

ON WEALTH

WINTER 2017-2018 NEWSLETTER



Three Leaf
FINANCIAL



RETIREMENT SAVING AT ANY AGE

Guidance for Baby Boomers,
Gen Xers, and Millennials

PROTECTING YOUR FINANCIAL LIFE AS A CAREGIVER

Few tasks in life can be as rewarding and challenging as being a primary caregiver for your loved ones. And caregiving comes in a variety of forms, from looking after ailing relatives to raising children as a stay-at-home parent.

THE WISE TRAVELER: TIPS FOR DRIVING IN WINTER WEATHER

For many of us throughout the United States, we're waving goodbye to warm weather. Now, we must prepare for winter travel with cold cars, snowy lanes, and freezing windows. Refresh your driving skills with these winter tips.

KEEP YOUR HOME READY FOR GUESTS

From big parties to impromptu get-togethers, hosting guests brings lots of details to manage.

WELCOME

DEAR CLIENT,

Here we are nearing the end of another year that has certainly flown by! Heading into the Holiday Seasons brings hope and optimism.

With a very interesting year almost behind us, the winter months ahead provide the perfect opportunities to reflect on what matters most in life and envision our future goals. By gathering with those we love – and swapping stories for family dinners and board games by the fire – I'm reminded of the simple joys in life that can make us feel whole again.

Positive economic news can further deepen our confidence and gratitude in the season. I'm encouraged to see that the economy continues showing many favorable signs. Economic growth pushes positive reports forward such as GDP beating expectations¹ and new unemployment claims hitting a 43-year low² offer optimism for our country. These trends should help our moods – and our pockets – in the months ahead!

As we move into winter, I'm happy to share this newsletter with you to offer insights that can help you make the most of both your financial and home lives. On the financial side, we provide guidance that helps every generation save for retirement and advice for protecting your financial life when you're a caregiver. On the lifestyle side, we share tips for driving safely in the upcoming winter weather, as well as how to easily keep your home ready for guests.

Whatever your plans may be for this winter, everyone at Three Leaf Financial is thankful to help you live your best financial life. If you would like to discuss any topics you read in this newsletter, I'd be happy to talk with you. I hope you close out 2017 with positive experiences and a renewed focus on yourself and those you love for the year ahead.

SINCERELY,

Derek N. Sauerwine

Advisor & Founder

Source:

¹<http://www.marketwatch.com/story/gdp-hits-29-in-biggest-gain-since-mid-2014-2016-10-28>

²<http://www.bloomberg.com/news/articles/2016-11-17/jobless-claims-in-u-s-decline-to-lowest-level-in-four-decades>



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SUDOKU

Sudoku or "single number" is a logic-based, number-placement puzzle. The objective is to fill a 9×9 grid with digits so that each column, each row, and each of the nine 3×3 sub-grids that compose the grid (boxes) contains all of the digits from 1 to 9 once.

6					9		4	5
	7		5	2				
	3							
	2					4	7	
		4	8		6			
5								8
	9	7		8	3	5		
			7		5		2	3
8			1	6	2			

Retirement Saving at Any Age:

Guidance for

Baby Boomers,

GEN XERS,

and Millennials

No matter your age, the concept of retirement brings with it dreams of replacing your working years with a new life stage. Whatever your vision is for retirement, everyone shares one similar goal: working to ensure you have the income you need to support the life you desire.

Of course, everyone's financial life and goals are different, so the specific strategies you need to implement to create the retirement income you'll need depends on your unique factors. Whether you have five years or thirty years before you retire, here are some essential questions to consider in your planning:

- How many years do you have left of receiving a regular paycheck?
- What retirement lifestyle do you imagine?
- How much risk should you take with your investments?
- When do you hope to stop working?
- What assets do you own?

Each generation has its own planning needs and timeline. As you look toward your own retirement, these key generational planning tips can help keep you on track toward the next chapter you desire.

Generation: **Baby Boomers**

Good news, Baby Boomers: you're living longer than generations before you. That means you'll have extra years to enjoy the lives you desire in retirement. It also means you'll have more years to account for when ensuring you have the necessary income. Even if it's just a few years before you retire, you can still take actions today to help you with your retirement income.

1. Pay Off Your Mortgage

Mortgages can be huge drains on your budget and available cash flow. While some retirees might choose to leverage their mortgage equity to create additional income, this strategy doesn't work for everyone.² Some Baby Boomers might find that choosing to pay off their mortgages can help them create the extra monthly income they need to support their retirement goals.

