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Dear Client and Friend:

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Sincerely,

Keith Swift

Investing in Yourself for a Change

Retirement. College. An emergency fund. A new home or home improvement project. Check, check, check, and check. If you've been saving faithfully each month for some or all of these things, you might feel that you're on a never-ending financial treadmill. It takes discipline, perseverance, and sacrifice to maintain a robust savings effort month after month, all while meeting your day-to-day financial obligations.

But with such planning and focus, it's possible to get into a rut of always saving for the future with nothing left for today. If so, it might be time to take a step back and focus on the present. If you can't remember the last time you felt energized or inspired in your daily life, consider investing in a new asset: yourself. Focusing on yourself from time to time might just give you the extra motivation you need to stick with your long-term savings plan. Think of it as seeing the trees instead of the forest for a change.

If you find yourself with a small windfall from a tax refund, bonus, flexible spending account reimbursement, or simply a cut in discretionary spending, here are some ideas for spending it.

Focus on your health and well-being

Are you feeling sluggish or stressed out? Having trouble sleeping? Watching the pounds creep on little by little each year? It might be time to focus on your health and well-being. Staying active is critical to maintaining good physical and mental health. Regular exercise can help control your weight; prevent disease; improve your mood, sleep, and energy levels; and generally make it easier for you to tackle all the things — financial and otherwise — on your plate each day.

To get on the health track, you could join a gym; work with a personal trainer or nutritionist; or sign up for a yoga, weight, or other fitness class. Or start on your own personal fitness path by purchasing home exercise equipment and workout gear for training trips around the block or a 5K.

Sore muscles? Chronic backache? Neck pain from working at a computer all day? Maybe it's time to see a physical therapist and invest in an ergonomic office chair, a stand-up desk, or a new bed and pillows.

What about your diet? Do your eating habits need improvement? Consider investing in some new kitchen equipment/appliances, cookbooks, a food delivery service, or even a cooking class so you can try new recipes and discover healthy dishes you enjoy.

Along with better physical health, maybe you could benefit from some inner peace and quiet, too. Consider creating a meditation spot inside or outside your home where you can go to relax and reflect on your day: a bench under a favorite tree, a new chair next to the fireplace, or a small desk near a window.

Expand your horizons, literally and figuratively

Do you feel as though you're living the same day over and over again? Doing something outside your normal routine can shake out the cobwebs and give you fresh inspiration and a new perspective. Possibilities include taking a trip to a new destination, participating in a short volunteer vacation, enrolling in an adult education class, or getting involved in a new project or hobby and seeing how much fun a creative outlet can be. You don't have to limit yourself to one!

Get up-to-date

Still sporting clothes, eyeglasses, or a hairstyle from your younger days? Carrying a worn briefcase or bag to work every day? Trying to accomplish tasks on an old laptop? Maybe it's time to update your wardrobe and accessories.

When you have many financial obligations, it's easy to put yourself last. But occasionally, it's important to put yourself first. In addition to the immediate benefits, investing in your health and interests might pay off in the future in the form of lower health-care costs, a wider social network of friends, fulfilling hobbies, and a new perspective on life.

December 2018 Newsletter ADV

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Business Owners: What's Your Plan for Retirement?

This article is a brief overview of some of the retirement plan options available. The right plan for you and your business will depend on a number of factors. Consider reviewing IRS Publication 560, Retirement Plans for Small Business, and consulting a financial professional before making any decisions.

Distributions from pre-tax accounts and nonqualified distributions from Roth accounts will be taxed at ordinary income tax rates. In addition, taxable withdrawals before age 59½ will be subject to a 10% penalty tax, unless an exception applies. (For the definition of a qualified Roth IRA withdrawal, refer to chapter 2 of IRS Publication 590-B, Distributions from Individual Retirement Arrangements.)

All investing involves risk, including the possible loss of principal. There is no guarantee that working with a financial professional will result in investment success.

If you're a small-business owner, you probably pour your heart, soul, and nearly all your money into your business. When it comes to retirement planning, do you cross your fingers and hope your business will provide the nest egg you'll need to live comfortably? What if you become ill and have to sell your business early? Or what if the business experiences setbacks just before you retire?

Rather than relying on your business to define your retirement lifestyle, consider a tax-advantaged retirement plan to supplement your strategy. Employer-sponsored plans offer many benefits, including current tax deductions for the business itself and tax-deferred growth (and perhaps even tax-free income) for you and your employees. Here are some options to consider.

Qualified plans

Although these types of plans generally have regulatory requirements that can be costly and somewhat cumbersome, they offer a certain level of control and flexibility.

