

SAVE WITH DAVE

***"To everything turn, turn, turn. There is a season
turn, turn, turn."***

From the 1965 song by The Byrd's

Hello and welcome many of you to my quarterly newsletter. My name is David Lutz Jr and I have been a CERTIFIED FINANCIAL PLANNER™ at Celtic Financial Services, LLC for the past 12 years and in the personal finance business for 24 years. (That can't be right, can it? Dang I'm old 😊) But, back in the winter of 2011 I was going through some trying times at my current firm and it was affecting my happiness. Rather than wallow in sorrow and self-pity, I began a search for a new office. I reached out to some of the gentlemen I had previously worked with at the Acacia Financial Center to see if they had any room to bring another advisor on. As fate would have it, Bill Breitweiser, Jim Hixon, and Rocco Muffi were moving to a new location in McMurray, PA and had an extra office. They graciously allowed me to join them and welcomed me with open arms. Shortly thereafter, Rocco retired, then in 2018 Bill, and well I guess you can see where this story is heading. Like many of those of the Baby Boomer generation, my good friend and business partner Jim Hixon has decided it is time to slow down a little and enjoy the fruits of his many years of labor. If he hasn't already shared it with you, beginning in 2023 and for the next three years he has decided to work a reduced schedule and start to transition his practice as he looks towards retirement. As such, we have agreed in principle to me taking over his duties.

I completely understand that for some people change isn't easy. We like the feel of those old comfy slippers or that friend who is always there to talk too. For that reason I feel it is important to keep any changes to a minimum. We will remain in the same office and in the same location and we will continue to meet you at your house, our office, or a neutral location like a library or coffee shop of your choosing. Likewise, we will continue to be available during normal business hours, in the evenings, and on the weekends and on holidays if necessary. Additionally, Jim and I will collaborate on any decisions that need to be made when it comes to addressing your needs as he knows your situations better than I. The only two changes at this time that you should be aware of is I personally write a quarterly newsletter and I am open to virtual meetings. Finally, and as some of you may already know, last March we added an administrative assistant, Erin Summers, in anticipation of this transition and who is here if Jim or I are not available. Erin has already become a valuable member of our team as she has shown us ways to improve our technology and efficiencies which will hopefully lead to better and faster service. Overall, though, one of the major benefits of working with a small firm like ours is you are not just a number to us. We genuinely care about every one of our clients and their well-being. We don't want you to wait on hold or not have your phone call or e-mail returned promptly. Jim, Erin, and I all share this deep commitment to old fashioned customer service.

...continued on page 2



January 1, 2023



Volume 17, Issue 4

New Year-New News	1-3
Piggy Bank Club.....	3
Paying it Forward.....	4
Tax Info & Medicaid	5-6
Final Thoughts.....	6



David J. Lutz Jr. CFP®



Celtic Financial Services, LLC
3025 Washington Road, Suite 104
McMurray, PA 15317
724-260-5529
dlutz@aicinvest.com



Secondly, when it comes to investing and personal finance, Jim and my philosophy on how to invest and grow client's wealth is very similar too. First we believe if you follow a few simple keys like (1) thinking long term, (2) diversifying to reduce risk, (3) never trying to time the market, (4) dollar cost averaging and rebalancing from time-to-time, (5) keeping your costs low, and (6) developing a plan and sticking to it this can only lead to positive outcomes. Next, we want to align these values with mutual fund families and other investment professionals that share a similar mindset. Surprisingly there aren't many. But the bottom line is we are here to provide unbiased, common-sense tools and advice to grow and protect your wealth.

Next, we understand that there is so much information that is available to investors today. Whether it is old fashioned newsprint, magazines, the internet, podcasts, or tik-tok videos we have access to more information in our cell phones than J.D. Rockefeller, the richest man in the world had back in 1937 when he died. But, how do we process and differentiate the truth from the noise? Whom do you trust? For this, we look to experienced news sources like the Wall Street Journal, American Funds, and people like Warren Buffett and David Tepper. Why are some people and firms just better at making money? Is it luck? Is it skill? Is it work ethic and experience? Personally, I think it is a combination of all of these as well as critical thinking skills. Like Mario Lemieux, Henry Ford, or Bill Gates, some people can just envision life and the future better than others and Jim and I have tried to surround ourselves with people of that pedigree, experience, and wisdom for your benefit.

