



Ellenbecker
Investment Group

In Touch

Since 1996

4th Quarter 2019

Charitable Giving

As we enter the season of gratitude and giving, I want to acknowledge the positive aspects of charitable giving both financially and personally, as well as offer some tools for giving in a way that can help sustain your portfolio over the long haul while still meeting your philanthropic goals.

I have learned that most people want to support organizations that align with their core values and have a profound impact on their family, friends and community. I have also learned that many people don't know how to give in a way that is tax efficient, meaningful and creates a legacy for future generations.

When I was in high school, I gave "checkbook balancing services" to my mom one year for Christmas. This was something I could give her that she would like and wouldn't cost me any money. During that process, I was very surprised to learn how much charitable giving my mom was doing on an annual basis. I was not aware that philanthropy was such a big part of her life. At that moment, I decided that not only would charitable giving be a part of my life but that I would help it become a family legacy we pass down to future generations. We both place a high value on giving back to organizations that better our family, neighborhood, region, country and world. We also both place a high value on teaching our children and grandchildren the importance of living a generous life.

Once you decide to give, it is important to understand how to give in a way that will promote sustainability within your investment portfolio, meet the needs of your overall philanthropic plan, stretch the dollars as much as possible and have a tax efficient impact on your investment portfolio. Although we don't necessarily give to get something in return, there are ways to minimize estate and income taxes which allows us to give more overall and make a more meaningful impact.

There are many ways to achieve a charitable giving plan:

Highly Appreciated

Securities: You can give securities that have highly appreciated to a qualified charity and avoid the capital gains tax associated with selling those holdings.

Life Insurance:

You can make a charity your beneficiary on a life insurance policy allowing for a larger and more meaningful gift upon your death. There are several other ways insurance can be used for charitable giving.

Qualified Charitable Distribution (QCD): You can use your required minimum distribution (RMD) to give directly to a qualified charity to lower overall taxable income.

Donor Advised Funds (DAF): These funds allow you to make a contribution, receive an immediate tax deduction and grow the funds for future giving.

Charitable Remainder Trust (CRT): You can create an irrevocable trust for an immediate tax deduction while still receiving an income stream. Upon the death of the donor, a qualified charity receives the remaining funds.

As you can see, it is important to remember that a plan that works for one person may be totally different for another. Be sure to talk with your wealth advisor and tax professional to craft a plan that meets your individualized goals.

On a side note, there are other ways to give that don't involve a financial commitment. Most organizations are looking for people to volunteer or donate special talents. Check out our radio show "Milwaukee's Philanthropic Community" for ideas of organizations looking for your time, talent and treasures. (ellenbecker.com/radio). ■



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

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N35 W23877 Highfield Court, Suite 200 | Pewaukee, WI 53072 | (262) 691-3200
705 E. Silver Spring Drive | Whitefish Bay, WI 53217 | (414) 727-6920
27499 Riverview Center Blvd., Suite 210A | Bonita Springs, FL 34134 | (239) 444-6110

Investment Goals

Coach John Wooden was known almost as much for his life coaching as he was for his court-side excellence. “Failing to prepare is preparing to fail” is one quote that aligns well with the concept of financial planning. Coach Wooden was encouraging his players to look at the bigger picture, plan for the next move and anticipate the other team’s strategy. How can we apply Coach Wooden’s advice to help us recognize and overcome the blind spots in our financial lives?

When I sit down with clients, I focus first on what really matters. What does your money mean? What does retirement look like? These discovery questions seem simple however unless you have thought through all your goals you may be overstating or understating your real financial objectives.

For example, you may not be able to retire until you are no longer supporting an adult child or parent. The financial impact of having dependents may require you to continue working. You may choose to sell your house to increase your cash flow before you retire or maybe downsizing makes sense. Our goal is to help you evaluate all the possibilities that will lead you down the path of reaching your goals.

I have listed below some of the most frequently stated goals of investors. Take a moment to review them and try to determine which goals are in alignment with your personal objectives. What needs to change before you can reach your ultimate goal of being financially independent or perhaps fully retired?

1. I want to be better off than my peers.
2. I want to go to school or learn a skill.
3. I want to experience the excitement of watching my money grow.
4. I would like to start a new business.
5. I want to buy or sell a house.
6. It is important that I help pay for my children or grandchildren’s college education.
7. I want to launch my kids or get my adult child off the payroll.
8. I want to stop working and do something I love.
9. I want to retire “to” something not “from” something.
10. I would like to take a dream vacation.
11. I want to relocate in retirement.
12. If needed, I want to care for my aging parents.

13. I want to give to charities or other causes I believe in.
14. It is important that I feel secure about my finances.
15. I want to leave an inheritance to my loved ones.
16. I want to retire early.
17. I want to be able to pay for future medical expenses.
18. I do not want to be a financial burden to my family as I grow older.
19. When I retire I do not want my lifestyle to change.
20. I want to be debt free (school loans, house payment, credit card debt, personal loans).



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

Each one of these goals are part of a bigger picture and everyone has their own personal way of approaching the subject. Some people are very fast to respond while others need time to think about how they feel. Some couples feel the same about retirement goals while others have a very different personal vision. What studies have shown is that when individuals are left to their own devices they often fail to identify a substantial number of key objectives to get to their end goal. It is important to differentiate between “top of mind goals” and “top priority goals” and to even dig deeper into the difference between “emotional returns” versus “financial returns”.

As advisors, we help identify the blind spots so that you can take the most efficient path to reaching your goals. ■

when your
intuition
speaks, we listen

Countdown to Retirement

There is a lot to think about during the 12-month period prior to retirement. Sure, there is planning and strategizing that needs to take place prior to this period, but there are some specific things you should consider or do as you enter that final year before your retirement. Take a look to see if you have checked off some of the items below.

