 

Welcome to True Blue Financial! We've officially changed our name. Our new name reflects our commitment to independence, our belief in honesty and transparency, and our desire to expand our brand. Everything else stays the same. Same people. Same location. Same investments. Same partnership with LPL Financial. Same commitment to serving you - our valued client.

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True Blue FINANCIAL

THE Financial Standard

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Money Management:

Tips for Making It a Year-Round Activity

Is one of your new year's resolutions to gain better control over your finances? Instead of tackling everything at once, consider taking measured steps throughout the year toward your goal. Here are some suggestions for breaking down the components of your financial life that can make the job of managing them easier.

January/February

During the first couple of months, take the time to:

Organize year-end financial information. File account statements, W-2 forms, 1099s and other tax documents in one place as you receive them. That way, you won't have to scramble to find the information at tax preparation time.

Figure net worth. Essentially, net worth is the value of all your assets after you subtract your liabilities—or the value of what you *own* minus what you *owe*. Comparing your net worth from year to year can help you see if you are making progress toward your financial goals.

Analyze your budget. The beginning of a new year is the perfect time to make sure your budget is working—and to look for places to cut back if it's not. You'll want to allow enough room in your budget for saving and investing for retirement as well as your other financial goals.

March/April

Springtime is tax time, so if you haven't done so already:

File your 2017 income tax return or extension request. If you can't meet the April tax filing deadline, you may apply for an automatic extension from the IRS. But remember, a filing extension does not extend the time for paying your income tax.

Review 2018 withholding/estimated tax payments. Your tax advisor can help you determine how much income tax should be withheld from your pay—or the quarterly estimated tax payments you may need to make—to avoid underpayment penalties.

Fund tax-favored accounts. You have until the April income tax filing deadline to contribute to your individual retirement account (IRA), Coverdell education savings account and/or health savings account for 2017.

May/June

As summer approaches, you may be looking forward to relaxing and enjoying a vacation. But don't let these months go by without

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Millennial Investors:

Not as Market-Shy as Some Suggest

Millennials are entering their working years—and at least some of them are beginning to save and invest for the future. Where are they choosing to put their hard-earned cash?

Several surveys have found that millennials are steering clear of equities, perhaps because they can't shake memories of the plunge in stock prices that accompanied the 2008 financial crisis. But recent research suggests that among young investors participating in 401(k) retirement plans, the story is quite different.

What the Numbers Show

Ongoing analysis of the accounts of millions of 401(k) plan participants by the Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI) reveals that 401(k) participants who were in their twenties in 2015 had about 80% of their overall plan assets invested in equities, including equity funds, company stock and the equity portion of target-date and other balanced funds.[1] The accompanying graphic shows how their money was spread across different types of investments.

A Popular Option

Target-date funds are a popular investment choice among retirement plan investors—including those in the millennial generation. As the graphic shows, target-date funds held 46.6% of the overall assets of twenty-something 401(k) investors in 2015, the largest share of any investment type.

A target-date fund holds a mix of asset classes and adjusts its portfolio over time to become less focused on growth and more focused on income as the target date—the approximate date when investors plan to start withdrawing their money—approaches (and passes). However, an investor's principal is not guaranteed at the target date or any other time, so fund investors can lose money.

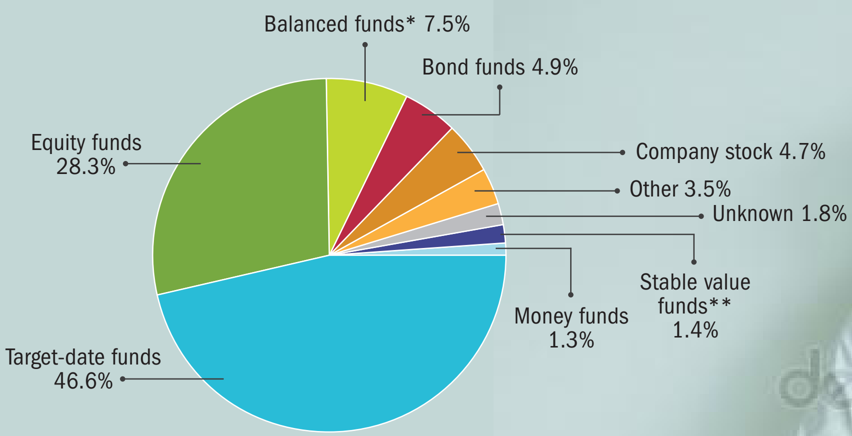
Starting Early Can Help

No matter where they choose to invest, it's important for millennials to focus on their financial health and begin setting money aside for the future as early as possible. Getting an early start on saving and investing can be vital to helping investors reach their personal financial goals.

[1]Investing in mutual funds involves risk, including loss of principal. **Mutual funds are offered and sold by prospectus only. You should carefully consider the investment objectives, risks, expenses and charges of the investment company before you invest. For more complete information about any mutual fund, including risks, charges and expenses, please contact your financial professional to obtain a prospectus. The prospectus contains this and other information. Read it carefully before you invest.**

Average Asset Allocation of 401(k) Plan Investors in Their Twenties

Percentage of account balances, 2015



*Non-target-date balanced funds
**Includes guaranteed investment contracts (GICs)
Investment types are not universally available to all participants.
Source: "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2015," ICI Research Perspective Vol. 23, No. 6, August 2017.

The Million-Dollar Question:

Where Will Your Money Last the Longest?

