

The Legacy Ledger

September 2019

Legacy Financial Planning
1485 Monroe Ave.
Rochester, NY 14618
(585) 241-5250

Fall is Here!



Although summer may be coming to an end, one of the prettiest seasons is almost here!

In addition to apple picking and pumpkin pie, fall is also great for looking at your financial goals before the holiday season arrives.

See our top picks for what you should do this fall with your finances, Medicare information, and more!

Are you or someone you know turning 65 soon?

Our Healthcare Specialist, Dave Korody, can help you find the right Medicare plan for you, so that you can be sure you're covered.

See [Dave's Corner](#) on Page 4 for information on Medicare Open Enrollment and more!

Did you know we offer monthly Medicare presentations right in our Rochester office? See page 4 for upcoming dates and times.



Gift Tax Exclusion

Legacy Lingo: Terms to Learn

The gift tax exclusion is the amount of money you can give to an individual tax free. The current law allows you to gift up to \$15,000 tax free to an individual. You can gift up to this limit to as many people as you would like, every year.

Fall Financial Checklist

- 1. Go over your budget.** Vacations, weddings and outdoor barbecues are great parts of summer, but sometimes we can find ourselves spending more than we expected. Pay off any credit card debt that you may have so you aren't paying unnecessary interest.
- 2. Make sure your holiday's fund is on track.** Holidays are coming up and you should make sure you've saved enough to make them count. Cut back any extra spending if you don't quite have as much as desired. Simply making coffee at home can go a long way!
- 3. Compare service providers.** From car insurance to internet and even cell phone providers, shopping around for the best rates can prove to be worth your while with the money you could save monthly. Companies frequently price services at rates they think you will pay and very often will raise them every year. Finding new customers is more expensive than keeping old ones, so try and use that leverage to get better rates with your current provider.
- 4. Build your emergency fund.** Having an emergency fund equal to 3-6 months of expenses is a great way to provide financial security in case anything expensive happens. Cars, houses and medical events can happen unexpectedly and having a safety net can help you sleep better at night.
- 5. Increase 401(k) contributions.** Individuals should aim to have 10-12 times their income saved before entering retirement. In 2019, the maximum contribution to a 401(k) is \$19,000. If you think you need to catch up in order to reach your goal, maxing out your 401(k) might be a good idea.
- 6. Review your estate plan.** If you haven't already, make sure you get your Will in order. Avoid adding stress on love ones by meeting with an estate planning attorney to draw up a plan now before it's too late.



Market Update

The market this past month has resembled a rollercoaster, with upswings and downswings following the recent federal funds rate cut, the recent yield inversion, and continuing tariff and trade issues between China. Some of the economic indicators included strong retail sales, lower oil prices, lower bond yields, and finally a dip in U.S. and International equities.

The recent federal funds rate cut, the rate that banks charge each other for borrowing money, was lowered from 2.5% to 2.25%. This small change is due to the Fed's desire to keep the economy growing and has made suggestions that it may lower the rate again in the future.

Recently, many of you may have heard discussions of a recession following a yield inversion between the 2-year and 10-year treasury notes. Normally, short term rates are lower than long term rates because there is less risk assumed when investors don't have to wait as long. The yield is simply the percent return on an investment and since investors are buying more 10-year notes than 2-year notes, the 2-year yields have increased because the price of them has gone down.

The yields of government bonds and notes are used as an economic indicator because it can show what a large number of investors are thinking about the market. When yields decrease, this means bond prices have increased and this happens because the demand has increased.

The significance of a yield inversion is that many times in the past, a yield curve has signaled a coming recession anywhere from 12-24 months following an inversion. Although this may be troubling to some, it is important to note that GDP still sits around 2% and is still positive. The economy is still growing and although not the 3.1% we experienced in January, it is still positive. Retail sales have also been strong, meaning that consumers are likely not worried about saving money and this is one of the factors that drives the economy. Lower oil prices are also something we all enjoy, and this is due to higher worldwide production recently. These lower prices promote traveling and spending in the economy and is generally a good sign.

U.S. equities have experienced a dip this past month as the S&P 500 dropped 1.81% for the month from 2980.38 at the end of July to 2926.46 at the end of August. International equities slipped as well and the world index (excluding developing countries) MSCI EAFE dropped 2.88% for the month falling from 1897.12 at the end of July to 1842.58 at the end of August. These dips can likely be attributed to the tariffs and trade talks between China, as both have a strong influence on smaller economies worldwide.

