

# Welcome to 2021

## Our New Year Newsletter

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## INTRODUCTION

**Welcome to 2021!** We hope that you and your family had an enjoyable holiday season. Last year presented some of the most challenging times and we are hoping that a new year will bring better results for everyone.

Once again, our primary goal this year is to continue our tradition of helping clients pursue their personal financial goals. To make that process more efficient, we send our clients this updated and attached **2021 CHECKLIST** so they can identify any items they anticipate needing our help with this year.

 **2020 was a year of change that required a complete review of your financial picture.**

**Did someone review your financial situation? We would like to offer you a complimentary financial check-up. Please call (714) 572-2050 to schedule your check-up today.**

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 them. One of our company's main objectives is to always offer our clients a first-class experience.

**For 2021, in addition to personal meetings with our office, we will continue to offer the following services to our clients:**

- Quarterly economic updates.
- Tax reports to keep updated on opportunities and changes.
- Regularly scheduled educational online workshops on timely topics.
- A continuous flow of meaningful articles on financial, tax, and estate planning topics.
- Client appreciation reach-outs and a thank you for clients who support our "Growth Initiative."

We are always available to provide the proper attention that our clients and their finances deserve by offering a strong and frequent line of service, commitment, and communication.

**We would like the opportunity to help you in 2021.** After reviewing the checklist, if you see any items which you'd like to discuss or receive a second opinion, we would like to extend to you a complimentary financial checkup. We would appreciate the opportunity to review your tax plan,

estate plan, investment plan, retirement plan and protection plan to make sure that they are all coordinated in your best interest.



***If you are interested in our services, please call us at (714) 572-2050 to schedule an appointment.***

## LOOKING AHEAD TO 2021

2020 was a roller coaster year for investors. After setting new highs in February, the equity markets suffered a major retreat in March – and by year-end once again reached new highs. For much of the year, the daily headlines kept investors on the edge of their seats. COVID restrictions and lockdowns coupled with recession fears, geopolitical unrest, interest rate concerns and U.S. political division kept us all wondering how each event would affect equity markets. Equity volatility left many investors nervous and fearful. Despite this backdrop of concern, in the late 4th quarter, many equity indexes set new highs.

For 2021, investors should once again remember to “proceed with caution.” With a new administration, investors need to pay attention to proposals that affect their situation. Although they are ultra-low right now, the direction of interest rates will still be an important factor for investors. Stock market volatility and the negotiation of trade with other countries could provide commotion for investors in 2021. 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. We are staying updated on the issues that may affect your personal situation. Our prime 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 are still on track to meet your long-term objectives, as well as confirm your time horizons and your risk tolerance. If you have any questions or concerns, please call our office and we would be happy to assist you.

## SPECIFIC AREAS TO WATCH IN 2021

### ► Stock Market Valuations

Analysts theorize that valuations are one of the key predictors of equity returns. While equities have climbed higher, so have their valuations. Investors enjoy making money in their equity portfolios, but those who need access to their money in the next 5 to 10 years should understand that current valuations could lead to the possibility of lower returns. Risk is a part of investing and investors need to balance current conditions with their personal tolerance for risk. Most analysts feel that equity prices can continue to rise in 2021; however, we must understand that it's near impossible to accurately predict short term moves. As financial professionals, we will continue to carefully monitor equity markets.

### ► Interest Rates

Interest rates in 2020 hit record low levels several times. The Federal Reserve cautioned that rates may stay near these rates for the foreseeable future. Low interest rates allow borrowers to finance at lower costs and they also can make equities look attractive for investors seeking returns. Low interest rates are not attractive for bond holders or cash investors but chasing better returns can be costly. For 2021, we will continue to keep a watchful eye on interest rates.

### ► New Administration

President-elect Joe Biden is preparing to take office on January 20th. His incoming administration faces many pressing problems, including the pandemic and uncertain growth. Analysts feel that COVID medical and financial solutions will be his team's first priority. During the campaign, he talked about addressing many issues from climate change to increasing taxes for wealthy high-earning Americans. The uncertainty around the trade relationship between the U.S. and China is also a key issue that needs to be addressed. In 2021, investors need to stay watchful on which proposals will be enacted and how they will affect them. 2021 could prove to be a very volatile year and we need to be attentive to how policy changes affect investors.

## ► Your Personal Situation

Your personal situation is our highest concern. We make it a priority to meet with clients and keep you informed about your finances throughout the year.

Here is a **checklist of events and information** that can help us advise you in 2021. 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 2021 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 2021?



### 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.

**66-67** Allows for full retirement benefits from Social Security.

**70** Start date for enhanced Social Security benefits if you deferred claiming benefits previously.

**72** Mandatory required minimum distribution from retirement accounts must be taken no later than April 1st of the year after the year you turn 72.

***If you have an important birthday in 2021, 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.**



## COMPLIMENTARY PROACTIVE FINANCIAL REVIEW

If you are currently not a client of **Chatterton & Associates**, we would like to offer you a **complimentary**, one-hour, private consultation with one of our professionals at absolutely no cost or obligation to you.

To schedule your financial review, please call us at  
**714-572-2050**  
or visit us at [www.beproactivewithus.com](http://www.beproactivewithus.com)

**Chatterton & Associates, The Wealth Management Team, Inc. (714) 572-2050 (800) 490-4988**  
**The Law Office of James F. Roberts (714) 282-7488**  
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