Fourth, you will come to find that many of my topics that I discuss each quarter revolve around human emotions. Whether it is greed, fear, sacrifice, or impatience we are all emotional about our money. The reason for that is we understand how long it takes to earn it and see how quickly it takes to spend it. It is most painful though when we see the value of our accounts go down. Sadly, during those times I often see people doing the opposite of what they should be doing. For example, if you saw a TV set "on sale" where the price is cheaper, you'd buy it. But, when the stock market drops and prices go cheaper, many people aren't looking to buy; but sell instead. Why is that? Well, a lot of research has been done on human emotion and money through a field called behavioral finance. Things like loss aversion, confirmation bias, overconfidence bias, and anchoring are a few of the stories I will try to share with you so that you can hopefully learn to better manage your emotions when it comes to your money so that you can come out ahead of those people who may not be privy to these concepts. After all, making the wrong decisions with your money at the wrong times can be detrimental not only to how much you accumulate over your lifetime, but also the future lifestyle you hope to live. Our role is to assist you in living your best life possible by helping you make wise decisions with your money, but that mostly begins with managing your behavior and emotions. So, how do we go about that to where you can see the big picture?

Well it all starts with using the financial planning process. With this process, we gather as much information as we possibly can to take a comprehensive view of your finances. It is looking at everything from your income and expenses, your tax returns, your money in the bank, your debts, your insurance, and your legal documents. From there we determine how much you will need to save to reach your goals and what rate of return it will require to achieve it. Only then do we recommend what product to buy. But, in the end, please understand that every decision you make with your money will have consequences. For example, I can sell a stock that I made a lot of money on, but then I will have to pay taxes thus reducing my gain. Or withdrawing from a retirement account early can lead to hefty penalties and reduce the funds that one has at retirement thus leading to working longer or saving more. Or, not updating your beneficiaries or not spending a little of money on a will can lead to much higher attorney fees at death when it comes to settling your estate. So much of what we do in today's society revolves around money. Some of the more common questions we tend to hear revolve around how to budget, when to retire, how much to save for a child or grandchild's college education, what Medicare plan to pick, when to apply for Social Security, what investments to select in my 401(k), how to pay for long term care, leasing versus buying, student loans, mortgage refinancing, debt consolidation, charitable giving, and shopping insurance around for better rates. These are all topics that we have educated ourselves on and are here to assist and advise on.



...continued on page 3

So please use us as a resource. After all, planning for anything in life is just preparing for something before it actually happens. It is taking a proactive approach rather than a reactive one. You'd be amazed at how many people live life one day at a time and only later (and often when it is too late) come to understand that what we do is so very important. Therefore, for every one of us, time is the greatest determinant in growing our wealth due to the power of compounding. So there is no better time than the present to begin to make your life better in that regards.

With that said, we can't possibly know everything there is to know about every subject. That is why we try to surround ourselves with other professionals like accountants, estate planning attorney's, bankers, mortgage brokers, insurance agents, and others who excel in their respective fields and are out there to help others. If you are already using some of these professionals in your life, we would be happy to coordinate with them for your benefit.

The last piece of the puzzle that we try to provide that I think separates us from other advisory firms is an honest, positive voice of encouragement and inspiration. So much of the news we get today on TV and in the media is negative and depressing to the point we are afraid to leave our homes for fear of something bad happening to us. But that is not why God put us on this Earth. Life is a gift and a journey of discovery. Learning, understanding, experiencing, and pondering what our role and purpose is in our universe is what makes life worth living. I truly believe that I have been called to be a financial planner. From the experiences I had as a child with money, to my schooling and certain subjects like mathematics being more enjoyable than others, to my early work experiences, to my faith; all of it has lead me to this point of being in front of you today. My goal every day I get up is to use the gifts that God has given to me and the values and skills I have acquired to try and help improve the lives of the people I know when it comes to personal finance so that I can hopefully one day get to heaven.



Over the next three years, and in addition to continuing to meet and work with my very loyal and existing clientele, Jim will hopefully be taking me out to meet many of you and I am eager to hear your stories, to learn about you, your families, and your dreams. I am greatly looking forward to it. In the meantime, hopefully today I've given you a little snapshot into me and the work we do here. If you would ever want to hear the opinion of a third party about my work and qualifications, I would be happy to share with you the contact information of one or more of my long-time clients where you could talk to them personally.

In conclusion, one of my favorite sayings when I meet someone for the first time is: "I work for you." It is not the other way around. So whatever I can do to make your life better when it comes to the topics of money and personal finance; that is what I am here to share with you today. So, welcome aboard, I look forward to hearing and working with you in the coming years, and please be sure to send Jim a personal note or give him a call to congratulate him as he begins to transition to a lighter work schedule. And, please enjoy the rest of this quarterly newsletter.