- **Profit-sharing plan:** Typically, only the business contributes to a profit-sharing plan. Contributions are discretionary (although they must be "substantial and recurring") and are placed into separate accounts for each employee according to an established allocation formula. There's no fixed amount requirement, and in years when profitability is particularly tight, you generally need not contribute at all.
- **401(k) plan:** Perhaps the most popular type of retirement plan offered by employers, a 401(k) plan can allow employees to make both pre- and after-tax (Roth) contributions. The accounts grow on a tax-deferred basis. Distributions from pre-tax accounts are taxed as ordinary income, whereas distributions from Roth accounts are tax-free as long as they are qualified. Employee contributions cannot exceed $18,500 in 2018 ($24,500 for those 50 and older) or 100% of compensation, and you, as the employer, can choose to match a portion of employee contributions. These plans must pass tests to ensure they are nondiscriminatory; however, you can avoid the testing requirements by adopting a "safe harbor" provision that requires a set matching contribution based on one of two formulas. Another way to avoid testing is by adopting a SIMPLE 401(k) plan. However, because they are more complicated than SIMPLE IRAs (described later in this article), SIMPLE 401(k)s are not widely utilized.
- **Defined benefit (DB) plan:** Commonly known as a traditional pension plan, DB plans are not as popular as they once were and are uncommon among small businesses due to costs and complexities. They promise to pay employees a set level of benefits during retirement, based on a formula typically expressed as a percentage of income. DB plans generally require an actuary's expertise.

Total contributions to profit-sharing and 401(k) plans cannot exceed $55,000 or 100% of compensation in 2018. With both profit-sharing and 401(k) plans (except safe-harbor 401(k) plans), you can impose a vesting schedule that permits your employees to become entitled to employer contributions over a period of time.

IRA plans

Unlike qualified plans that must comply with specific regulations, SEP-IRAs and SIMPLE IRAs are less complicated and typically less costly.

- **SEP-IRA:** A SEP allows you to set up an IRA for yourself and each of your eligible employees. Although you contribute the same percentage of pay for every employee, you're not required to make contributions every year. Therefore, you can time your contributions according to what makes sense for the business. For 2018, total contributions (both employer and employee) are limited to 25% of pay up to a maximum of $55,000 for each employee (including yourself).
- **SIMPLE IRA:** The SIMPLE IRA allows employees to contribute up to $12,500 in 2018 on a pre-tax basis. Employees age 50 and older may contribute an additional $3,000. As the employer, you must either match your employees' contributions dollar for dollar up to 3% of compensation, or make a fixed contribution of 2% of compensation for every eligible employee. (The 3% contribution can be reduced to 1% in any two of five years.)

For the self-employed

In addition to the options noted above, sole entrepreneurs may consider an individual or "solo" 401(k) plan. This type of plan is very similar to a standard 401(k) plan, but because it applies only to the business owner and his or her spouse, the regulatory requirements are not as stringent. It can also have a profit-sharing feature, which could help you maximize your tax-advantaged savings potential.

Reviewing Your Estate Plan

An estate plan should be reviewed periodically, especially after a major life event. Here are some ideas about when to review your estate plan and some things to review when you do.

An estate plan is a map that explains how you want your personal and financial affairs to be handled in the event of your incapacity or death. Due to its importance and because circumstances change over time, you should periodically review your estate plan and update it as needed.

When should you review your estate plan?

Reviewing your estate plan will alert you to any changes that need to be addressed. For example, you may need to make changes to your plan to ensure it meets all of your goals, or when an executor, trustee, or guardian can no longer serve in that capacity. Although there's no hard-and-fast rule about when you should review your estate plan, you'll probably want to do a quick review each year, because changes in the economy and in the tax code often occur on a yearly basis. Every five years, do a more thorough review.

You should also review your estate plan immediately after a major life event or change in your circumstances. Events that should trigger a review include:

- There has been a change in your marital status (many states have laws that revoke part or all of your will if you marry or get divorced) or that of your children or grandchildren.
- There has been an addition to your family through birth, adoption, or marriage (stepchildren).
- Your spouse or a family member has died, has become ill, or is incapacitated.
- Your spouse, your parents, or another family member has become dependent on you.
- There has been a substantial change in the value of your assets or in your plans for their use.
- You have received a sizable inheritance or gift.
- Your income level or requirements have changed.
- You are retiring.
- You have made (or are considering making) a change to any part of your estate plan.