One-Time Expenses – Whether it is a big-ticket remodel job or a dream vacation, tackling these expenses while you have an income can take some pressure off your investments during retirement.

Max Out Retirement Accounts – Our goal is to have our clients save as much as possible. However, in the months leading up to retirement it is the perfect time to stash away income for future needs.

Budget – When clients say they need 70% of their income for living expenses during retirement, I suggest that they try saving 30% of their current income. This is a great way and an ideal time to test out their retirement budget. This exercise will give you confidence about your budget.

Simplify Investments – Start consolidating your accounts and reviewing your investment allocation to make certain you are invested appropriately based on your risk tolerance and time horizon.

Tax Planning – This is a topic that should be discussed annually. However, the period just prior to retirement is a great time to see if there are any strategies that can be utilized to reduce taxes today as well as in the future, such as age 70½ when Required Minimum Distributions must begin.

Get Healthy/Healthier – Make body, mind and spirit wellness a priority. You will thank yourself for time spent getting yourself physically ready to enjoy all the adventures retirement brings.

Hobbies – Most people plan for retirement financially but never consider how they will spend their time. Sure, there are conversations around golf or vacations, but this does not address the day-to-day activities.

Relationships – Retirees often lose their social network of colleagues. Reconnect with your spouse/family/friends. Find activities and time to maintain these relationships.

Debt – In a perfect world, our goal is to eliminate debt prior to retirement. This gives retirees a little more freedom to enjoy a larger amount of discretionary income.

Keep Spouse/Partner on the Same Page – I am not suggesting that both individuals must retire on the same day but they must be in agreement when retirement will occur. Otherwise there is a huge possibility of future arguments down the road.

Visualize Your Schedule – Start to create your weekly structured schedule. This will minimize possible boredom or restlessness that can result from shifting from a busy work schedule to unlimited open free time.

Review Health Insurance Options – Review your options for cost and coverage. This is one expense that is often overlooked when clients generate their monthly retirement budget.

Mitigate Risk Through Insurance – Whether it is Life Insurance or Long-Term Care Insurance, have a conversation with an insurance advisor to generate an analysis to review your insurance needs.

As you ponder the above topics, consult with your financial advisor to have a thorough conversation around finances, insurance and your readiness for retirement. ■

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Jean Range, CFP®
Senior Wealth Advisor
Ellenbecker Investment Group

let us invest,
in you![™]

Healthcare Benefits and the Underwriting Process

As the year comes to an end, many of you will receive a Benefits Election packet from your Human Resources Department. Understanding the health, life, disability and long-term care benefits offered through your employer-sponsored plan is important to you and your family. Feel free to reach out to me if you have questions about the benefits and elections available to you.

I am not a health insurance specialist, but I appreciate the protection the employer-sponsored health benefits afford my family and me. I am surprised to learn that many Americans do not take advantage of the Preventive Care Benefits included in their health plans, often at little to no out-of-pocket cost. These benefits include health services like screenings, check-ups, immunizations and patient counseling to prevent illnesses or to detect a health concern at an early stage when treatment is likely to work best.

I am a life, disability and long-term care insurance specialist, and I always recommend that you take advantage of the Preventive Care Benefits included in your health plan. The information you gather from those visits can save your life, or at least reduce your future healthcare costs.

Other than that, my recommendations depend upon your age, health history and financial situation. You

may want to accept supplemental coverage offered by your plan, or you may find that an individually-owned life or disability income policy are a better fit for you.

An important consideration for individually-owned policies is that you must qualify for the policies through underwriting. This will typically involve an insurance physical, called a paramedical exam, and a review of your health history and medical records.

If you receive recommended preventive care and follow up with your doctor, you probably have a good idea of your current health situation. This gives us a good starting point for our recommendations and allows us to provide realistic options. Many of our clients are surprised to learn that they are eligible for affordable individually-owned policies, even with a significant health history.

If you have questions or would like to explore individually-owned insurance options, give me a call and we can talk about your situation and next steps to consider. ■



Diane Gastrow
Director of Insurance Planning
Ellenbecker Investment Group

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Milwaukee's Philanthropic Community® Past Guests

Tune in on WISN AM 1130 at 10:00am CST or connect online at newstalk1130.com. Listen to our past shows on Apple Podcasts, Spotify, Stitcher, Google Play or ellenbecker.com/radio.

This quarter's featured organizations include:

- The Optimist Club of Lake Country
- Hartland Royal Family Kids
- Big Brothers Big Sisters of Washington County
- The Volunteer Center
- Brother Bob's Prison Outreach
- Community Warehouse
- American Lung Association
- Waukesha County Tobacco Free Coalition
- Community Advocates
- The Parenting Network
- Medical College of Wisconsin - Women in Science
- Menomonee Falls High School Healthcare Academy
- Fresh Coast Jazz Festival
- Marcus Center for the Performing Arts
- Learning in Retirement of Waukesha County
- Aging and Disability Resource Center of Waukesha County
- Waukesha County Land Conservancy
- Wisconsin Hero Outdoors
- River Revitalization Foundation
- UW-Milwaukee Outdoor Pursuits
- Designing Dreams
- Bo's Heavenly Club House



Gen Y Women and Investing

The Tech Bubble of the early 2000s, Terror Attacks of September 11, 2001, and The Great Recession of 2008. These are some of the significant market events that have shaped the attitudes of Gen Y women investing today. With that in mind, it's understandable why some advisors have found that Millennials tend to be more conservative investors compared to the Baby Boomer or Gen X generations. Also, they may not have enough financial literacy to feel confident participating in the stock market. Large amounts of student debt from rising tuition costs have hampered their ability to save or invest. We are seeing many Gen Y women waiting longer to marry, buy homes or start a family in hopes that delaying expensive life changes will buy them some time to become financially stable.

