



Judd McCoy, CFP® New Year's Kickoff!



The holidays are over, the year has just started, and it feels like the perfect time for a new beginning. A time when we seize upon the opportunity to make changes in our lives for the better. Also a time for participating in the annual ritual of New Year's resolutions and personal goal setting for the coming year. While getting physically fit and smoking cessation are some of the most popular goals and resolutions, getting financially fit and enhancing fiscal wellness are some of the best things you can do for yourself and your family. Regardless of where you are in life, be it young, be it old, just starting out, well established, or in retirement, there is something that everyone can resolve to do in 2019 to improve their financial condition and enhance their overall financial wellbeing.

Here are some thoughts and suggestions to consider as you begin to work on your own resolutions for this coming year.....

For those who are established and/or have families:

- **Regularly review your investment mix.** Does the risk/reward profile of your portfolio's asset allocation still correctly align with your risk tolerance and return expectations? How about your time horizon and income requirements? Have those changed?
- **Plan for the unexpected.** Shocks and unexpected events are occurrences that imperil retirement plans because they cause major disruptions and heavy financial burdens. Examples of such events include death of a spouse, financially dependent family members, major home repairs, sudden medical expenses and entering a long-term care facility.
- **Review & Update insurance coverages.** Life, Health, Long Term Care, Disability, Homeowners, Auto, Umbrella Coverage. Mitigate all the risks you face in life.
- **Establish/review your estate plan** (wills, trusts, powers of attorney and advanced medical directives). Talk with family members and loved ones about your plans to protect and transfer assets. This can also help avoid unwelcome surprises after you or your spouse dies. Choosing the appropriate people to fulfill the key roles in your estate plan is a critical task. Consider important factors such as your future health care and living expenses, philanthropy, and desires to make educational gifts to family members as part of your wealth transfer decisions.

For those who are either approaching or already in retirement:

- **Take advantage of catch-up contributions.** If you're over 50, taking full advantage of catch-up provisions in tax-advantaged savings accounts can help boost your income in retirement. Catch up contribution limits if you are 50 or older in 2019 remain unchanged at \$6000 for workplace plans and \$1000 for IRA's.
- **Create a retirement income plan.** Having enough money in retirement savings is only the beginning of preparing for retirement expenses. How are your savings going to create income? Different buckets of money may fall under various tax rules. Some money may be tax-free, while other sources of cash are taxable. Pre-retirees need to draw up a plan that minimizes taxes while providing the income they need to maintain their lifestyle
- **Decide on a Social Security strategy.** Part of determining an income plan is figuring out when to claim Social Security benefits. Although retirees can claim benefits as young as age 62, they can lose up to a third of their monthly benefit amount by failing to wait until their full retirement age. With people living longer, it might make sense to delay the start of Social Security. Doing so provides an 8 percent increase in monthly benefits for each year from full retirement age to age 70.
- **Are you over 70 1/2 and still working? Consider delaying your 401(k) withdrawals.** If you're still working after age 70 1/2 and don't own 5 percent or more of the company you work for, you are eligible to delay distributions from the 401(k) associated with your current job until April 1 of the year after you retire. If however, you have rolled out the money from your 401(k) into an IRA, it is now subject to RMD rules. IRA withdrawals are required after age 70 1/2, regardless of your employment status.
- **Review beneficiary designations** for relevant assets to ensure they are consistent with your overall wishes and they coordinate with your other estate planning documents.

And for those just getting started:

- **Establish a Financial Plan.** Having a plan matters. "A goal without a plan is just a wish" "By failing to prepare, you are preparing to fail".....
- **Align your spending, savings and investing plans with your financial goals** – Don't know how to go about doing this? Let us assist you with the help of our planning software and process.
- **Have an effective Savings Strategy.** Pay yourself first!
- **Frequently check your credit report.** A good credit history brings you benefits of all kinds—a home mortgage, an apartment lease, an auto loan, or even more credit. Like a job resume, your credit file carries a lot of weight, that's why you need to keep an eye on what it says about you. Many options are cut off to you if you do not look "creditworthy" on paper. A bad report can mean higher rates on loans and insurance. It can also be a key factor in determining whether you get hired or promoted by a growing number of employers who now use them in the evaluation process.
- **Establish a budget, start tracking your budget and stick with it.** This will help to assure that funds set aside for savings and investment will remain intact and will not get inadvertently consumed by excess spending
- **Boost retirement contributions.** In 2019, the amount you can contribute to your 401(k) or similar workplace retirement plan increases from \$18,500 to \$19,000
- **Fast-track debt payoff goals.** Especially high interest credit card debt.

Hopefully, this brief list of suggestions will inspire you to reflect upon your our personal circumstances and goals and will help with getting your own financial planning juices flowing. Feeling overwhelmed or in need of assistance? Remember, while there are personal fitness trainers and wellness coaches that can help you with your fitness and well-being goals, your ODCM Investment Counselor is available to serve as your Personal Financial Fitness Trainer and Wellness Coach.

Call us and let us know how we can help.

Wishing you a prosperous and profitable year ahead!

Welcome Our New Paraplanner Jared Troutman!



We are excited to announce that we have recently hired Jared Troutman as a Financial Paraplanner in our Charlottesville office. He recently passed the CERTIFIED FINANCIAL PLANNER™ exam and is a candidate for CFP® certification in 2019. Jared joined the world of financial planning at an exciting time and believes in the true value of holistic planning, fee transparency, risk oriented portfolio discussions, and honest fiduciary care for his clients.

Jared is a great addition to our professional staff, and we are very pleased to welcome him.

Dimensional Fund's World Market Infographic

Enjoy these highlights some of the year's prominent headlines in the context of global stock market performance as measured by the MSCI All Country World Index (IMI). These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Exhibit 1: World Stock Market Performance

MSCI All Country World Index (IMI) with selected headlines from 2018



Source: MSCI. Past performance is not a guarantee of future results. In US dollars, net dividends. Index is not available for direct investment. Performance does not reflect the expenses associated with management of an actual portfolio.

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