

Talk of the Town

A Few Suggestions to Start Out the New Year



James D. Stillman

Happy New Year everybody! We hope you all had a great holiday season and got to enjoy some time with family and friends. It's always nice to take a little time off to reflect on the past year and prepare for the next. The years sure seem to slip by faster and faster as we get older, or is it just me? I guess that's why we need to count our blessings more and more as we grow older.

I thought for our first article of 2015 we would discuss a few things that I think everyone should do to start out the New Year. I'm sure there's more our readers could come up with, but these are some of the things we focus on each year.

GOALS: Review your overall situation to make sure that your goals and objectives have not changed. What if you don't have goals? Very simple: set some! Most successful folks will tell you that they have specific written goals. Yes, this might take a little time and thought, but it's well worth it. You always need to know your destination in order to plot a course to get there.

BENEFICIARY CHANGES: Has one of your loved ones passed on? Have you been recently divorced? Have you changed your mind as to whom you want to leave your legacy to? IRAs & 401(k)s are often not updated to reflect proper beneficiaries after a divorce or other relevant life events. Updating your Will is not enough! Things like life insurance, annuities, IRAs, and Transfer on Death (TOD) accounts will supersede your Will and bypass probate. Accounts with specific beneficiary designations will be disbursed according to those designations, whether it lines up with your Will or not. So, it needs to be correct!

LEGAL DOCUMENTS: See above, but also think about any documents that involve trusts, powers of attorney, etc. If someone has passed away or you've changed your mind on who you want to handle your estate, then you likely need to update your documents.

LIFE INSURANCE: One of the biggest mistakes people make is not reviewing and updating their life insurance programs. Make sure cash values are performing like you expected. Do you have multiple policies? We've had many cases where we've been able to combine policies to get more death benefit and in some cases eliminate premium! How is that possible? Life insurance premiums have dropped drastically over the years because folks are living longer and longer. If you're insurable, don't miss

out on this one! It's a big mistake. As taxes continue to rise, life insurance planning will become more and more important.

PORTFOLIO RE-BALANCING: Is your portfolio doing what it's supposed to? Hey, you're another year older, so do you think maybe it's wise to get a little safer? The stock market has been in one heck of a bull run since 2009, but how long will it last? History tells us it's run its course, but who knows? Like Clint Eastwood said in Dirty Harry, "DO YOU FEEL LUCKY?" My advice is this - don't get greedy. Don't be afraid to take some profits, count your blessings, and get safer as you get older! In retirement, please think safety first, and income planning strategies second. Chasing growth can be dangerous!

BONDS: For those of you that have bond portfolios, take note. We are without question in a "bond bubble" unlike any we've ever seen. What this means is that bond prices are high because interest rates are low. Interest rates have nowhere to go but up. When that happens bond prices will fall, period. Yes, as long as the bond company is solvent they will continue to pay the dividend, but the value of your bond portfolio could plummet. So if you think about it, for most folks, holding onto a bond portfolio almost guarantees a loss in value. If possible, consider selling your bond portfolio at these high prices, and repositioning those assets into other strategies that can give you safety, and the same or better income. Doesn't that sound like a wise thing to consider?

As always, anyone that would like a free consultation, portfolio review, or any of our free reports, just shoot us an email or give us a call.

Until next month,

James D. Stillman

Today's Retirement Challenges

Tuesday January 13th & Thursday January 15th

(Check-In at 5:30pm, Doors Close at 6:00pm)



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