Gen Y women are currently the most educated demographic, holding more bachelor's degrees than men. Yet somehow, Millennial women have the lowest levels of financial literacy across gender and generations based on a multi-year study by FINRA Investor Education Foundation. Another challenge Gen Y women are still facing today is the gender pay gap. According to a recent FastCompany article, "measured against the median salary that a white, male, full-time worker earns, women earn 80% of what men do." The statistic is even more disproportionate for women of color.

What can you do as the friend, parent or grandparent of a Gen Y woman? Share with them the lessons you've learned

from your experiences. Talk to them about negotiating skills, what to prepare for when buying a home and what you have learned from years of being invested in the market. You can also connect them with resources where they can learn more about personal finance on their own. It could be a good book, website or personal connection to a financial professional like an advisor at Ellenbecker Investment Group. Don't be shy; the taboo of talking about money does not hold with the Millennial generation. ■



Gabby Urquiza
Wealth Advisor Associate
Ellenbecker Investment Group

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Defining Generations (Pew Research Center)

Individuals born in the following years:

Silent Generation: 1928-1945

Baby Boomers : 1946-1964

Gen X : 1965-1980

Gen Y/ Millennials: 1981-1996

Gen Z : 1997-2012

Welcome to the Team

Learn more about our new faces in the office by visiting ellenbecker.com/team.



Jamie Williams, CFP®
Wealth Advisor



Richard Wolosek, CPA
Tax Planning Advisor



Martha Kolbow
Investment Operations
Associate



Maureen Holsen
Wealth Advisor Associate

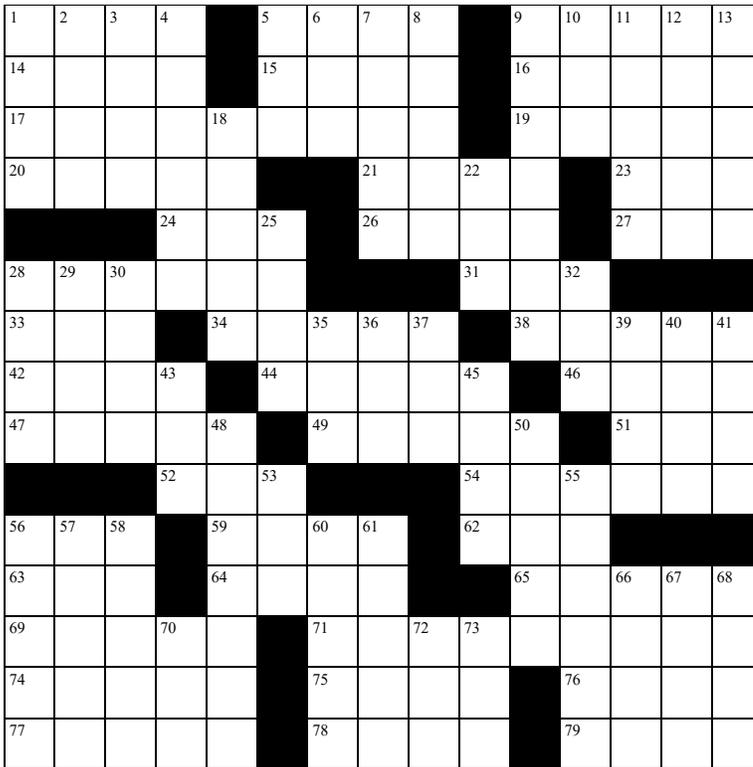
Crossword Puzzle: People of EIG

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



Kelly Whitt

Insurance Advisor Associate
Ellenbecker Investment Group



Down

1. ___ facto
2. Salt, to a chemist
3. Muscle soreness
4. Apartment dweller
5. What you upload to Instagram
6. Large animal of the Western US
7. “___ at the table” (2 wds.)
8. Scattered rock below a slope
9. Director of Insurance Planning Diane ___ enjoys participating in Kingdom Advisors
10. Kanga’s son in *Winnie the Pooh*
11. Sea birds
12. ___ Unis, en français
13. Founder ___ Ellenbecker leads travel excursions for EIG
18. North, during the Civil War
22. Snatch
25. Without a name (abbr.)
28. The D in CD
29. City in Oklahoma
30. Financial advisor ___ Mank enjoys playing volleyball
32. Name of the receptionist at EIG and also in the TV show *The Office*
35. Cut the grass
36. Month ___ glance (2 wds.)
37. Lion’s lair
39. Spirit or attitude
40. Jean-Luc Picard’s series *Star* ___
41. So-so
43. Form to allow monthly withdrawals
45. Place for lunch
48. Director of Tax Planning Sandra ___ is an avid cyclist
50. Stringed instrument of India
53. Lemon drink
55. Most popular veggie in the US
56. Financial advisor Diane ___ enjoys playing the ukulele and golf
57. Mug, in Germany
58. Defeated by a small margin
60. “Have a great time!”
61. “Hello” singer
66. Type of organic compound
67. Astonished
68. Prefix for physical or morphosis
70. High card
72. “___ or nothing”
73. 40 winks

