

2020 Was The Year Of The Virus.
2021 Will Be The Year Of The Vaccine.
THE POTTER FINANCIAL GROUP
NEWS AND VIEWS

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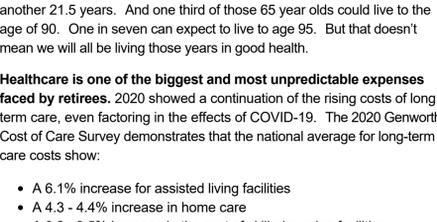
All of us at The Potter Financial Group want to wish you and your family a wonderful, healthy and bright New Year!

As we leave 2020 we want to list a few of the many things for which we are grateful especially in a time of upheaval. We are grateful for our families, our colleagues and our health. We are grateful for vaccines and the scientists that worked so hard to bring them to us. We are grateful for take-out food and delivery services and for all the funny cartoons, poems and jokes that have come through our email.

We are especially grateful to you our clients who continue to put your trust in us. Thank you.

Our resolution for 2021 is to keep providing you with the best possible service possible. So from Chip, Price, Charlie, Jason, Jackie and Sarah.

Happy New Year!



Will Your Carefully Planned Retirement be Derailed by Long Term Care Costs? Should You Make Long Term Care Insurance Part of Your Planning?

You understand the importance of planning for a secure retirement. Maybe you are deciding you want to stay in your current home or perhaps you are thinking of downsizing. What about your legacy to your family or a favorite charity? There are lots of decisions to make. *But are you planning for a very long retirement and what living for a long time in retirement might mean?*

It's a fact. Americans are living longer. According to the Social Security Administration someone who is 65 years old today can expect to live another 21.5 years. And one third of those 65 year olds could live to the age of 90. One in seven can expect to live to age 95. But that doesn't mean we will all be living those years in good health.

Healthcare is one of the biggest and most unpredictable expenses faced by retirees. 2020 showed a continuation of the rising costs of long term care, even factoring in the effects of COVID-19. The 2020 Genworth Cost of Care Survey demonstrates that the national average for long-term care costs show:

- A 6.1% increase for assisted living facilities
- A 4.3 - 4.4% increase in home care
- A 3.2 - 3.5% increase in the cost of skilled nursing facilities

And those costs will only continue to rise.
<http://www.genworth.com/aging-and-you/finances/cost-of-care.html>

What does this mean for your retirement?

It means that your retirement planning must take into consideration that you may be paying a large part of your retirement income for healthcare. In 2020 the national average for those costs ranged from \$4,576/month for a home health care aid to \$8,821/month for a private room in a nursing home (custodial care). What will those costs be when you are in retirement?

Medicare does not pay for long-term care.

To complicate matters, many Americans believe that Medicare will take care of long-term care costs. This is not true! While Medicare is a great program, it is designed to pay for *medical and rehabilitative* care where one recovers. After 90 days, Medicare will not cover *custodial care (such as help with dressing, bathing and going to the bathroom)*, whether you receive it at home or in a residential facility.

When planning for a secure retirement, have you considered the financial and emotional costs to your retirement and to the lives of your loved ones? A good retirement plan takes into account all potential costs and how they can get paid.

Should you make long-term care insurance part of your retirement plan?

As you age in retirement, you may need help with everyday living; things like dressing, bathing, even eating. You may be able to stay in your home with daily help or you may need care from an assisted living facility or nursing home.

Long-term care insurance is designed specifically to provide coverage for long-term custodial care whether in your home, a community eldercare organization or in an assisted living or nursing home situation.

Long-term care insurance benefits are available in traditional stand-alone policies and in "hybrid" policies combined in life insurance and annuity contracts. The newer "hybrid" policies can be less expensive but also provide less benefits than traditional policies. Costs vary between them. While "hybrid" policies are less expensive, just like other insurance policies, premiums will vary depending on a variety of factors:

- Your age when you buy the policy.
- The type of benefits you may want.
- The length of time the policy will pay benefits.
- Any extra benefits you may want (e.g., inflation protection).

Don't let possible healthcare issues derail your retirement. As you continue to plan and build for a secure retirement, make sure you have a plan in place to protect your retirement from high healthcare costs. Call us, we can help you make decisions on how best to manage the risk of long-term care costs for your specific situation.