2. Downsize Your Lifestyle

As our families grow, so do our homes and lifestyles. Once children move out on their own, though, our lifestyles often no longer reflect our true daily needs. Baby Boomers might find that reassessing the size of their houses and number of belongings can help them cut unnecessary expenses from their budgets. By downsizing your home, you can lessen costs, such as monthly mortgage payments, lawn care expenses, utility bills, and more. Start by identifying the lifestyle you're truly comfortable with and the steps you can take to downsize and meet your financial goals.

3. Make Catch-Up Contributions

Baby Boomers can boost their retirement incomes by making catch-up contributions to their 401(k)s and IRAs. Investors can increase their annual 401(k) contributions by \$6,000 for a total of up to \$24,000. You can also increase your IRA payments by \$1,000, up to \$6,500. Not only will these increased payments help support your retirement lifestyle, but they also provide another benefit: additional yearly tax deductions, which can help you save even more money.³



ONLY 8% OF GENERATION X HAS ENOUGH SAVED TO SUPPORT THEM IN RETIREMENT.⁴

GENERATION: GENERATION X

With fifty million people, Generation X is now becoming something they've seen their parents experience: a sandwich generation. They are often caring for both their own children and their aging parents, creating multiple financial obligations. With many Gen Xers unsure if they'll retire comfortably, working to get ahead in their savings is an ongoing, daily effort. Fortunately, you still have time to maximize your planning.

1. FOLLOW A DISCIPLINED FINANCIAL BUDGET

Following a monthly budget can help ensure you maintain a healthy ratio of saving and spending. Unfortunately, many individuals in Generation X still struggle with cash flow. In fact, for 51 % of Gen Xers, cash management is a top financial concern.⁵ While creating a financial plan for retirement is essential, it's only one planning component. Make sure you're following a realistic budget to support responsible cash management and your long-term goals.

2. PAY DOWN YOUR DEBT

We all know how carrying large debt can directly affect your financial wellness. Unfortunately, Generation X has looming debts that are affecting their ability to retire. In fact, 38 % of Gen Xers have more debt than savings.⁶ When you have this financial equation, you nearly guarantee you will have to keep working through your retirement years. Take the time you need today to create a debt-payment strategy that will help you streamline your expenses and free up money to invest in savings.

3. USE CALCULATORS TO PROJECT COSTS

Calculating expenses is a regular aspect of adult life. Surprisingly, though, 58 % of Gen Xers have never used a calculator to project what retirement will cost them.⁷ Not only do you need to calculate what your normal living expenses will be, you also need to address what health care might cost you. And many of these projections can be tricky to do without experienced professionals guiding you. So, be sure to start calculating what retirement will cost you. It's the only way you will be able to create a realistic retirement-income strategy.

Generation: Millennials

When it comes to the economy and confidence in their ability to retire, Millennials aren't feeling too confident about their futures. Of course, compared to the previous two generations, Millennials also have the most years left to catch up with their retirement plans. With nearly eighty million people in this demographic, getting ahead today can have a big impact on the future of the American economy.

1. Consider Refinancing Private College Loan Debt

Millennials carry an average college debt of \$41,286, which is much higher than the nation's overall average of \$29,400.⁹ As a result, one way Millennials can start saving money today is by refinancing their college debt. This strategy can be helpful if you're looking to lower the monthly interest rate you pay.¹⁰ By locking in a lowered rate, you can decrease your monthly payments and use that extra money to invest in your retirement savings accounts. Of course, always check with a professional to determine if this option is the right financial strategy for your goals.

2. Take Advantage of Your Employer-Matching Retirement Benefits

Believe it or not, 15 % of Millennials include winning the lottery as part of their retirement income strategy, and only 29 % actually have a retirement plan.⁸ If you work for an employer that offers an employer-match retirement program, be sure you are taking full advantage of your options. Just think, if your employer does a 100 % match, you can automatically double your money. By not doing so, you're literally throwing free money out the window.

56% of Millennials believe they won't be able to retire when they want to⁸

3. Embrace - But Don't Take for Granted - That Time Is on Your Side.

As the youngest working generation, you do have time on your side, and you can get ahead in your retirement savings in ways previous generations can't. However, the decades you have until retiring can also mean you potentially wait until the future to plan, and as a result, you can miss key opportunities. So, embrace the time you have to let compounding rates work for your financial goals. Details like starting to invest in your twenties over your thirties can mean hundreds of thousands of dollars in retirement money. And not letting time slip away can make the difference in your ability to retire your way.

No matter your age or life stage, being able to retire when and how you want requires diligent planning now. By taking the steps you need today to get ahead tomorrow, you'll help ensure you have the time and money you need to enjoy life in the ways you want—and comfortably experience your retirement.