Across

1. “Thrown ___ the deep end” (2 wds.)
5. Type of moss
9. Word before alphabet or goddess
14. 5 mph, for one
15. Rick’s love in *Casablanca*
16. Major artery
17. Financial advisor Kristina ___ once aspired to be a fashion designer
19. Ship’s navigation system
20. Fat substitute
21. Laurie Metcalf, to Sara Gilbert, on TV
23. Nice summer?
24. Actress Vardalos
26. Peter the Great was one
27. It has 9 digits (abbr.)
28. Financial advisor Heather ___ is a Stephen Minister, trained in grief counseling
31. Music type or gentle hit
33. Newhart ran one in VT on TV
34. Bedouin
38. “As ___ be expected” (2 wds.)
42. Geometry term
44. Famous
46. Financial advisor ___ Zietz volunteers his time at Habitat for Humanity
47. Between AB and HI
49. Decreases
51. Mediterranean or Adriatic
52. ___ time in the UK is about 4pm
54. Julie Ellenbecker-___ is on the board of the Rogers Memorial Hospital Foundation
56. Based in Mumbai, the 10th largest stock exchange (abbr.)
59. Think tank product
62. Famous ’90s judge
63. From Jan 1 to now (abbr.)
64. Email button
65. The EIG crew (2 wds.)
69. Like Prince William
71. Financial advisor ___ has a dog named Percy Jackson that sometimes makes appearances at EIG (2 wds.)
74. Sara Gilbert, to Laurie Metcalf, on TV
75. Ceramic jar
76. Horn sound
77. Wiggin whose “game” is written about in Orson Scott Card’s 1985 scifi novel
78. App for restaurant reviews
79. Gold medal gymnast Korbut

Estate Planning to Save Time, Money and Some Taxes Too!

Traditionally, preparing a will has been a fundamental step in estate planning. However, at your death your will must be probated. The time and expense of probate has led many individuals to establish revocable living trusts. A revocable living trust is a legal arrangement in which you place property in trust during your life. You retain full control of the assets in your trust and the assets will be taxed in the same manner as if you owned the assets. You can change the terms or revoke the trust any time financial circumstances or family relationships change. At your death, your designated administrator (the trustee) simply finalizes your affairs and distributes your property to your family or other designated beneficiaries.

Your trust will dictate how your property is to be distributed. Property can be distributed to your beneficiaries upon your death or can remain in trust for a specified period following your death with the trustee managing investments and distributions. Maintaining property in trust for your children may provide substantial protection for that property in the event of divorce, financial setbacks and creditor claims of your children. You can even appoint your child as trustee of his or her own trust to give them additional flexibility and still maintain the asset protection benefits of the trust.

Tax Savings

You have lifetime ownership and control of the property in a revocable living trust so the IRS will include trust property in your taxable estate for estate taxes. The current estate tax laws provide that if you die and leave property in excess of \$11,400,000, an estate tax of approximately 40% of the amount over \$11,400,000 is imposed. This amount will be reduced to approximately \$6,000,000 in 2025.

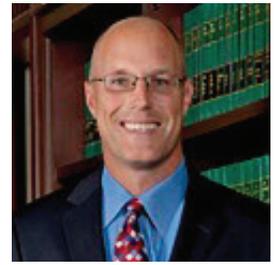
An unlimited marital deduction does allow you to leave any amount to your spouse outright free of estate tax. However,

at the death of your spouse, the spouse's estate will be subject to estate tax on any amount over \$11,400,000 which includes all property and life insurance proceeds of both spouses. In effect, the estate tax on your property is simply delayed until you and your spouse die.

Unless you plan carefully, your children or other beneficiaries will be responsible for the taxes on your estate. Strategic planning can often reduce or eliminate the estate tax. One of the most popular ways to provide a tax shelter for your children is through a bypass trust that is incorporated into your revocable living trust.

If you establish a bypass trust, you can utilize the estate tax exemption to shelter your assets from estate taxation. This is done by placing an amount up to the estate tax exemption of \$11,400,000 in a trust for your spouse at your death. The trust can allow your spouse to receive all the income the trust earns and make distributions of principal as needed. Any assets remaining at the spouse's death can be transferred to your children or other beneficiaries without the payment of estate tax. This effectively increases the estate tax exemption for a married couple from \$11,400,000 to \$22,800,000. This plan must be incorporated into your revocable living trust before the first spouse's death in order to shield the additional \$11,400,000 from estate taxes.

A trust will save time and money in estate administration after your death. Talk to your professional partners to put a plan in place. ■



Phil Remmers

Attorney

Cramer, Multhauf & Hammes, LLP

(262) 522-8748

Big Gifts with Low Impact

Gift giving is an important part of our culture and traditions. Gifts are a wonderful way to show appreciation, make someone feel special and express gratitude. However, the increasing focus on 'things' often promotes the purchase of unnecessary items that turn into waste. Production uses resources, energy, fuel and may have an impact on people around the world.

To preserve the positive spirit of giving, here are ideas for a more sustainable approach:

- Gift certificates for personal services like spa treatments, hair styling, snow removal and house cleaning.
- Experiences like concerts and plays to enjoy together to build memories that far outlast any good or product. There is truly no gift more valuable than the gift of time.
- Homemade edibles are a great way to share your family recipes, garden bounty and special talents. My family and friends look forward to my homemade herb butter every year.
- Reduce packaging, landfill waste and resource use by shopping for antiques, used books and upcycled art.
- Consumables like handmade soaps, hair products, lotion, especially those handcrafted by local artisans. Be mindful of individual tastes and preferences, so the product doesn't go wasted.

- Cash gifts towards education savings, Roth IRA contributions and debt balances can be helpful and practical. We even provide certificate-type cards for clients to wrap and present on the special occasion. Monetary gifting rules are very specific so be sure to work with your tax accountant or wealth advisor.
- Charitable donations can highlight your core values, or better yet the values of the person you are honoring. Choose an organization that is meaningful to you and your family. Whether it's a scholarship or a farm animal, your gift will reflect your core values. Heifer International enables animal donations to improve lives of families and Kiva facilitates micro-loans to small entrepreneurs around the world. There are tax advantages with donating – see Sandra Geisler's article on page 9 for insights and strategies.
- For a 'priceless' gift, organize a family volunteer event. Spend time together sorting food, serving meals or rehabbing a damaged home can deepen your relationships as you work together to benefit others. You could finish the day talking about the experience over a nice meal out.

