

FROM OUR HOMES TO YOURS



Merry Christmas



THE NAVIGATOR
NEWS FROM TEAM FAS
December 2020



PRESIDENT'S MESSAGE

MATT ARNOLD, CFP®

President of FAS

As we near the end of a year we will never forget (but in many ways wish we could), we want to bring you up to date on several topics.

The market, which suffered a devastating blow earlier in the year, has been bouncing back with gusto. Although financial conditions have dramatically improved, the pace of future economic growth depends on the course of the coronavirus as it continues to be a primary risk to recovery. The apparent contradiction between the stock market and the economy essentially boils down to the fact that investors are viewing COVID-19 as an isolated natural disaster that will eventually come to an end, and the reality that the stock market is only a semblance of the US economy. There are hundreds of thousands of non-public businesses in hard-hit industries that are not counted in the major stock market indexes. However, investors anticipate strong future profits for the leading stock market companies and portfolio managers have embraced companies that were well-suited to thrive throughout the pandemic. We have seen the market rebound in the third and fourth quarters of 2020 and expect that in Q1 of 2021 this growth could start to moderate. Tensions between public health and economic health will continue to shape the recovery. Inflation does not appear to be a high concern, and we anticipate the Fed keeping interest rates lower for the next couple of years. We also anticipate the economic recovery from the pandemic, along with improving prospects for an effective vaccine, to be the driving force for markets over the coming year.

The stock market has been rallying following the election results. With the election behind us, a significant source of uncertainty has been alleviated for investors.

Investors are welcoming the prospect of a divided government (likely a Democratic President, Republican Senate, and a Democrat-controlled House of Representatives), which almost eliminates the likelihood of substantial tax increases and sweeping regulatory reform. Markets and corporate earnings have done well under all combinations of political control, and we suspect that will continue. History shows that over time, market performance is driven principally by fundamentals, not elections. Trends in economic conditions, profit growth, and interest rates have been the more powerful and lasting guide for investment values. Importantly, regardless of the election results, we expect fiscal and monetary policy to remain exceptionally supportive.

It has been interesting to listen to our clients as they navigated life through the past year. We have had clients determine they are not as ready to retire as they thought they were. Some were moved to work at home status and learned that being home every day was not as exciting as it sounded and have decided to work longer and develop a better "life after retirement" plan. On the other hand, we have had conversations with clients who said this working from home thing gave them a taste of retirement they were not expecting. They will continue to work at home until they are called back to "office duty," upon which they will report in with their resignation in hand! We have enjoyed the conversations with many of you that sounded like: "I can't believe how much money we have in the check book right now! We didn't go on vacation and we can't eat out, so we've saved a ton!" This is amazing...and music to any financial advisor's ear!

On behalf of the entire FAS team, I would like to extend a sincere and heartfelt thank you to all of you for your continued trust, support, and friendship. We are very grateful that you have allowed us to share in your life's experiences. We wish you a very Merry Christmas and a prosperous, healthy, and Happy New Year!

ANNOUNCING NEW SERVICES AT FAS

Employer Sponsored Retirement Plan Allocation

Creating a comprehensive financial roadmap means taking into consideration your goals and all your sources of retirement savings. Like any other investment, your employer sponsored retirement plan should meet your investment objectives and tolerance for market risk. Your 401(k) or other retirement plan may be a large piece of your retirement income puzzle, so it is not something you should "set and forget." We currently offer retirement plan allocation guidance for our clients, and we are excited to extend this service as a standalone offering.

Financial Planning

According to a study by Dr. Gail Matthews at Dominican University of California, you are 42% more likely to achieve your goals if you write them down. Creating a physical plan that outlines your financial goals can be a powerful first step to achieving them. Our office has adopted a new technology, powered by eMoney, that helps our advisors turn your goals into a comprehensive financial plan that you can see and use to track your progress. Your plan can ensure you are on the right track to meet your goals, identify areas that may need more attention, and help you make informed financial decisions.

