverse effect. Investors who only saved in tax-deferred accounts are now at the mercy of Uncle Sam and without the flexibility to control their tax bracket.

How do investors avoid this pitfall? The answer is diversification. Investors know that diversification is key for investments in order to reduce risk and help portfolios weather the ups and downs of a volatile market. What many investors overlook is that you must also diversify the tax consequences of your portfolio. Here at EIG, we look at retirement savings as a three-bucket approach:

Bucket 1 is taxable investments. This could be a checking or savings account, an after-tax account in your own name or even home equity. These are funds you have already paid tax on. As the account earns interest and dividends, those interest and dividend payments are taxable to you in the year they are received and get added to your tax cost basis. When you spend from this bucket, you are subject to capital gain taxes if you've seen appreciation. For many, capital gain rates are more forgiving than normal income brackets.

Bucket 2 is tax deferred investments such as traditional IRA and 401(k)s. Investors receive a tax deduction when contributing to these accounts and assets grow tax deferred. Taxes are paid when you take the funds out for spending. Every dollar you take out is taxable at your tax bracket. Determining the amount to save in this bucket is often a balancing act: weighing the benefits between saving enough to get a tax break now, but not too much as to ensure that taxes will be an issue later on in retirement.

Bucket 3 is tax-free investments such as a Roth IRA or Roth 401(K). When investing in this third bucket, investors do not get a current tax break, but when funds are taken out in retirement, those distributions are free from tax as long as the holding period requirements are met. This bucket hasn't always been available and can be difficult for a high-income earner. Often times, a slight tweak to the amount saved tax-deferred may bring adjusted gross income down enough to allow for Roth contributions. The younger you are when you start saving into a Roth, the longer your funds have to grow tax-free!

It's not just young investors who can benefit from this three-pronged approach. If you are already retired, you may have the ability to convert some of your tax deferred assets to tax free by exercising a Roth conversion. Assuming that you should always save tax deferred just because you are in a higher tax bracket now may be short sighted and hurt your long-term retirement goals. Having assets represented in all three buckets helps ensure that you maintain control over your tax bracket well into retirement. ■

The tax deadline has been extended to July 15, 2020. We have a drop box at our Pewaukee and Whitefish Bay locations, or learn how you may submit your information securely through email by contacting Amy Schaubel (***amy@ellenbecker.com***).

advisors who *respond*

Buying and Shipping a Car Sight Unseen

An untimely rendezvous with a deer ended the life of our trusted grocery-getter. (The deer was just fine by the way.) With a budget and long list of wants for our next vehicle, including marriage savers like dual climate control and memory position driver's seat, we found the perfect vehicle ... in Los Angeles!

Buying a vehicle sight unseen from another state is a unique experience of building trust. Third parties each step of the way will help build the necessary trust and protect you from fraud.

1. **Research the seller.** In our case, the dealership had plenty of positive online reviews on reputable third party websites. Plus, a quick Google search for complaints about the dealer turned up a few minor results. So far, so good.

2. **Inspect the vehicle.** This was the toughest part and pictures on the internet with the dealer's description weren't enough. Third party inspection companies like Alliance Inspection Management or Lemon Squad work for the buyer to inspect the vehicle inside and out, drive it and provide a full report. They may also include a vehicle history report, such as Carfax. You can also find a vehicle's history from the National Motor Vehicle Title Information System — ***vehiclehistory.gov***. A quick VIN query with the National Insurance Crime Bureau — ***nicb.org/vincheck*** will show if a vehicle had an insurance claim. We took another step. If a picture is worth 1,000 words, a video call is worth 1,000,000 words. We had the salesperson move the camera throughout the interior, exterior, underneath and anywhere else we wanted to see closeup. A video call is indispensable.

3. **Sign documents.** Again, third parties saved the day. Both states had guides to purchasing a vehicle on their website including how to purchase from out of state. Plus, the sites confirmed how much or little personal information needed to be exchanged between the parties. ***wisconsindot.gov***

4. **Make the payment.** Using a third party escrow company such as ***escrow.com/cars***, instead of sending money directly to the seller, ensures the seller gets paid and the buyer receives the vehicle promised.