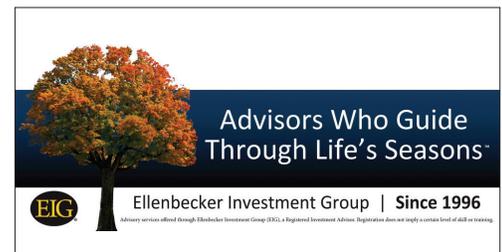
Imagine how different you could feel in January after a holiday season that is less focused on "things" – less weighed down, more enriched through experiences and better connected to those you love. Plus, with more in your pocketbooks and less debt, you can start the new year more confident, relaxed and motivated. ■



Heather Deaton, CFP®
Wealth Advisor
Ellenbecker Investment Group

You May Have Seen Us Around Town

Look for our winter board coming later this year!



Part 1 of 2

What is the Gift Tax?

If you write a big check, gift some investments or give a car to someone other than your spouse or dependent, you have made a gift. The IRS defines a gift as “any transfer to an individual, either directly or indirectly, where full consideration is not received in return.”

The IRS has a gift tax limit, both for the amount you can give each year and for what you can give over your lifetime. If you go over those limits, you will have to pay a tax. This federal tax is referred to as the gift tax.

Typically, the donor is responsible for paying gift tax, not the recipient. Even though recipients don't face any immediate tax consequences, they may face capital gains tax if they sell gifted property down the line.

Whether or not you will pay the gift tax is dependent on a few factors, primarily the value of the gift. If the amount stays below the gift tax exclusion, you won't have to worry about any tax. There are both annual and lifetime exemption amounts. The annual gift tax exclusion for 2019 is \$15,000, and the lifetime exclusion is \$11.4 million.

The Annual Gift Tax Exclusion

The annual gift tax exclusion of \$15,000 is the amount of money that you can give as a gift to one person, in any given year, without having to pay any gift tax. You never have to pay taxes or file tax returns on gifts that are equal to or less than the annual exclusion limit. Gifts between spouses or to dependents are unlimited and generally don't trigger a gift tax return. Gifts to non-profits are charitable donations, not gifts.

The annual gift exclusion limit applies on a per-recipient basis. This annual gift tax limit is not a cap on the total sum of all your gifts for the year. You can make individual \$15,000 gifts to as many people as you want. You just cannot gift any one recipient more than \$15,000 within one year. If you're married, you and your spouse could give away a combined \$30,000 a year to whomever without having to file a gift tax return.

If you gift more than \$15,000 to a recipient, you will need to file tax forms to disclose those gifts to the

IRS. You may also have to pay taxes on it. If that's the case, the tax rates range from 18% up to 40%. However, you won't have to pay any taxes until you hit the lifetime gift tax exemption.

The Lifetime Gift Tax Exclusion

Most taxpayers won't ever pay gift tax because the IRS allows you to gift up to \$11.4 million over your lifetime without having to pay gift tax. And because it's per person, married couples can double that amount in lifetime gifts.

Let's say you gift \$115,000 to your friend this year. This gift is \$100,000 over the annual gift exclusion. That means you will need to report it to the IRS. However, you won't immediately have to pay tax on that gift. Instead, the IRS deducts that \$100,000 from your lifetime gift tax exemption. Assuming you have never made any other gifts over the annual exemption, your remaining lifetime exemption is now \$11.3 million (\$11.4 million minus \$100,000).

As you might imagine, most people don't even come close to the lifetime exemption when giving gifts. However, if you've given significant gifts in your lifetime, the lifetime gift tax exemption will become important when pass on your legacy to your estate after you die. We'll talk more about that next quarter's article. ■



Sandra Geisler, CPA
Director of Tax Planning
Ellenbecker Investment Group

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Join Us: Upcoming EIG Seminars

How to Be a Snowbird

October 22 | 3-5pm

Taxes: What to Consider by Year-End

October 29 | 4-6pm

Social Security Seminar

November 7 | 3-5pm

Staying Connected During Retirement

November 13 | 4-6pm

Learn more and register ellenbecker.com/events.

Energized by the City Life

The re-urbanization movement across the country has been largely fueled by Millennials; however, they are not the only generation likely to relocate to cities. As cities reshape to react to the growing demand for living where you work and play, developers are recognizing the appeal of urban living for adults that are making their own life plan transitions.

City living can be ideal for adults that are looking forward to downsizing.

There are several appealing aspects that city life has over suburban or rural living. Google the topic and you'll find that urban living has a plethora of positive outcomes. City living isn't for everyone but for those that are already living that lifestyle or are intrigued by the concept, it is worth exploring.

Not all apartment complexes are the same. Operators who are focused on downsizers and retirees build with those people in mind. Contemplation of location and building design is done with great purpose.

Location is critical. Is there walking distance to services, restaurants, and entertainment that will appropriately serve this population? Are there nearby fun and engaging places for family and friends to visit? Is there easy access to private and public transportation? What business and non-profit relationships can be created to

provide positive synergy and opportunities for greater social engagement?

Building design is critical. Apartments are designed to meet expectations with appropriately sized living spaces with features designed to anticipate the aches and pains of growing older.

Common spaces are created to invite socialization and tailored experiences.

Programming is critical and sets these communities apart from a traditional multifamily apartment complex. Employees at these complexes are professionals that are hired to provide high-touch service coordination and concierge-like services. Apartment community dining venues and social programming foster rich and rewarding experiences. These communities often offer a continuum of care component, being cognizant that as people age, care needs may arise.

St. Rita Square, located in Milwaukee's Lower East Side, is Capri Communities response to the growing demand for downsizers wanting an urban lifestyle. Opening in the spring of 2020, it will include amenities, services and access to enjoy the freedom of city life. Learn more and explore this exciting location by visiting stritasquare.com. As life changes, live the life that suits you. ■

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A principal of EIG has a minority interest in the St. Rita Square facility.