Although equities have fallen some and there are worries of a coming recession, we must remind you that this is a natural and healthy part of the market and the economy. Our recent move to a higher allocation in fixed income is aimed to hedge market volatility in your portfolios as we anticipate a slowdown within the economy. It is helpful to know that no matter what the government does, it is ultimately the hardworking American people who influence the economy the most.

As always, if you ever have questions regarding anything, please give us a call.

Best regards,

Your friends at Legacy

Dave's Corner

If you have a Medicare Advantage Plan or a Part D prescription drug plan, you will soon receive information in the mail about how those plans will change – or not change – in 2020. You will also receive information from other plans that want to win your business.

Please remember that Medicare annual open enrollment period starts October 15 and if you want to make changes to your plan you have until December 7 to do so.

Medicare plans can and do make changes from year to year. It is important to read the evidence of insurance and annual notice of change that is sent by mail.

Your plan may change, and you'll have to decide if you want to continue with the same plan. Even if your plan doesn't change there may be a new plan that better fits your needs or there could be an existing plan that changes and becomes more suitable to your needs.

If you have questions about your Medicare plan or would like to compare your plan to other plan offerings in your area, please call us and schedule an appointment with Dave. This service is provided no-charge.

Remember, be proactive with your Medicare plan, it will help insure you have the plan that is best for you. We look forward to hearing from you.

Regards,

Dave Korody,
Healthcare Specialist
RJ Branch Associate

UPCOMING EVENTS

Managing Health Care Expenses in Retirement

Presented in our office at 1485 Monroe Avenue
September 28, 9:30 -10:30am
October 8, 6:30-7:30pm
October 12, 9:30-10:30am

Retirement Income: Charting a Course to Help Your Money Last &

Savvy Social Security Planning What Baby Boomers Need to Know to Maximize Retirement Income

Presented at Lifespan 1900 S. Clinton Ave in Rochester
Saturday, November 9, Time 9:00 to 12:00

Please call Lifespan for reservations at (585) 244-8400

6 Ways to Cut College Costs

Presented at Highland Hospital
Monday, October 14, 12:00 to 1:00 pm

Reservations appreciated. Call (585) 241-5213 or email Reservations@legacyfp.net today!

Other Legacy Events:

Eastview Mall College Fair

Tuesday, Sept. 24th, 6:30-8:30pm

2019 Family Health and Fitness Fair

Thursday, October 10, 10-3pm

Bryant & Stratton Wellness Fair

Wednesday, October 23, 11-3pm

A Senior Experience Fair

Tuesday, November 5th, 9-2pm



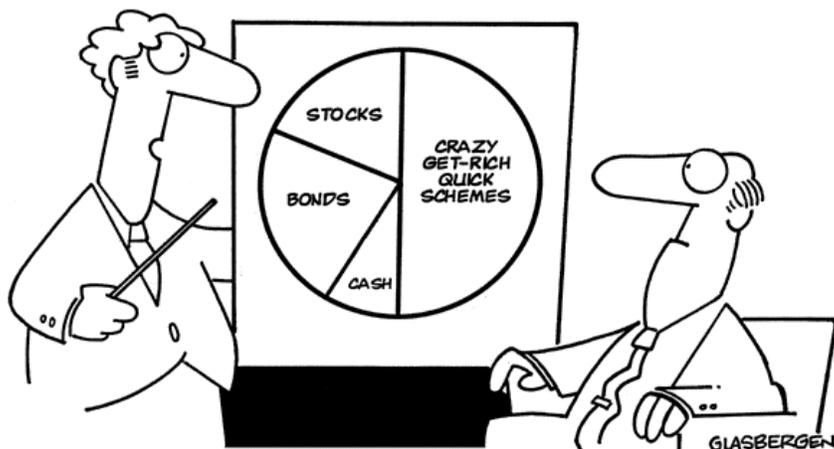
We've been helping hard working individuals and families prepare for life in retirement for more than two decades. We invite you to find out how easy and rewarding it is to get started on your path to financial independence.

Call today (585) 241-5250 or email info@legacyfp.net

Our goal is to help ensure you don't run out of income before you run out of breath.

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"I'd like you to consider a bold new strategy..."



"Despite the installation of trampolines on the trading floor, Wall Street failed to bounce back today..."

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401(k) plans are long-term retirement savings vehicles. Withdrawal of pre-tax contributions and/or earnings will be subject to ordinary income tax and, if taken prior to age 59 1/2, may be subject to a 10% federal tax penalty. The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

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Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when the rates rise, fixed income prices fall and when interest rates fall, fixed income prices rise.