5. **Ship the car.** Car shipping is a fascinating industry. It operates in a marketplace, like eBay, but instead of bidding on a product, you bid on trailer spots. If you get outbid today, maybe your bid is high enough to move your car on a different truck tomorrow. "Load boards" are the eBay of the car shipping world. Unlike eBay, a broker is needed to post your car shipment and your bid and ***uShip.com*** helped us locate dozens of brokers. The broker also verifies important information about the trucking company like insurance. Once our bid was accepted, the trucking company was another excellent source for inspecting the car. Since they don't want to be blamed and pay for damage the car had before they took custody, they document and photograph every tiny blemish before the car is loaded on their trailer.

Mark Ziety, CFP®, AIF®
Wealth Advisor
Ellenbecker Investment Group

If you've tried buying your groceries online, perhaps your grocery-getter is your next online purchase. Happy car buying! ■

Preparing to Launch

Tuesday, May 5, 2020
6:00-8:00pm

EIG Education Center - Pewaukee Office

Anne Mank, CFP®, CPA, will host this informational event for you and your graduating high schooler. A panel of speakers will address important topics including financial responsibility, estate planning, legal considerations and personal safety.

Your student and other guests are welcome to attend with you. Refreshments will be provided.

Please RSVP by calling **(262) 691-3200** or visit ***ellenbecker.com/events***.

Hover your phone's camera here to register.

SECURE Act: Changing the Way to Look at Retirement Accounts

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The "Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019" was recently signed into law with an effective date of January 1, 2020. The SECURE Act made many significant changes to the retirement account laws and its broad scope will affect most owner(s) and future beneficiaries of retirement accounts.

The primary purpose of the law was to increase tax revenues by reducing the payout periods for many retirement accounts. Nevertheless, there were a few changes in the law which will provide a benefit to certain individuals.

Contribution Rules

The SECURE Act removed the age limit at which an individual can contribute to a traditional IRA. Prior to this, an individual could not contribute after age 70½. The law now allows anyone that is working and has earned income to contribute to a traditional IRA regardless of age.

Beginning Date of Required Minimum Distributions

The SECURE Act increased the age at which an individual must begin taking required minimum distributions (RMDs) from 70½ to 72. This will allow any individual who attains the age of 70½ on or after January 1, 2020 to defer RMDs until he or she attains age 72.

Birth or Adoption

Upon the birth or adoption of a child, the law permits an individual to take a "qualified birth or adoption distribution" of up to $5,000. This distribution is not subject to the 10% early withdrawal penalty.

10 Year Rule

The most significant changes made by the SECURE Act was the implementation of a 10 year payout rule for many persons inheriting an IRA from its owners. Prior law generally allowed payout of inherited IRAs by individuals and qualified trusts over the individual's or beneficiary's lifetime. The SECURE Act now requires the payout to be made over a 10 year period after the death of the IRA owner or trust beneficiary.

The 10-year payout simply requires all of the IRA be distributed within 10 years of the owner's death. The payout method can be as much or as little each year (including zero) so long as the entire amount is distributed within the 10 year period.

The SECURE Act did create several exceptions to the 10-Year rule for the following "Eligible Designated Beneficiaries":

Surviving Spouse — A surviving spouse may still use his or her life expectancy for withdrawals. Of course, the surviving spouse can also rollover the IRA into his or her name as allowed under prior law in which distributions would not be required until age 72.

Minor Children — Minor children may use their life expectancy. The age of majority is a little uncertain at this time but will likely be between ages 18 and 21, but possibly up to age 26. This would only apply to the IRA owner's children and not to grandchildren or other young persons.

Disabled and Chronically Ill Persons — The life expectancy payout applies. This is a substantial benefit that will help protect assets from both the loss of governmental benefits and taxes.

Someone Less than 10 Years Younger — If the person inheriting the IRA is less than 10 years younger than the IRA owner, the person may use his or her life expectancy. This would allow the extended period for siblings and friends who are around the same age or older.

For anyone who inherited an IRA from an original owner who passed away prior to January 1, 2020, no changes to the current distribution schedule are required. Therefore, anyone who inherited an IRA from an original account owner who passed away prior to January 1, 2020, can continue their current distribution schedule.

However, for situations where the original account owner passes away after December 31, 2019, fewer beneficiaries will be able to extend distributions from the inherited IRA over their lifetime. Many will instead need to withdraw all assets from the inherited IRA within 10 years following the death of the original account holder.

This law change will require retirement account owners to reevaluate their retirement and/or estate planning strategies. Please always consult your personal tax advisor regarding your own situation. ■

Visit *moneysenseradio.com* to listen to the Money Sense radio show with Phil Remmers.