Cindy Robinson

Vice President of Sales & Marketing
Capri Senior Communities

crobinson@capricommunities.com
(262) 289-2738

Protecting Your Identity

Let's face it, by now your identity has been compromised. Equifax, Yahoo!, Marriott, eBay, Uber, JP Morgan Chase, Anthem and others are among the more than 300 data breaches and hacks of our time. So, here's what you can and should do to protect your identity.

1. Create a Social Security account, even if you're not ready to start benefits, to prevent others from enrolling using your identity. Start at SSA.gov to learn how.

2. View your credit report, not necessarily your credit score. This can be done for free from each of the three major credit reporting agencies. Dispute any open

accounts that you do not recognize within the website. annualcreditreport.com

3. Unless you plan to apply for a loan soon, freeze your credit reports with all four credit agencies. Since 2018, it's free to freeze and unfreeze (thaw) your credit report.

transunion.com/credit-freeze
equifax.com/personal/credit-report-services
experian.com/freeze/center.html
innovis.com/personal/securityFreeze

4. Use a password manager to track your passwords (and all those pesky security questions.) You have a different strong password for each website, right? Well, now is the time to take care of this chore once and for all. Not only

Not All Sandwiches Are Easy To Digest

Sandwich generation we hear you! You are finally starting to get your finances in order. You are paying down the house and should have that free and clear soon. You have a plan in place to get the kids out the door and off to college. You are starting to daydream about being “empty nesters” and finally being able to take that trip to Paris. Sounds great, right? But then life happens, and you get a knock on the door from your parents. They need your help.

I am seeing so many of my clients and friends who have had to make dramatic life changes because they need to help care for a parent. They take time away from work or even stop working all together. Their free time is spent taking parents to doctor or therapy appointments. They are looking after their parents’ house because their parents are now in an assisted facility and don’t want to sell the house. Or really, they don’t have a plan in place and don’t know what to do with the house.

Now don’t get me wrong. I love my parents and will happily help them when the time comes, but what I also know is that a little bit of planning will make this process a whole lot smoother and less stressful for all parties involved.

Here are some key steps to take to make sure everyone is prepared:

- Start having the conversation! A lot of times we make assumptions as to what everyone thinks

or wants, and we could be completely wrong.

- Review important information together. Who is their doctor, attorney, CPA or financial advisor? Where are their Powers of Attorney held and who have they named? What are their current income sources and what do they have for assets?
- Start assembling a team that everyone likes. Visit assisted living facilities before you plan to move. Children should meet the professionals the parents have grown to trust. Have a realtor come and assess the house and make recommended improvements now. Have a contact list of individuals you will need to call when the time to transition comes.

A plan gives you peace of mind during this transition. It also allows you to enjoy your time together versus having regrets when there is no longer any time. ■

Visit moneysenseradio.com to listen to the Money Sense radio show with Julie Ellenbecker-Lipsky and Anne Mank.



our passion for
service
defines our *culture*



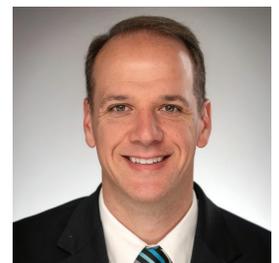
Anne Mank, CFP®, CPA
Wealth Advisor
Ellenbecker Investment Group

does a password manager remember your login/password for you, but it can log you into websites automatically. That makes them indispensable for security and convenience.

pcworld.com/article/3207185/best-password-managers-reviews-and-buying-advice.html

These are the main steps to take, but there are additional steps depending on your potential exposure. For instance, credit monitoring services can alert you to problems (but may not be needed if your credit is frozen), cyber insurance that may be part of your homeowners insurance or a separate policy can help you recover from a stolen identity and good habits with computers, smart phones and paper files can prevent additional identity theft.

Your team at EIG also has your back, but keeping your information safe is a partnership. Please let us know if your identity is ever used fraudulently or if you have questions on the steps above to protect yourself. ■



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

before we
plan, we
listen

2020 Medicare Planning: New Rules and Updates

It's that time of year again, HealthCare Enrollment Season! The Medicare Annual Open Enrollment Period (October 15th thru December 7th) is right around the corner. The mailers and commercials will be at full speed ahead and plan updates will be a frequent conversation between friends. You can spend hours doing your own research or you can work smarter by working with a trusted partner.

One of the new changes for 2020 will affect those who are turning 65 after 1/1/2020. These individuals will no longer be able to purchase a Medigap policy with a Part B Deductible rider. Legislation was written in 2015 with the purpose of saving the government money. The idea was if every Medicare beneficiary had to pay something out of pocket they would go to the doctor less often, thus saving the government dollars by lowering healthcare expenses. The good news is if you have already had this plan in place, you will be allowed to keep it. You may even purchase your Medigap Plan from a different company as long as you medically qualify or make the change during an Open Enrollment or Guaranteed Issue time.

Another noticeable change in 2020 will be more progress toward the removal of the Donut Hole.

Currently, Medicare pays 56% of the price of your generic drugs while you're in the Donut Hole. You are responsible for the remaining 44%. In 2020, the number you will be responsible for is only 25% of the cost. This results in a huge saving for Part D beneficiaries in the Donut Hole.

The Annual Enrollment Period for Medicare Beneficiaries begins October 15th and ends December 7th. This is a great time for seniors to explore new offerings that could provide better coverage and potential savings. This is also an important time to review any changes that might affect the way your plan works or alter the benefits you receive.

Things to consider when choosing – Is my agent working in my best interest? Are my doctors/hospitals/pharmacies covered? Are there copays, deductibles, monthly premiums, maximum out of pocket amounts? Are there extra benefits, like fitness club memberships, dental, vision, and foreign travel?

