



Financial Strategies For Your Future

July Newsletter

Hello Eric,

The heat has arrived!

Did you know that in the summer of 1816, 6 inches of snow fell over most of New England (18 in some places in Vermont!)?

The weather is certainly one thing we can't control, but if you have any financial questions I can certainly give you guidance!

Please give me and my team a call anytime, (603) 343-4515
or email: Info@AztecFG.Com to set up an appointment.

<https://newengland.com/today/living/new-england-history/strange-weather-events/>

Interesting Fact:

"Mind your business" was the motto imprinted on the **Fugio cent** of 1787
(the first general circulation coin of U.S. currency)

https://en.wikipedia.org/wiki/Mind_your_business#:~:text=%22Mind%20your%20business%22%2C%20a,circulation%20coin%20of%20U.S.%20currency

Events & Resources

Sundays in the Garden Concert Series

Date: Sunday Jul 5,
5:00 p.m.–6:30 p.m.

Time to Write (At Home)

Date: Thursday Jul 9,
6:30 p.m.–8:00 p.m.
(and 4 other dates this Summer)
Cost: \$20

(and future Sundays this summer)

Cost: \$5 – \$10

Event Categories: Featured, Music

[More Information](#)

Event Categories: Virtual

Events, Books & Poetry, Featured

[More Information](#)



2020 TEAM Exeter Arts & Music Festival

Date: Saturday Jul 11,
11:00 a.m.–6:00 p.m.

Cost: \$10 – \$20

Event Categories: Art
Events, Community, Fairs &
Festivals, Featured, Music

[More Information](#)

Jet Cars Under The Stars

Date: Saturday Aug 1

Cost: TBD

Event Categories: Featured, Sports

[More Information](#)

Where Will Your Retirement Money Come From?



For many people, retirement income may come from a variety of sources. Here's a quick review of the six main sources:

Social Security

Social Security is the government-administered retirement income program. Workers become eligible after paying Social Security taxes for 10 years. Benefits are based on each worker's 35 highest earning years. If

there are fewer than 35 years of earnings, non-earning years are averaged in as zero. In 2019, the average monthly benefit was estimated at \$1,461.¹

Personal Savings and Investments

Personal savings and investments outside of retirement plans can provide income during retirement. Retirees tend to go for investments that offer monthly guaranteed income over potential returns.²

Individual Retirement Accounts

Traditional IRAs have been around since 1974. Contributions you make to a traditional IRA may be fully or partially deductible, depending on your individual circumstances. Under the SECURE Act, in most circumstances, once you reach age 72, you must begin taking required minimum distributions from a Traditional Individual Retirement Account (IRA). Withdrawals from Traditional IRAs are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. You may continue to contribute to a Traditional IRA past age 70½ under the SECURE Act as long as you meet the earned-income requirement.

Roth IRAs were created in 1997. Roth IRA contributions cannot be made by taxpayers with high incomes. To qualify for the tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a five-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawals also can be taken under certain other circumstances, such as a result of the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals.

Defined Contribution Plans

Many workers are eligible to participate in a defined-contribution plan such as a 401(k), 403(b), or 457 plan. Eligible workers can set aside a portion of their pre-tax income into an account, which then accumulates, tax deferred.

Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.

Defined Benefit Plans

Defined benefit plans are “traditional” pensions—employer-sponsored plans under which benefits, rather than contributions, are defined. Benefits are normally based on factors such as salary history and duration of employment. The number of traditional pension plans has dropped dramatically during the past 30 years.

Continued Employment

In a recent survey, 68% of workers stated that they planned to keep working in retirement. In contrast, only 26% of retirees reported that

continued employment was a major or minor source of retirement income.³

Expected Vs. Actual Sources of Income in Retirement

What workers anticipate in terms of retirement income sources may differ considerably from what retirees actually experience.

Employee Benefit Research Institute, 2019 Retirement Confidence Survey

1. Social Security Administration, 2019
2. Insured Retirement Institute, April 2018
3. Employee Benefits Research Institute, 2018

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Don't Be Your Own Worst Enemy



One of the most well-known investors of the 20th Century, Benjamin Graham, said that “the investor’s chief problem—and even his worst enemy—is likely to be himself.”¹

What Graham understood—and modern research is catching up to—is the idea that we all have emotions and biases that affect our decision-making. The innate wiring built to survive pre-modern times can be counterproductive in our modern world, especially when it comes to investing.