Preparing to Launch

Anne Mank, CFP®, CPA
Wealth Advisor
Ellenbecker Investment Group

It comes much sooner than you could have ever anticipated. Your little baby is ready to leave the nest and become an independent adult. They might be heading off to further their education, to start their own business or they may even embark on a gap year and backpack across Europe. Whatever they decide to do, your main concern is that they are safe. Here are a few tips to make sure they are financially prepared to brave this new independent life.

Credit Cards — If they do not have a credit card yet, now is the time to get one. Work with them to find the best credit card for their situation and walk them through their first couple of statements. Help them understand the interest rate, timing of payments, credit limit and the best ways to manage the card, i.e. pay the entire balance every month!

Cashflow — Some people like to think of this as a budget, but I like to think of it as understanding cash timing. There can be long time periods between making a purchase, earning the money and then paying the bills. Understanding those timing differences can go a long way as they are trying to navigate large fixed costs on possibly a variable income stream.

Saving — This is an important and often overlooked topic when children are first leaving the home, but could have the biggest financial impact for their future. Encourage them to save 20% of income they earn. This could be in a retirement account, bank or brokerage account. Get them into the habit at a young age and they will have an easier time handling some of the financial curveballs life can throw at you.

Taxes — This is a subject that no one likes to think about, but it is important to talk about. Your child needs to understand that what they earn and what they take home will be two different amounts. The first real paycheck can be quite a shock once they take out taxes, 401k contributions and healthcare premiums. Prepare them for this moment so they can negotiate a better starting wage from the start and afford the lifestyle they want.

It is never too late to teach your kids these financial fundamentals. If you would like more information, have the family join us on May 5th for our Preparing to Launch seminar. It will be time well spent. ■

Hover your phone's camera here to register.

Can You Afford to be Caught Without Your Umbrella?

Tammy Cross
Private Client Executive
R&R Insurance Services, Inc.
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(262) 349-3594

Why do you need the extra protection of a Personal Umbrella Policy?

Even though your auto and homeowners policies provide substantial liability limits, you may need even more protection. Court awards of one million dollars or more are increasing at an alarming rate. The following examples help show why you need this extra protection:

- While trying to avoid a dog, you cross the center line and hit an oncoming car. The accident permanently disables the passenger and causes serious injury to the driver.
- A few neighborhood children climb a tree on your property. One of them falls causing temporary paralysis, in addition to other injuries.
- You borrow a boat, snowmobile or other recreational vehicle while on vacation. While using it, you accidentally cause serious injury to another resulting in long-term disability.

What is a Personal Umbrella Policy?

A Personal Umbrella Policy is designed to give you added liability protection above and beyond the limits on your auto, homeowners, motorcycle, recreational vehicle and watercraft policies. This protection is designed to “kick-in” when the liability on your home or auto policy is exhausted.

continued on page 13 >

Economic Update

Terry Pavlic
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As the year began, the economy was growing steadily at just over 2.0%, manufacturing had picked up and the January Employment Report indicated that 183,000 people re-entered the workforce that month and the labor force grew by 574,000. Stunning figures, but that seems like ancient history today. Since then, governments around the world have ordered citizens to stay home and businesses to close in order to break the transmission of the Covid-19 virus. The economic impact of these decisions is estimated to be as high as $10 trillion (2019 global GDP was about $86 trillion.) The definition of "recession" is two consecutive quarters of economic contraction. The economy is contracting rapidly at the moment but whether this will last for two quarters is an open question. The longer the country remains shutdown, the longer it will take to recover.

There are some reasons to believe this could be a month-or-two event rather than something longer:

1. Central banks have responded immediately and forcefully. In the US, the Fed cut interest rates from 1.50% to 0% in twelve days. In past recessions, the Fed cut rates in 0.25% increments spread six or twelve weeks apart. Secondly, central banks have immediately put various liquidity programs in place. These are critical because when investors panic and flood the market with sell orders, especially for shorter-term bonds, prices can become very volatile and these programs help to absorb this volatility.
2. The Federal government is "going big" with a variety of stimulus and support measures. Over $8 billion was almost immediately allocated to fight the Covid-19 virus. As of this writing, trillions more are about to be allocated for various programs that could be called collectively "lost-pay relief." Small businesses and specific industries, like airlines and hotels, are also going to get lending and grant lifelines of various types.
3. The medical community, medical supplies industry, private industry and related government agencies have responded in massive ways.
4. This is a virus with a very low incidence of death. Experts are finding that deaths are overwhelmingly concentrated in patients who already had one or more health conditions prior to infection. Furthermore, a small percentage of those tested are positive. In South Korea, where widespread testing was conducted, 1 out of 36 tested was positive. Of those who tested positive, the survival rate was 98.5%.

