

Schwartz Financial Services

Comprehensive Wealth Management & Retirement Planning

Navigate Your Financial Success!



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Welcome to 2018

Welcome to 2018! 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 **2018 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.

As we enter into 2018, we cannot predict what exactly may occur, but we do know one thing – there will be new changes and challenges in tax laws. 2018 is being ushered in by the momentous Tax Cuts and Jobs Act which will affect the overall financial landscape. On December 20, the House approved the Tax Cuts and Jobs Act and President Trump signed it into law on December 22nd. We will be monitoring the new tax laws and how they will affect you and your individual situation.

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 2018, 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 2018 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 (215) 886-2122 to add someone's name to our mailing list!



Looking Ahead to 2018

2017 was a good year for equity investors. With new records continually being set in the stock market, bond yields remained low and volatility was kept at a minimum. 2017 also had its share of excitement including: tax reform, natural disasters, geopolitical unrest and U.S. political division. Although these events kept investors wondering how each would affect equity markets, for an entire year the economy continued on a strong upward trend and ended the year on a high note.

2017 was the eighth straight year of positive returns with the stock market piling up milestones right through the last trading day of the year. While 2017 was a strong year for investors, it is still important to remain cautious and not become complacent. For 2018, the mantra of “proceed with caution” is still a central theme among many experts. The Tax Cuts and Jobs Act has created tax changes and one of our challenges is to stay updated on how it may affect your personal situation.

While equity markets are described as “a little expensive” by some analysts, most feel that 2018 should bring in positive returns. Bank of America/Merrill Lynch calls for modest returns in their 2018 Outlook and so does Morgan Stanley Research. In addition to the new tax laws, rising short-term interest rates, inflation and stock market volatility are also potential catalysts at the forefront of a changing economic environment.

Reviewing your situation is always wise and will be especially integral for 2018. 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.

Things to watch for in 2018

Potential interest rate changes

On December 13, the Fed raised interest rates for the third time in 2017, increasing it to a range of 1.25-1.5%. The Fed is scheduled to raise rates again in 2018 and many economists are expecting to see two or three more interest rate increases throughout the year.

Numerous factors go into the Fed officials decision to increase rates and 2018 should bring its share of challenges. We will continue to keep a close eye on interest rate changes this year.

Tax Reform

Congress approved the Tax Cuts and Jobs Act and on December 22nd President Donald J. Trump signed into law 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 in our upcoming first quarter Tax Report, we will discuss how the Tax Cuts and Jobs Act will affect tax payers and investors. Many variables could potentially affect each person’s tax scenario and tax planning strategies differently so we suggest you consult a qualified tax professional each time you implement a tax strategy.

Stock market volatility

Goldman Sachs Research Economists predict a generous 4% GDP growth in 2018. With what some call the Goldilocks Economy in effect (moderate economic growth, low inflation and market-friendly monetary policy) and decreasing unemployment rates, economic prognosticators forecasts are bullish for 2018 and are looking for economic growth.



While 2017 was a non-volatile year for equity investors, market volatility is a part of investing and could return in 2018. As advisors, we will attempt to carefully monitor market conditions and our client’s timeframes. For now, investors need to prepare for what could be an interesting year in both equity and debt 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 find you need to meet with us before your next scheduled review, please call our office and we will be glad to schedule time with you. **Once again, we thank you for the opportunity to help you with your financial goals.**



Here is a checklist of events and information that can help us advise you in 2018. 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 2018 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 2018?

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 2018, please let us know!

Please check any of the key items you anticipate will need to be addressed this year, then schedule an appointment with us to discuss your situation.

Help us grow in 2018!

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,**
- **Have someone come in for a complimentary financial checkup.**

Please call (215) 886-2122 and we would be happy to assist you!

Michael L. Schwartz, RFC, CWS, CFS, a registered principal offering securities and advisory services through Independent Financial Group, LLC Member FINRA-SIPC. Schwartz Financial and Independent Financial Group are unaffiliated entities.

Sources: Goldmansachs.com; Bank of America Global Outlook; Morgan Stanley "On the Markets"

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