If you or someone you know need guidance on how to allocate an employer sponsored plan or are interested in creating a financial plan, call our office at 937-548-2210 to schedule a free consultation with Phillip Pierri.



Christmas Card Drive

FOR THE BRETHERN RETIREMENT COMMUNITY

We are excited to be partnering with the Brethren Retirement Community to host a Christmas Card Drive! The card drive aims to bring holiday cheer to the residents who have faced a uniquely challenging and isolating year. Christmas cards for the card drive may be handmade or store bought, and should be addressed generically (e.g., Dear BRC Resident). Creating handmade cards is a great craft activity for parents to do with kids, however, please do not use loose glitter or glitter on glue. Pre-mixed "glitter glue" is acceptable. Please do not enclose or attach candy to the cards. Cards can be turned in to the FAS office at 5116 Children's Home Bradford Rd, Greenville, OH 45331. The office is open 8:30 am - 5:00 pm, Monday through Friday. There will also be a special mailbox at the entrance for after-hours drop-offs. Anyone wishing to participate should turn in their cards to the FAS office by Monday, December 21st. The cards will then be delivered to the Brethren Retirement Community and distributed to residents by the BRC staff. Please call the FAS office with any questions at 937-548-2210.

NEW PAPER DELIVERY FEE

Pershing recently announced a policy change going into effect in 2021 that will see new fees for paper delivery of account documents. Unfortunately, we have no control over these fees, but we can help you avoid additional charges by getting your accounts set up for e-delivery. If you would like assistance getting your online access set up or confirming your delivery preferences, please call our office at 937-548-2210 and get a time scheduled with Crysta Bloomingdale. You can also email Crysta directly at cbloomingdale@teamfas.com.

LOOKING FORWARD TO 2021

The beginning of the year is a good time to evaluate what you are currently saving toward your retirement and think about if it might be time to increase your contributions.

457 Deferred Compensation Plans:

Normal limit: \$19,500

Age 50 Catch-up limit: Additional \$6,500

Simple Plans:

Normal limit: \$13,500

Age 50 Catch-up limit: Additional \$3,000

401(k) Plans:

Normal limit: \$19,500

Age 50 Catch-up limit: Additional \$6,500

Traditional and Roth IRAs:

Normal limit: \$6,000

Age 50 Catch-up limit: Additional \$1,000

Traditional IRA modified adjusted gross income limit for partial deductibility: 2021

Single	\$66,000 - \$76,000
Married - Filing joint returns	\$105,000 - \$125,000
Married - Filing separately	\$0 - \$10,000
Non-active participant spouse	\$198,000 - \$208,000

Roth IRA modified adjusted gross income limit phase-out ranges:* 2021

Single	\$125,000 - \$140,000
Married - Filing joint returns	\$198,000 - \$208,000
Married - Filing separately	\$0 - \$10,000

*As of 2010, there is no income limit for taxpayers who wish to convert a traditional IRA to a Roth IRA





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NEW YEAR, NEW RESOLVE

With the new year comes the annual tradition of setting a resolution. We're sure you won't be surprised to hear that we are in favor of resolutions that change your financial habits for the better. Here are a couple of financial resolutions that are simple and make a big impact on a more prosperous year:

- **Prioritize debt.** Post-holiday, high-interest credit card balances are bad debt. Focus on paying it off quickly and then start saving for next year.
- **Enroll in auto-savings.** A great way to help yourself to save is to have it come automatically out of each paycheck. Set this up in January for the entire year ahead, any amount is better than none.
- **Get your affairs in order.** If you've been putting off updating or creating estate documents, knock this out early in 2021. Make an appointment with your attorney to get the documents created, and give us a call to look over the drafts. We'll be glad to offer advice to make sure your finances are passed on according to your wishes.

We'd love to help you determine what resolution will have the biggest impact on your financial situation. Give us a call to talk to your advisor about your specific needs and goals.