Some things to review

Here are some things to consider while doing a periodic review of your estate plan:

- Who are your family members and friends? What is your relationship with them? What are their circumstances in life? Do any have special needs?
- Do you have a valid will? Does it reflect your current goals and objectives about who receives what after you die? Is your choice of an executor or a guardian for your minor children still appropriate?
- In the event you become incapacitated, do you have a living will, durable power of attorney for health care, or Do Not Resuscitate order to manage medical decisions?
- In the event you become incapacitated, do you have a living trust or durable power of attorney to manage your property?
- What property do you own and how is it titled (e.g., outright or jointly with right of survivorship)? Property owned jointly with right of survivorship passes automatically to the surviving owner(s) at your death.
- Have you reviewed your beneficiary designations for your retirement plans and life insurance policies? These types of property pass automatically to the designated beneficiaries at your death.
- Do you have any trusts, living or testamentary? Property held in trust passes to beneficiaries according to the terms of the trust. There are up-front costs and often ongoing expenses associated with the creation and maintenance of trusts.
- Do you plan to make any lifetime gifts to family members or friends?
- Do you have any plans for charitable gifts or bequests?
- If you own or co-own a business, have provisions been made to transfer your business interest? Is there a buy-sell agreement with adequate funding? Would lifetime gifts be appropriate?
- Do you own sufficient life insurance to meet your needs at death? Have those needs been evaluated?
- Have you considered the impact of gift, estate, generation-skipping, and income taxes, both federal and state?

This is just a brief overview of some ideas for a periodic review of your estate plan. Each person's situation is unique. An estate planning attorney may be able to assist you with this process.

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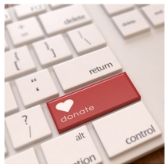

What is individual crowdsourcing?

Individual crowdsourcing (also known as personal crowdsourcing) refers to a process of raising money for a personal cause or project using an online platform such as GoFundMe. But how exactly does the process work? Here are some answers to common questions about individual crowdsourcing.

What causes can be supported via individual crowdsourcing? Individual crowdsourcing can help raise funds for a number of different causes. Some examples of individual crowdsourcing campaigns include fundraising for medical expenses, weddings, funerals, nonprofit organizations, creative projects, and more. The variety of causes that individual crowdsourcing can support is virtually endless, though some crowdsourcing platforms may restrict the types of campaigns they will allow.

How is an individual crowdsourcing campaign created? A creator posts a description of the cause he or she wants to support on a crowdsourcing platform and has the option to include photos and/or videos. The creator will also post a fundraising goal and an end date for the campaign, if applicable. From there, the campaign creator controls the fundraising strategy, which typically involves sharing the campaign across different social media platforms and via email. If promoted effectively, campaigns have the potential to go viral and raise funds quickly.

What are the benefits of individual crowdsourcing? Individual crowdsourcing campaigns are easy to set up, convenient, and digital, making this type of fundraising accessible to more people. Most crowdsourcing platforms allow donors to choose the amount of money they'd like to donate to a campaign, which gives potential donors the freedom to contribute as much (or as little) to a cause as they see fit. Nonprofit organizations in particular can benefit from individual crowdsourcing efforts because the organizations can receive donations without needing to put in extra time or resources.

You can learn more about individual crowdsourcing by researching different platforms and campaigns online.

How can I tell if a crowdsourcing campaign is a scam?

Crowdsourcing can be an effective way to raise funds for a variety of causes, but it's also a great opportunity for scam artists to take advantage of your goodwill. Before you donate to a crowdsourcing campaign, help protect yourself from being scammed by following these tips.

Check the campaign creator's credibility. If you don't personally know the campaign creator, it might be worth your time to review his or her social media profiles. This should be easy to do, since most crowdsourcing platforms link social media accounts to campaigns. When you visit a profile, look for red flags. Does the profile seem new? Does the campaign creator have friends or followers listed on the profile? Does the campaign creator have just one social media account? Does the profile seem active or old/unused? Answering "yes" to any of these questions should cause you to question the legitimacy of a crowdsourcing campaign.

Research the crowdsourcing platform. Many different crowdsourcing platforms exist, from the well established to the startups with no track record. Review a platform's terms and policies before you donate to one of its crowdsourcing campaigns. Find out how long it's been in business and whether it evaluates or checks out campaign creators. Determine whether the platform will refund money or take responsibility for a crowdsourcing campaign scam. Remember to look for the secure lock symbol and the letters *https:* in the address bar of your Internet browser — this indicates that you're navigating to a legitimate web address.

Consider the timing of the campaign. Be wary of campaigns that are created after national disasters. It's unfortunate, but scam artists often exploit tragedies to appeal to your sense of generosity. In the case of disaster relief, bear in mind that it's probably safer to donate money to established nonprofit organizations with proven track records than to a crowdsourcing campaign.

If you've been defrauded or suspect fraudulent activity, report your experience to the crowdsourcing platform. You can also file a complaint with the Federal Trade Commission (FTC).

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