Where we go from here is really a function of how long we keep businesses closed and are told to stay home. The best case, and in our mind the most likely, is that these restrictions phase out in a month or so. If that happens, then by later this year, the economy is well on the road to recovery. If we have to endure many of months of this, more lasting economic damage will be done and the path to recovery will be much longer and more gradual. ■

Visit *moneysenseradio.com* to listen to the Money Sense radio show with Terry Pavlic.

It provides:

- High Limits — Limits of one million dollars or more can protect you after your current policies have paid their full limits.
- Broader Coverage — Personal Umbrellas pay some losses not covered by your current policies such as liable or slander.
- Defense Coverage — The costs of legal defense can be staggering and must be paid even if you win. An umbrella pays these fees in addition to your umbrella limit of insurance.

Your Personal Umbrella Policy Automatically Covers You If:

- You are sued because of an accident which occurs when you let someone else drive your car.
- You are driving a car furnished to you by your employer.
- You do volunteer work for a non-profit charitable, religious or civic organization.
- You own a rental dwelling, if the dwelling is covered by a Homeowners or other policy.
- You are traveling anywhere in the world. ■

Hover your phone's camera here to listen to our interview with Tammy Cross on Money Sense, dated 12/29/19.

Market Update: Technology

Mary Brown, CFA
President & CIO
Campbell Newman
Asset Management
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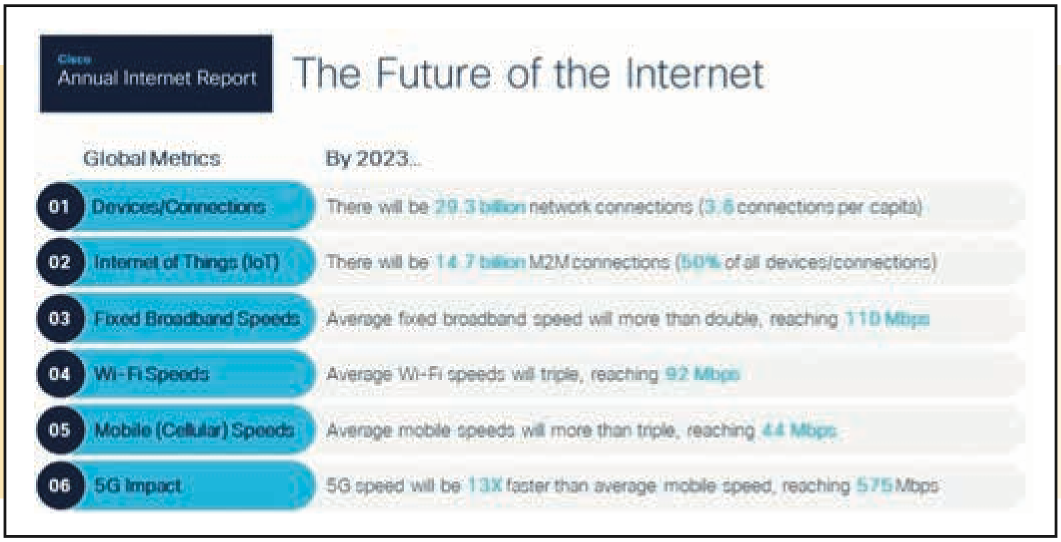
Technology is central to the competitiveness and growth of corporate America. Since the first internet connections were laid in the late1960s, the world has undergone a bevy of technological changes in unimaginable ways. For instance, due to the internet, our world is now a much smaller place. From our basic needs to our utmost luxuries, just about every facet of everyday life is impacted by the internet. With the power of the web and smartphones, we can now communicate with anyone, anytime, from basically anywhere. Once primarily thought of as a productivity/cost cutting tool, technology has evolved into an equally effective offensive tool, developing new markets and driving growth. Innovations such as cell phones, artificial intelligence, autonomous driving, internet of things, machine learning and over the top video distribution, to name a few, have all been made possible due to technological advancement and offer an abundance of investment opportunities.

All of this is driving tremendous growth of internet wireless network traffic. In its recently released "Annual Internet Report", Cisco Systems, Inc. forecasts that global internet traffic will increase at a 26% compound average growth rate (CAGR) through 2022 with global mobile data increasing at a 46% CAGR over that period. Cisco also forecasts that the overall number of connected devices will grow at a 10% CAGR through 2022 with the two fastest growing categories being Machine to Machine connections and smartphone devices. As an example, smartphones are gaining ground in our everyday life. Many of the functions formerly served by other items (MP3 player, maps, camera, alarm clock, watch, etc.) can now be done by our smartphones. The utility of today's smartphone technology is truly astounding!

