



Welcome to 2019



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Welcome to 2019! 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 **2019 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.

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.

As always, our primary goal this year is to **continue our tradition of helping clients achieve their personal financial goals.**

For 2019, we will continue 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;
- Regularly scheduled educational workshops on timely topics;
- A continuous flow of meaningful articles on financial, tax, and estate planning topics;
- Client Appreciation events; and,
- A Client Introduction Program that thanks clients who support our "Growth Initiative."

A theme you will hear from our office in 2019 is that we are having a "**Growth Initiative.**" We would like to offer our services to several other clients like you. 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, we will be asking you to either add someone's name to our mailing list or bring them to one of our educational workshops so we can share the information we provide about the current economic, estate planning, and tax environment.

Not only do we look to grow, but most importantly, we strive to maintain strong, long-term relationships with our clients. 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.

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!



Help us help others!

Please call us at (714) 245-1381 to add someone's name to our mailing list!

Looking Ahead to 2019

2018 kept investors on the edge of their seats. Trade wars, natural disasters, geopolitical unrest and U.S. political division all kept us wondering how each one would affect the economy. In 2018, volatility returned to the U.S. equity markets. During the year, many indexes set new highs. However, after a very tough fourth quarter, equity markets finished on a sour note for investors. For 2019, the mantra of “proceed with caution” is the battle cry among many experts. The Tax Cuts and Jobs Act has brought new tax reforms and we are staying apprised on how they may affect your personal situation.

In addition to the new tax reforms, rising interest rates, stock market volatility and potential trade wars could continue to provide disruption for investors. 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 for 2019. As always, our primary 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.

Four Specific Areas to Watch in 2019



Stock Market Volatility

2018 finished on a troublesome note for investors and many research economists are predicting limited overall growth in 2019.

Although the U.S. economy seems reasonable (moderate economic growth, low inflation and low unemployment) forecasts for 2019 are cautionary for investors. Equity market prices typically are leading indicators and as advisors, our goal is to carefully monitor market conditions. For 2019 we need to watch our clients’ timeframes and prepare for what could be an interesting year in both equity and debt markets.



Interest Rate Changes

In December, the Fed raised interest rates for the fourth time in 2018, increasing the Federal Funds rate to a range of 2.25-2.5%. Many economists are expecting additional interest rate increases in 2019. Rising interest rates can compete with equities, so in 2019, we will continue to keep a close eye on interest rate changes.



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.



New Tax Forms

Congress approved the Tax Cuts and Jobs Act and in 2019 taxpayers will fill out a new tax form that represents the most sweeping overhaul of the U.S. tax code in 31 years.

Please keep in mind that each individual or household situation is different and we would like the opportunity to discuss how the Tax Cuts and Jobs Act could affect your situation.

We would like the opportunity to help you with your financial goals in 2019!

Here is a checklist of events and information that can help us advise you in 2019. 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 2019 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 2019?

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.
-  **70½** Mandatory required minimum distribution from retirement accounts must be taken no later than April 1st of the year after the year you turn 70½

If you have an important birthday in 2019, 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 McCarthy Wealth Management, (714) 245-1381 and we would be happy to assist you!

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