The "Save with Dave" Piggy Bank Club

For those of you who know me well, I love kids. Watching them develop personalities, their smiles, and the simple joys they see in every day common items for the first time brings out the best in me. Because of my profession, on a child's first birthday I typically like to give the gift of a piggy bank. My hope is it teaches them at a very young age the importance of saving to reach one's goals. I also very much value the role that education plays in society. It is no secret that most of those who earn a lot of money in life went furthest in school. But good schooling continues to become ever more expensive. Therefore, to meld the importance of saving and schooling I've decided to expand my piggy bank idea. Beginning today, if anyone opens a 529 College Savings Account for their child, grandchild, or other relative or friend with me and agrees to invest funds on a monthly basis, I will provide a free piggy bank. It is my little way of paying it forward to try to help future generations gain the tools they need to succeed.



Paying It Forward

Back in 2000 there was a movie called “Pay It Forward” starring Kevin Spacey, Helen Hunt, and Hailey Joel Osment. In the movie, a 7th grader named Trevor (Hailey Joel Osment) is assigned a project by his social studies teacher, Mr. Simonet (Kevin Spacey). The assignment was to think of something that would change the world for the better. Trevor racks his brain but eventually comes up with the idea whereby if one receives a favor from someone they must then turn around and do a favor for three other individuals rather than simply paying it back to the original person. Trevor called his plan “pay it forward” and his first deed was to let a former mechanic who was now homeless live in his family garage. That homeless person then pays the favor forward by doing car repairs for Trevor's mom. Before you know it “pay it forward” spreads to more and more individuals. If you have never seen the movie I highly encourage you to check it out sometime. It is quite powerful and it really goes to show how much better the world could be if we all embraced daily kindness over hatred with those we meet.

Additionally I find this movie to be a good representation of real life. What I mean by that is when we are young we all go to school to learn which eventually leads us on a path to a career. That career sustains our families and when we get older and wiser we pay it forward and share the knowledge and skills we've acquired with the next generation.



The reason I decided to bring this movie up today is the Silent Generation and Baby Boomers are coming into their twilight years. During their lifetime they have seen their homes appreciate in value and the stock market increase their net worth immensely. It is estimated that over the coming decades they will transfer somewhere between \$30 to \$68 trillion to their adult children.¹ While this will be very helpful to the next generation, many parents and grandparents still worry that the next generation will not be better off than them. Much of that worry is because the United States government continues to borrow money to sustain the economy and negatively influence some of our individual freedoms. In addition, through estate and inheritance taxes, the Secure Act, higher Medicare premiums, and lower Social Security payment increases, the government is looking to gain back some of the money that hard earned Americans have made. Furthermore, while older workers may have had access to employer sponsored defined benefit or pension plans which helped set them up for financial success, younger generations have fewer options to save for retirement today. Most pension type plans have gone away and been replaced with the defined contribution or 401(k) plan instead. As such, it is no longer the company's responsibility to ensure you can afford to retire; it is all on you. And, finally, when you hear stories that the younger generation feels more entitled and does not share the same work ethic mindset and values when it comes to saving and spending money all of this could lead to seeing one's family wealth be squandered instead of maintaining or increasing for future generations.

The good news is wealth gives you options and the time to plan for and prepare for this inevitability is now. If you have not already done so, please communicate with your loved ones about financial literacy. Share not only stories of how you grew your wealth, but also show them where you keep important documents like birth certificates, Social Security cards, and wills. I'd also suggest to have them come in and meet with your financial advisor too to share the estate plan you have created. But, mostly, look for ways to pass on your wealth tax free through life insurance policies, Roth IRA's, College Savings Accounts, and certain trusts.

The great transfer of wealth is upon us. If you want the future generations of your family to be in a better position than you, pay it forward now and give them the tools that your parents and role models gave to you and you learned along the way. This will ensure that everyone wins and succeeds. As always, if I can ever assist in helping you and your family develop a plan for the passing of your assets to your heirs, please don't hesitate to reach out to set up an individual appointment.

¹ https://www.marketwatch.com/story/were-likely-to-see-one-of-the-greatest-transfers-of-intergenerational-wealth-as-68-trillion-set-to-reshape-economy-says-head-of-tiaa-11665405102?mod=search_headline

Tax Corner

Do we know who your accountant or tax preparer is? If not, please provide us with their name, address, phone number, and e-mail address. One service that we provide, and with your permission, is we gather all of your year-end tax documents for your CPA and send them directly to them. That way they are not running around on April 14th trying to gather them. If this is something that interests you now or in the future, please let us know.



Important Tax Changes for 2023

Traditional and Roth IRA contribution limit \$6,500 if under age 50, \$7,500 if over age 50. Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out depending on filing status and income.