Together, your EIG advisor and I can help make sure you have the coverage you need for 2020. ■



Jim Larson
Licensed Independent Insurance Agent
HealthMarkets Insurance Agency
jim.larson@healthmarkets.com
(262) 510-6073

Waterfalls, Lagoons and the Northern Lights?

Are you making plans for travel in 2020? If so, consider joining us for a trip to Iceland. We'll leave on April 28, 2020 for the "Taste of Iceland" with CIE Tours to include six days and five nights. See Iceland's highlights and hidden gems on this introductory tour of this spectacular island. cietours.com/iceland/tours/taste-of-iceland/.



Trip Highlights:

- Perlan Observatory
- Skaftafell Wilderness Area
- Gullfoss Waterfall
- The Blue Lagoon
- Thingvellir National Park
- Jokulsarlon Glacier Lagoon
- Skogafoss Waterfall

The tour is limited to 42 travelers. For more details, please contact our office for a flyer. Also watch our website www.ellenbecker.com for a date for an informational meeting. ■



Diane Byrne, CFP®
Senior Wealth Advisor
Ellenbecker Investment Group



Market Update

It often feels like the stock market's short-term movements have become more pronounced, propelled by the non-stop news flow and the opinions of "expert" talking-heads. Maybe it's just that people are paying greater attention to the day-to-day markets given the inundation of up-to-the-second data now readily available across multiple media and devices.

To demonstrate this point, the accompanying chart appeared in the July edition of J.P. Morgan Asset Management's "Guide to the Markets" with the headline "Volatility is normal – don't let it derail your plans". Showing the calendar year price change for the S&P 500 Index since 1980 (blue bars) along with the intra-year peak-to-trough declines (red dots), the chart provides a visual reminder that markets have always fluctuated, sometimes violently. However, the stock market's bias has historically been upward, driven by earnings growth, thus rewarding long-term investors over time. The following statistics highlight these points:

- The S&P 500 has corrected by 10% or more in 22 of the last 39 years.

- The intra-year declines have averaged 13.7%.
- The S&P 500 has posted positive price-only returns (excludes dividend income) in 29 of 39 years (74.5% of the time).
- The average price-only return (excludes dividend income) for the Index from 1980 to 2018 is 9.6%.

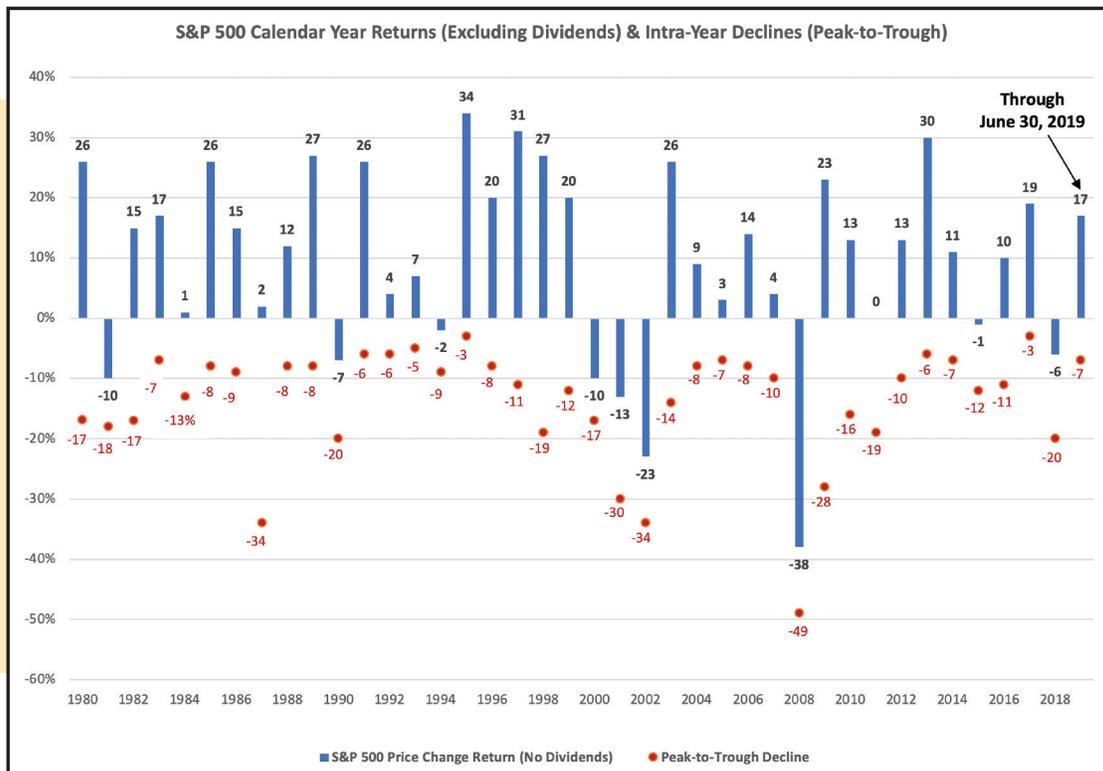


Mary Brown, CFA
President & CIO
Campbell Newman
Asset Management
mbrown@campbellnewman.com
(414) 908-6670

Also noted in the piece was the difficulty of timing the market correctly. Fund flows indicate that investors are shaken out of stocks during the corrections, thereby missing the recovery rallies. This drives home the fact that assets with longer-term time horizons can better endure volatility given the luxury of time compared to those assets meant to meet shorter-term goals. ■

Sources:

FactSet, Standard & Poor's, J.P. Morgan Asset Management – Guide to the Markets



Economic Update

Our economy, now in its eleventh year of expansion, continues to grow at a reasonable pace, but many are asking, "Is a recession on the horizon?" Recessions are very hard to predict, but we have found three models, each using different data, with excellent long term, live track records of predicting recessions.