One million dollars. It sounds like a lot of money—a dream come true for some and a well-deserved reward for committed retirement savers. But have you ever considered how long a million dollars of savings might last you after you retire?

Location Matters

The answer may hinge, in part, on where you live. A recent report from GOBankingRates examines how long a million dollars might last retirees age 65 and older residing in each of the 50 states. Using average annual expenditure data from the Bureau of Labor Statistics and a cost-of-living measure for each state, the researchers found significant variations from state to state.

According to the report, a million-dollar nest egg would last longest in Mississippi (26 years, 4 months). And where would those same dollars be depleted the fastest? In Hawaii (11 years, 11 months). Estimates for the other states fall somewhere in between.

Other Factors

In addition to location, you'll want to consider several other factors when you are determining your retirement needs and how you'll manage your financial resources in retirement.

- **Anticipated lifestyle.** Think about how you'll spend your time after you retire and what those activities will cost. Do you want to travel? Garden? Pursue other hobbies? Although you may eliminate some expenses, such as commuting costs, your spending in other areas could increase once you retire.
- **Health care.** Between premiums, copays, deductibles and other out-of-pocket costs, health care could represent a significant item in your retirement budget.
- **Inflation.** Even a low annual rate of inflation means rising prices for consumer goods and services. And over time, inflation's impact on purchasing power can be significant. Your financial advisor can help you factor potential inflation into your planning.

Take Steps to Prevent Elder Financial Abuse

Although often unreported, cases of elder financial abuse are sadly all too common. Mental decline, physical frailty, isolation—any of these conditions can make the elderly vulnerable to unscrupulous individuals out to take advantage of the situation and steal from them.

Attractive Targets

According to the FBI, con artists target seniors because they are likely to have savings and own their homes and they often have excellent credit. Additionally, they are less likely to report a fraud because they don't know where to report it or don't realize they've been scammed—or sometimes because they fear that relatives may question their capacity to take care of their own financial affairs.

Telltale Signs

Knowing what to watch for can help you protect your loved ones. For example, seniors who have been victimized may:

- Suddenly start pinching pennies and doing without
- Complain about not having enough money to pay for things they're accustomed to having
- Have multiple unpaid bills (when there should be ample funds available to pay them)
- Receive notices that utilities and services are going to be discontinued
- Be unable to recall making withdrawals or transfers from their financial accounts
- Claim that personal belongings are missing

What to Do

Educating seniors about the potential dangers can go a long way toward prevention. Encouraging an open dialogue, asking questions and involving trusted professionals in decisions about the appropriate financial safeguards to put in place can help avert future problems.

Consolidate Your Cards!

Juggling balances on multiple credit cards can make it hard for consumers to get their finances in order—especially when those cards may carry high interest rates. Transferring balances from existing cards to one new card with a lower rate may be an option to consider.

The market is awash with low or zero introductory rates on balance transfers. Before acting, it's important to shop carefully and read the fine print. Here are some questions to ask:

QUESTION	EXAMPLE*
What is the introductory interest rate?	0%
How long does that rate last?	20 months
What will the interest rate be after the introductory rate expires?	Variable 14%-25%
What is the fee for transferring existing balances to the new card?	3% of the amount transferred
What is the annual fee?	$0

In this example, the card issuer charges an upfront balance transfer fee equal to 3% of the amount transferred to the card, and the 0% introductory rate lasts for 20 months. After the end of the introductory period, interest charges (calculated using an annual percentage rate of between 14% and 25%) would apply to any unpaid balance. A consumer could potentially realize significant savings by transferring balances on other cards to the new card and paying the total amount owed before expiration of the 0% introductory rate period.

Because each situation is different and credit card terms and conditions vary, it's a good idea to run the numbers before making a decision about credit card consolidation.

*Example is hypothetical and does not represent the terms and conditions of any particular credit card.

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crossing a couple of things off your financial to-do list. For example, you may want to:

Check homeowners/auto insurance. A review of your policies could reveal coverage gaps that you'll want to address.

Revisit disaster planning. Natural disasters and other emergency situations can arise at any time. Consider storing copies of important documents, account numbers and contact information in a waterproof and fireproof box that's easily accessible if you have to evacuate quickly.

July/August

With the first half of the year behind you, it may be a good time to:

Review investment performance. By comparing performance with appropriate benchmark indexes, you can determine if your investments are doing better, worse or the same as similar investments. Compare your returns against a benchmark over one-, five- and 10-year periods, if possible, to gain a more complete picture of the investment's performance.

Consider saving more. Is your emergency fund fully funded? Should you be saving more in your workplace retirement plan or IRA? Having adequate savings is a key to financial security.

September/October

As fall arrives, you may want to:

Review beneficiary designations. An annual review of beneficiary designations on your retirement accounts and life insurance policies can help ensure that assets will pass as you intend. You also may want to review your life and disability coverage at this time.

Make benefit choices. Consider your options carefully if your employer gives you a choice of employee benefits.

November/December

It's the season for enjoying holiday traditions and spending time with family and friends. When you are wrapping up your financial year:

Take another look at your portfolio. Is your asset allocation in line with your target allocation? If you decide that rebalancing is in order, there are two ways to approach it. You can allocate more of your new investment dollars to asset classes that are underweighted. Or you can sell investments in the asset classes that are overweighted and buy additional investments in the asset classes that are currently lagging. Just be sure to consider the tax consequences before selling investments in a taxable account.

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