



Welcome to 2020!

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Welcome to 2020! We hope that you and your family had an enjoyable holiday season. Each New Year symbolically offers the opportunity to make a fresh start for everyone.

As always, our primary goal this year is to continue our tradition of helping clients achieve their personal financial goals. To make that process more efficient, please review the **2020 CHECKLIST** in this letter and identify any of the items you anticipate you'll need addressed this year. Then bring it to your next review or call us and we can help you plan accordingly.

Our primary goal is to continue our tradition of helping clients achieve their personal financial goals.

We take pride in our ability to understand and effectively respond to our clients' needs and concerns and enjoy providing timely information and holistic service to our clients. One of our company's main objectives is to always offer our clients a first-class experience.

For 2020, we are committed to offer the following services in addition to your personal meetings with our office:

- Quarterly economic updates;
- Tax reports to keep you updated on opportunities and changes;
- Targeted educational workshops on timely topics;
- A continuous flow of meaningful articles on financial, tax, and estate planning topics; and
- Client Appreciation events

We appreciate the confidence that you have shown in our practice. We are always available to provide the proper attention that you and your finances deserve by offering a strong and frequent line of service, commitment and communication.

2019 was a healthy year for our clients and we were honored to serve your financial needs. When we reviewed the growth of our company, we found that many of our new relationships have often started with introductions from our best clients. Through these introductions we have been able to meet high quality people who may benefit from our services. Recognizing that, we are asking for your support. Throughout the year, a theme you will hear from our office in 2020 is that we are having a **"Growth Initiative."** We would like to offer our services to several other clients like you and therefore, we will be asking you to either add someone's name to our mailing list or bring them to one of our educational workshops. Our goal is to share the information we provide about the current economic, estate planning, and tax environment.

As a valuable client, we thank you for giving us the opportunity to help you work towards your financial goals. We look forward to a great year!

Looking Ahead to 2020

2019 was another strong year for investors, but the daily headlines kept investors on the edge of their seats. Trade wars, recession fears, geopolitical unrest, interest rate concerns and U.S. political division all kept us wondering how each one would affect equity markets. The year also included its share of volatility in the U.S. equity markets which left many investors nervous. Despite a backdrop of concern, during the year, many indexes continued to set new highs. For 2020, investors should consider the mantra of “proceed with caution.”

In our second year of The Tax Cuts and Jobs Act, taxpayers are still adjusting to new tax forms. The direction of interest rates, stock market volatility, a Presidential election and the continuation of potential trade wars could provide disruption for investors in 2020. Having a solid foundation, design and strategy is critical to the outcome of your financial plans. Keeping your plan up-to-date is always wise and will be especially integral. We are staying updated on the issues that may affect your personal situation. Our prime mission is to provide our clients with guidance and support on the road to their financial goals.

This is a good time to review and discuss your plans with us. We can help you determine if you’re still on track to meet your long-term objectives, confirm your time horizons and your risk tolerance. If you have any questions or concerns, please call our offices and we’d be happy to assist you.

Specific Areas to Watch in 2020

Interest Rate Changes



In 2019, the Fed lowered interest rates for the first time in a decade. In July, September and October, the Federal Reserve lowered its key interest rate by 0.25% (0.75% total). Fed Chair Powell said that the October decision to lower rates was intended to “provide some insurance against ongoing risks.” At the December 2019 meeting, the Fed signaled that it was likely to hold rates steady in 2020. Low interest rates can make equities look attractive for investors seeking returns. For 2020, we will continue to keep a close eye on interest rate changes.

Trade War Fears



In December, China and the U.S. agreed to work towards a trade agreement. The uncertainty around the trade relationship between the U.S. and China has dampened global growth, according to Paul Gruenwald, Chief Economist at S&P Global Ratings. This trade war, which has lasted for almost two years, has weighed heavily on global economic growth, according to the International Monetary Fund. Analysts worry that tariffs could result in higher prices on goods and therefore affect consumer spending, which accounts for about two-

thirds of the U.S. economy. In 2020, investors need to stay watchful on U.S. and China trade negotiations.

Stock Market Valuations



Analysts theorize that valuations are one of the key predictors of equity returns. For the last decade, equities have climbed higher. Investors who need access to their money in the next 10 years should understand that current valuations could lead to a period of lower returns and therefore need to plan accordingly. Risk is a part of investing and investors need to balance current conditions with their personal tolerance for risk. Although equity prices can continue to rise, we must understand that its near impossible to accurately predict short term moves and we need to continue to carefully monitor equity markets.

Your Personal Situation



Your personal situation is our highest concern. We make it a priority to keep our clients informed throughout the year. If you’d like to schedule a complimentary consultation, please call our office and we will be glad to schedule time with you. **Please keep in mind that each individual or household situation is different and we want to help you with your personal financial goals in 2020.**

Here is a checklist of events and information that can help us advise you in 2020.
Please help us identify which items you would like us to address with you this year.

- Do you anticipate changes to your investment goals?
- Has your risk tolerance changed?
- Have your 2020 income or savings needs changed?
- Do you plan on retiring or changing jobs?
- Will there be a change in your marital status?
- Do you plan on moving, refinancing or selling/transferring a major asset such as a home or business?
- Did you recently receive or anticipate receiving a gift or inheritance?
- Will you have any changes in your income needs +/- (i.e. vacation, assisted living needs, selling home, child/grandchild assistance)?
- Do you expect any additional family members or dependents?
- Do you anticipate any additional dependents such as an elderly parent or other family member? Will they require assisted living?
- Do you have a child/grandchild you will be assisting with their educational cost needs through a 529 plan?
- Do you anticipate any major transfer of wealth?
- Do you plan on gifting to heirs or donating money to charity?
- Do you need to adjust your estate plan?
- Do you maximize your ability to use retirement plans?
- Do you want to explore converting a traditional IRA to a Roth IRA?
- Do you or a dependent family member have a severe illness?
- Do you anticipate any life, financial, or employment (retiring) changes that may require you to make adjustments to your life and health insurance policies?
- Did you contribute to an IRA? If not, would you like to discuss contributing to an IRA before April's tax deadline?
- Is there anything else we should know to help you plan for 2020?

Important Birthdays

-  **50** Allows for catch-up contributions to IRAs and qualified retirements plans.
-  **55** If you are retired, allows you to take distributions from your 401(k) without the 10% penalty.
-  **59½** Allows you to take distributions from an IRA, annuity, or other retirement plan without penalty.
-  **60** Allows for start of widow/widower benefits from Social Security.
-  **62** Allows for starting early Social Security benefits.
-  **65** Allows for enrollment in Medicare and the government drug plan.
-  **65-67** Allows for full retirement benefits from Social Security.
-  **70** Start date for enhanced Social Security benefits if you deferred claiming benefits previously.
-  **72** Mandatory required minimum distribution from retirement accounts must be taken no later than April 1st of the year after the year you turn 72.

If you have an important birthday in 2020, please let us know!

Please check any of the key items you anticipate will need to be addressed this year so that we can discuss them with you.

**HELP
US
GROW!**

This year, one of our goals is to offer our services to several other people just like you!

Many of our best relationships have come from introductions from our clients.

Do you know someone who could benefit from our services?

We would be honored if you would:

- Add a name to our mailing list,
- Bring a guest to a workshop,
- Invite someone to come in for a complimentary financial checkup.

Please call Junette McCarthy, CFP® or
Peter M. Rivas, CFP®, AAMS® at
(714) 245-1381
and we would be happy to assist you!

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