The accompanying graphic highlights the tremendous growth in connected devices and internet speeds expected by Cisco Systems in their "Annual Internet Report." The telecom industry is expected to support this growth through continued investment in coverage expansion and capacity enhancement through the utilization of next generation mobile broadband technology called 5G. Simply put, with 5G you'll see exponentially faster download and upload speeds facilitating a plethora of new use cases such as autonomous driving and investment opportunities.

In short, technology is everywhere and will increasingly be, in everything we do. ■

Visit *moneysenseradio.com* to listen to the Money Sense radio show with Mary Brown.



Source: Cisco Systems, Inc.'s Annual Internet Report

Calendar of Events

To register or learn more about our events, please visit: ***ellenbecker.com/events.***
To receive our weekly emails, please email: ***info@ellenbecker.com***.

April 2020

Due to regulations in place for social gatherings and for the health of our employees, clients and guests, we are cancelling our events for April. We will post updates at ***ellenbecker.com/events***.

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
		1	2	3	4/5
6	7	8	9	10 **EIG Office Closed — Good Friday**	11/12
13	14 **Savvy Living Webinar** 1:00-2:00pm	15	16	17	18/19
20	21	22	23	24 **EIG Charity Casual Dress Day**	25/26
27	28	29	30		

May 2020

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
				1	2/3
4	5 **Preparing to Launch Seminar** 6:00-8:00pm	6 **Sustainable Living** 5:30-7:00pm	7	8 **EIG Charity Casual Dress Day**	9/10
11	12 **Savvy Living Webinar** 1:00-2:00pm	13	14	15	16/17
18	19 **Armchair Travelers** 3:00-5:00pm	20 **WI Widows Connected** 5:30-7:00pm	21	22 **EIG Charity Casual Dress Day**	23/24
25 **EIG Office Closed — Memorial Day**	26	27	28	29	30/31

June 2020

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
1	2	3 **Sustainable Living** 5:30-7:00pm	4	5	6/7
8	9 **Savvy Living Webinar** 1:00-2:00 pm	10	11	12 **EIG Charity Casual Dress Day**	13/14
15	16 **Armchair Travelers** 3:00-5:00pm	17 **WI Widows Connected** 5:30-7:00pm	18	19	20/21
22 **United Veterans Group** 5:30-7:00pm	23 **EIG Volunteer Day - Soles for Jesus** 4:00-6:00pm	24	25	26 **EIG Charity Casual Dress Day**	27/28
29	30				

EIG Ellenbecker Investment Group®

EIG HR Update

Employee of the Month

Congratulations to these employees for going above and beyond and being chosen as EIG's Employee of the Month!

January	Tina Alfini
February	Richard Wolosek
March	Lauren Alles

Employee Anniversaries

January

Kelly Whitt	1 year
Sandra Geisler	2 years
Diane Gastrow	4 years
Jean Range	11 years
Wendy Bitter	5 years
Jill Economou	12 years

February

Karen Miller	2 years

March

Renee Dethardt	2 years
Courtney Hull	4 years
Kristen Cantrell	20 years

Volunteer Highlights

Fisher House — Tina Alfini, Sandy Miller, Diane Gastrow, Courtney Hull

Charity Casual Day

This quarter we are collecting new or gently used shoes for **Soles for Jesus**.

Hover your phone's camera to learn more about Soles for Jesus.

Pewaukee, WI
262) 691-3200

Whitefish Bay, WI
(414) 727-6920

Bonita Springs, FL
(239) 444-6110

Ellenbecker Investment Group
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Pewaukee, Wisconsin 53072

Money Sense
presented by EIG

Tune in to hear us on the radio

Milwaukee's Philanthropic Community
presented by EIG

Saturdays at 2:00pm | Sundays at Noon
WISN AM1130

Tune in as Ellenbecker Investment Group Wealth Advisors share their unique financial perspective as they interview local and global economists, attorneys, tax professionals and other interesting guests.

Sundays at 10:00am
WISN AM1130

Presented by Ellenbecker Investment Group, this unique show features non-profit organizations each week and explores ways for listeners to have an impact in our local community and the world.

Listen to past shows at *ellenbecker.com/radio*