401(k), 403(b), and 457 plan contribution limits: \$22,500 if under age 50, \$30,000 if over age 50

SIMPLE IRA contribution limits: \$15,500 if under age 50, \$19,000 if over age 50

If you start collecting Social Security before full retirement age, you can earn up to \$21,240 per year in 2023 before the Social Security Administration will start withholding benefits, at the rate of \$1 in benefits for every \$2 above that figure.

2023 Saver's credit rates:

Married filing jointly		
50% of contribution if	20% of contribution if	10% of contribution if
AGI is \$43,500 or less.	AGI is between \$43,501 - \$47,500.	AGI is between \$47,501 - \$73,000.
Head of household		
50% of contribution if	20% of contribution if	10% of contribution if
AGI is \$32,625 or less.	AGI is between \$32,626 - \$35,625.	AGI is between \$35,626 - \$54,750.
All Other filers		
50% of contribution if	20% of contribution if	10% of contribution if
AGI is \$21,750 or less.	AGI is between \$21,751 - \$23,750.	AGI is between \$23,751 - \$36,500.

Source: [Internal Revenue Service](#)

Fun Fact:

Social Security retirement benefits have lost 40% of their buying power since 2000 due to inflation (source: The Senior Citizens League)



2023 Medicare Part B Coverage:

Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Monthly Premium Amount
\$97,000 or less	\$194,000 or less	\$164.90
Between \$97,000 and \$123,000	Between \$194,000 and \$246,000	\$230.80
Between \$123,000 and \$153,000	Between \$246,000 and \$306,000	\$329.70
Between \$153,000 and \$183,000	Between \$306,000 and \$366,000	\$428.60
Between \$183,000 and \$500,000	Between \$366,000 and \$750,000	\$527.50
\$500,000 or more	\$750,000 or more	\$560.50

Source: [CMS.gov](https://www.cms.gov)

Website of the Quarter:

[Benefits Check Up \(https://benefitscheckup.org/#/\)](https://benefitscheckup.org/#/)

We may have to update that old saying, “help is just a phone call away.” Everything is digital and online today. For the senior population there are literally hundreds of federal and state benefits programs available to them. Everything from health care and medication, food and nutrition, housing and utilities, aging at home, income, disability services, long-term care (such as skilled nursing facilities), discounts and activities, tax help, crisis help, legal assistance, and Veterans’ programs. Yet while many retirees meet the requirements for these aid programs, many do not even know they are eligible and so they miss out on the opportunity to receive financial assistance.



In response to this, the National Council on Aging established a free, confidential website called Benefits Check Up to help older people identify the federal and state assistance programs for which they are qualified. This resource not only provides elderly individuals and couples with personalized reports of any assistance programs that cover them, but also any details they may need to gather before applying and the contact information for the agencies administering the assistance.

All you have to do to see if you or a family member is eligible is enter one’s personal information into the database starting with your ZIP code, date of birth, and marital status. Then select the programs that you are interested in. The website will then create an individualized Eligibility Results Report of which you can either save it as a .pdf, or email it to yourself or a loved one. You can then use this report to apply for state or federal benefits or support your loved ones in doing so.

Overall, this easy-to-use resource can help older adults and their families alleviate some of the stresses and costs associated with aging. So be sure to give it a try.

Final Thoughts From Dave



Hopefully you’ve enjoyed this issue. If you would prefer to receive the newsletter by e-mail instead of paper, please just e-mail me at [dlutz@aicinvest.com](mailto:dlut@aicinvest.com) or my assistant, Erin Summers, at erin.summers@aicinvest.com. Likewise, if there were any mistakes in how the newsletter was addressed, please be sure to let me know that too. I look forward to writing you again in April.

Office hours are as follows: Winter 7:30 am-4:00 pm, Summer 8:30 am-5:00 pm .
Hours are flexible to meet your schedule. Currently offering meetings via Video, Phone, and in person.

David J Lutz, Jr. offers products and services using the following business names: Celtic Financial Services, LLC - insurance and financial services | Ameritas Investment Company, LLC (AIC), Member FINRA/SIPC - securities and investments | Ameritas Advisory Services (AAS) - investment advisory services. AIC and AAS are not affiliated with Celtic Financial Services, LLC. Representatives of AIC do not provide tax or legal advice. Please consult your tax advisor or attorney regarding your circumstances. Opinions expressed herein are those of the Registered Representative and may differ from those of AIC and affiliates. Information is gathered from sources believed to be reliable, however, we cannot guarantee their accuracy. Past performance is not indicative of future results. Before investing, carefully consider the investment objectives, limitations, risks, fees and expenses of the product and any underlying investment options. This information can be found in the product prospectuses. Copies are available from our office. Please read carefully before investing.