New Year's Resolutions, easy to make, even easier to break. But there are some financial resolutions you must make and must keep. I know, we've said this before but these financial tasks are even more important than ever. If this pandemic has had one positive effect, it is knowing that we should not put off things we need to do to stay financially on track. The following financial resolutions should be your top priority:

- Make a budget and establish an emergency fund.
- Pay down and pay off debt.
- Start or increase saving for retirement.
- Notify us of any changes. Make sure we have all your current, pertinent information.
- Make sure all beneficiaries on insurance policies and retirement accounts are up-to-date and review all life insurance policies to make sure they are still relevant to your needs and situation.
- Review your financial plan to make sure it is still on target to meet your goals and discuss any organized adjustments with us.
- Get your affairs in order. Organize and file all pertinent financial information – make copies and keep them in a safe place offsite.
- Make sure to provide a trusted family member with all your pertinent financial information including who we are and how to contact us. Let us know who that trusted contact is as well.

We can help you keep these important resolutions. Please contact us and let's make 2021 the year we keep those resolutions.

Yes, April 15 is Back as 2021 IRS Tax Deadline!

Last year the Federal Income Tax Deadline was moved to July 15 because of the COVID-19 pandemic. For 2021 the deadline is reset to April 15, 2021, there is no extension as of this writing. In addition, required minimum distributions (RMDs) suspended in 2020 resume this year!

Please contact us with any questions regarding the changes for 2021.

WEBINAR

On January 21, 2021 the Potter Financial Group held an important webinar reviewing the market, economic and investment implications that we expect to impact the New Year.

If you missed this and would like to get a copy of the material or schedule a 30 minute meeting to discuss how these changes might impact you, please contact us.

Comfortfood

Comfort Food For A Trying Time

We were all anxious for 2020 to end but 2021 is bringing some anxiety as well. All is not bleak however, there are good things. The vaccine rollout will go better and that brings hope for our lives taking a more normal upturn. But we need comfort right now and what better way to offer comfort to our families and ourselves than some old fashioned "comfort food".

Among the best comfort food is *tomato soup and grilled cheese*. Here's a recipe from Ina Garten's book, *"The Barefoot Contessa: Foolproof"* that is easy and perfect for lunch or a light dinner. So cook and enjoy,

Easy Tomato Soup & Grilled Cheese Croutons

Tomato Soup Ingredients:

- 3 tbs good olive oil
- 3 cups chopped yellow onions (about 2 onions)
- 1tbs minced garlic (3 cloves)
- 4 cups chicken stock (can use store bought)
- 1, 28 oz can crushed tomatoes
- ½ cup orzo
- Large pinch of saffron threads
- Salt and black pepper
- ½ cup cream

In a large pot or Dutch oven heat oil over medium heat. Add onions and cook a few minutes until softened, stirring until golden brown. Add the garlic and stir for 1 more minute. Stir in stock, tomatoes, saffron, 1 tsp each salt and pepper (or to taste). Bring soup to a boil, then lower heat and simmer for 15 minutes.

While soup is simmering, fill a medium pot with water add 2 tsp salt and bring to a boil. Add orzo and cook for 7 minutes (it will finish cooking in the soup). Drain the orzo and add to soup. Stir in the cream and cook for 10 more minutes, stirring frequently.

Serve with Grilled Cheese Croutons on top.

Grilled Cheese Croutons

Grilled Cheese Ingredients

- 4 thick (1/2 inch) slices onion white bread
- 2 tbs melted unsalted butter
- 40 oz grated Gruyere Cheese

Heat a panini grill or sauté pan. Place 4 slices of bread on a cutting board and brush lightly with melted butter being sure to butter the corners. Turn the slices over and pile Gruyere on 2 of the slices. Place the remaining two slices of bread on top of the Gruyere buttered sides up.

Grill on the panini grill for about 5 minutes or in the sauté pan (if using sauté pan you will need to flip the sandwiches over when they are toasted golden). Remove from pan place on a cutting board, allow to rest for 1 minute, and cut into 1 inch cubes.

Scatter cubes on top of bowls of soup.

Sit down, inhale the gorgeous smells and enjoy!

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