The first model looks at new home sales. It predicts a recession when current new home sales fall by more than twenty percent in comparison to the previous year. Last November, this statistic reached -13%, but it has since bounced up to +1.0%, so it is not predicting a recession. And, mortgage rates have plummeted, effectively lowering the cost of purchasing a new home, so it is hard to imagine that there will be a significant decline in new home sales anytime soon.

The second model looks at the unemployment rate. This model predicts a recession when the unemployment rate troughs and starts to head higher. Currently, the unemployment rate is 3.7%. It is within 0.1% of its 50 year low, of 3.6% reported in 1969, and we have not seen it begin

to rise yet. Furthermore, currently there are about 7.3 million job openings but only 6.0 million unemployed. This situation, 1.3 million more jobs available than people to fill them, is very unusual in our history. It is hard to imagine a sustained rise in the unemployment rate as long as this situation persists.

The third model looks at the "yield spread" (the difference in the yield on a US treasury bond maturing in 10 years vs. the yield on a US treasury bond maturing in 3 months). The yield spread is normally positive. Over the last 10 years, it has averaged 2.0%. When it turns negative, AKA an inverted yield curve, it signals a recession. It turned negative in June and is currently -0.35%. It is forecasting a recession typically beginning ten months after it inverts.

Looking at all three models, two are not forecasting a recession and one is. On a weight of the evidence basis, we cannot forecast a recession at this point. The yield spread can be returned to a more normal slope, but it requires aggressive action by the Federal Reserve. The longer they wait to cut rates, the more they will have to cut them to get the yield relationship back to normal. ■

Visit moneysenserradio.com to listen to the Money Sense radio show with Mary Brown or Terry Pavlic.



Terry Pavlic
President,
Pavlic Investment Advisors, Inc.
terry@pavlic.com
(262) 646-4300

Ways to Volunteer

Finding an organization that aligns with your passion is a discovery that is both emotionally and financially rewarding. Knowing how to do it can be a bit overwhelming and a journey in and of itself, but research and education is a great place to start.

Research can be done quite simply now as a result of the internet. There are countless websites to visit to get a better understanding of a variety of non-profits and how they run their organizations. When we research non-profits to interview on our radio show, Milwaukee's Philanthropic Community, we often use **GuideStar.org**. This site gives a complete overview of the organization you are interested in, including important financial data. This is also the website

that other non-profit reporting organizations use for validation.

If you interested in giving of your time and talents, **VolunteerMatch.org**, **Idealist.org** and **PointsofLight.org** are three great places to start. Each one allows you to query by interest or location to determine the best fit for you.

How wonderful if at a Celebration of Life service, people were asked to describe the person whose life was being celebrated and the response was something like "they were the most generous person I knew, always giving of themselves for a greater cause". What if the person being described was you! Our life journey here is short in the grand scheme of things. Focusing on a life legacy of generosity can be very fulfilling and satisfying and is a goal worth building and growing.

However you choose to give back and build your legacy - whether with your time, talents or resources - you are sure to be blessed as a result. ■

*"Live for your eulogy instead of your resume."
- A High Impact Life - Author: Pete Ochs*



Jill Economou
Director of Community Outreach
Ellenbecker Investment Group

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.

October 2019

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
	1	2 Sustainable Living 5:30-7:00pm	3	4	5/6  
7	8	9	10 Women's Bible Study 5:30-7:00pm	11 EIG Charity Casual Dress Day	12/13  
14	15 Armchair Travelers 3:00-5:00pm	16 WI Widows Connected 5:30-7:00pm	17	18 Milwaukee Film Festival Oct. 17-31	19/20  
21	22 How to Be a Snowbird Seminar 3:00-5:00pm	23	24 Women's Bible Study 5:30-7:00pm	25 EIG Charity Casual Dress Day	26/27  
28	29 2019 Tax Seminar 4:00-6:00pm	30	31		

November 2019

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
				1	2/3  
4	5	6 Sustainable Living 5:30-7:00pm	7 2019 Social * Security Seminar 3:00-5:00pm	8 EIG Charity Casual Dress Day	9/10  
11	12	13 Stay Connected During Retire. 4:00-6:00pm	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	26	27	28 EIG Office Closed - Thanksgiving	29	30  

*Women's Bible Study 5:30-7:00pm (Nov. 7 and Nov. 19)

December 2019

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
					1  
2	3	4 Sustainable Living 5:30-7:00pm	5 Women's Bible Study 5:30-7:00pm	6	7/8  
9	10	11	12	13 EIG Charity Casual Dress Day	14/15  
16	17	18 WI Widows Connected 5:30-7:00pm	19	20	21/22  
23/30	24/31 EIG Early Close - 1pm Christmas Eve, New Year's Eve; EIG Office Closed - Christmas Day	25	26	27 EIG Charity Casual Dress Day	28/29  

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!

July Lauren Alles
August Amy Schaubel
September Debbie Just

Employee Anniversaries

July
Pam Peterson – 12 years

August
Sandy Miller – 6 years

September
Anne Mank – 2 years
Amy Schaubel – 4 years

Welcome to EIG

Jamie Williams, CFP®
Wealth Advisor

Richard Wolosek, CPA
Tax Planning Advisor

Martha Kolbow
Investment Operations Associate

Maureen Holsen
Wealth Advisor Associate

Charity Casual Day

We will be collecting donations for the following charities this quarter:

October
West African Mercy Ministries

November
Christmas Clearing Council of Waukesha County

December
The GOD'S CHILD Project

Volunteer Highlights

Kelly Whitt
Black Creek Library

Lauren Alles
Hunger Task Force

Gabby Urquizo
Hunger Task Force

Debbie Just
Pewaukee Lake Sailing School

Wendy Bitter
Pewaukee Farmer's Market

N35 W23877 Highfield Court, Suite 200
Pewaukee, Wisconsin 53072



Tune in to hear us
on the radio



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

Sundays at 10:00am
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.

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