Let’s take a quick look at a few of the human emotions and biases that can adversely impact sound investment decision-making.

Fear and Greed — These are the two most powerful emotions that move investors and investment markets. Each emotion clouds our capability for rational and dispassionate decision-making. They are the emotions that lead us to believe that prices may continue to rise (think the Tulip price bubble of 1636) or that everything has gone so wrong that prices may not recover (think Credit Crisis of 2008-2009).

Some investors have found a way to conquer these emotions, be brave when everyone else is fearful, and resist the temptations of a too-exuberant market.

Overconfidence — Peter Bernstein, a noted economic historian, argued that the riskiest moment may be when we feel that we are right.² It is at that precise moment that we tend to disregard all information that may conflict with our beliefs, setting ourselves up for investment surprise.

Selective Memory — Human nature is such that we tend to recast history in the manner that emphasizes our successes and downplays our failures. As a result, we may not benefit from the valuable lessons failure can teach. Indeed, failure may be your most valuable asset.

Prediction Fallacy — Humans have an innate desire to recognize patterns and apply these patterns to predicting the future. We erroneously believe that because “A” occurred and “B” happened that if “A” happens again, we can profit by anticipating that “B” will repeat. Market history is littered with examples of “rules of thumb” that have worked, until they no longer worked. Financial markets are complex and unpredictable. Our endeavors to tap their opportunities to pursue our financial goals are best realized when we don’t burden the enterprise by blindness to the inherent behavioral obstacles we all share.

1. Quoteswise.com, 2017

2. Strategy in Practice, George Tovstiga. 2013, John Wiley & Sons, Ltd.

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Password Protection Strategies



We all know that the more complicated a password is, the better. They should include a mixture of numbers, punctuation marks and symbols, and upper- and lower-case letters.

Or should they?

Recent research into password security has shown that much of conventional password wisdom is not only wrong, but possibly dangerous.¹

Facebook, Twitter, Yahoo, and LinkedIn have all fallen prey to online attackers who have stolen entire databases full of passwords. The passwords are

scrambled for security, but this offers little comfort when computer programs can make millions of guesses in just a few hours. Because most passwords are based on words in a dictionary combined with a number or symbol, it can take these sophisticated programs even less time to hack them.

The end result is that common password policies don't prevent the theft of many users' passwords, creating a complex, sophisticated, and lucrative shadow industry. Strangely enough, breached passwords can fetch big money on the black market.²

So, what does that mean to you? It means that every password you've created is a valuable and vulnerable commodity worth protecting.

To do so, you should go a step beyond choosing passwords that are hard for a human to guess. Your passwords also need to be difficult for a computer to figure out. Here are some tips.

Favor Length Over Complexity

Longer passwords are more difficult to crack. Around 20 characters is recommended.³ Consider stringing together the first couple letters of a favorite movie quote, song lyric, or poem. Random words and numbers strung together are even better. For extra-sensitive accounts, it may make sense to change your passwords on a regular basis. If you like the idea of optimal password protection but worry you won't be able to handle multiple changing passwords, password managers can help you organize, store, and use multiple passwords safely.

No Plain English

Simple strings of numbers, along with passwords that can be found in the dictionary, are the easiest to crack. Google suggests that your password should contain one or more upper- and lower-case characters, numbers, symbols and special characters.⁴

Recognize Any of These?

Take a look at the most common passwords, according to Keeper Security.⁵ If your password is one of these, it might be time to make a change.

1. 123456
2. 123456789
3. qwerty
4. 12345678
5. 111111
6. 1234567890
7. 1234567
8. password
9. 123123
10. 987654321

Mix It Up

Many people use the same password for multiple accounts because it's easier to remember. But this could lead to serious consequences. You may not be too concerned about the personal information stored in your LinkedIn or Twitter accounts, but what would happen if hackers used your compromised password

to access your email, brokerage, or bank accounts? If you have trouble remembering multiple passwords, you may want to keep a list on your computer, but don't store it on your desktop or in your inbox. Give the file a misleading name and bury it in a folder where only you can find it.

There's no such thing as an impregnable password. Still, putting personal information behind a basic password is like leaving your Porsche in a parking lot with your keys on the dash. By taking preventative measures to strengthen your password, you may be able to help safeguard your sensitive personal data and your privacy.

1. The Washington Post, 2017
2. Business Insider, November 13, 2017
3. ConnectSafely.org, May 4, 2018
4. Google.com, 2018
5. Keeper Security, January 13, 2017

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