¹https://www.transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2016_sr_perspectives_on_retirement_baby_boomers_genx_millennials.pdf

²http://www.investopedia.com/articles/retirement/07/mortgages_in_retirement.asp

³<http://money.usnews.com/money/retirement/slideshows/10-ways-to-get-ready-for-retirement-after-age-50>

⁴<http://www.irionline.org/resources/resources-detail-view/don-t-you-forget-about-means-third-biennial-study-on-the-retirement-readiness-of-generation-x>

⁵<https://ffinesse.app.box.com/v/2016GenerationalResearchReport>

⁶<http://www.bloomberg.com/news/articles/2015-06-10/millennials-think-they-have-it-bad-generation-x-has-it-worse>

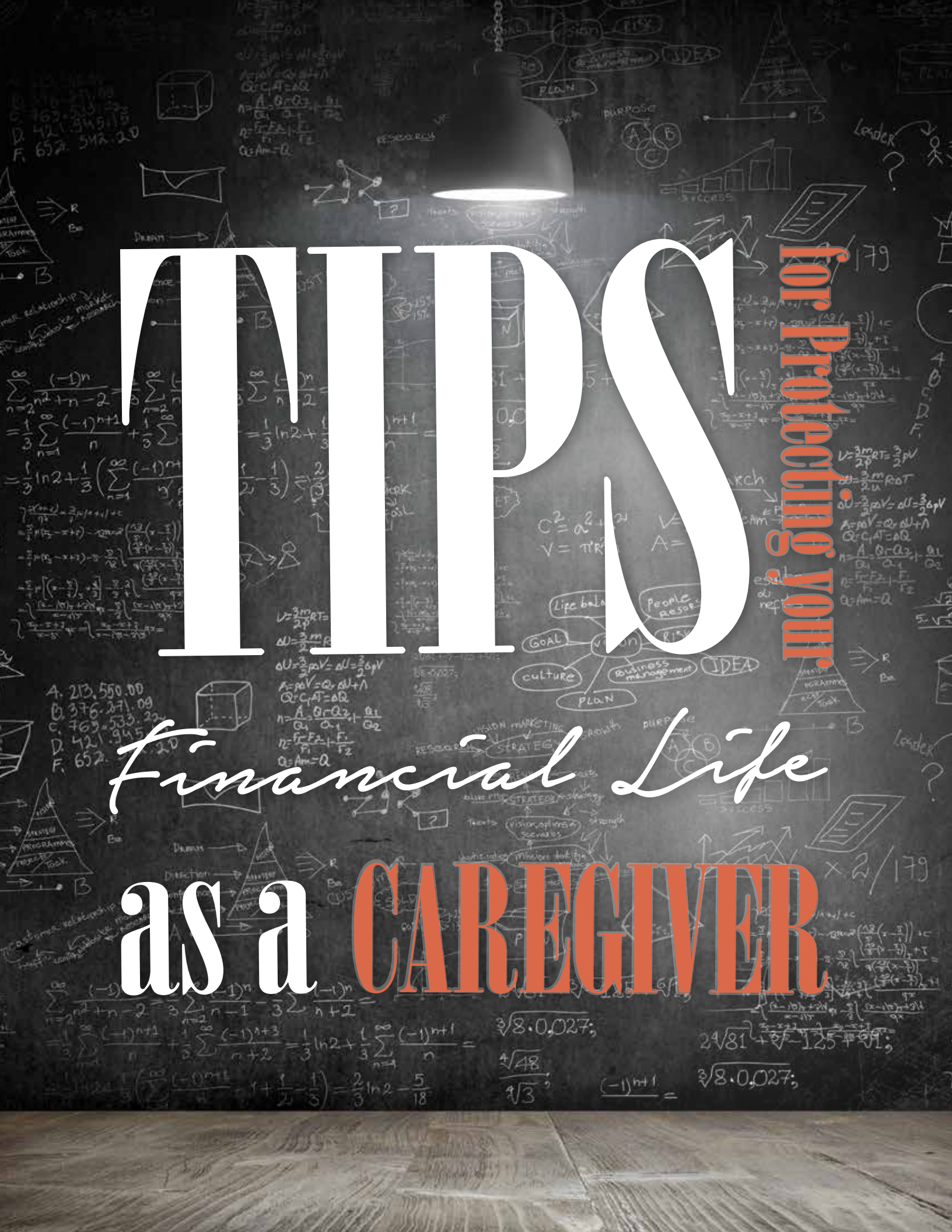
⁷<https://www.myirionline.org/docs/default-source/research/don-39-t-you-forget-about-means-third-biennial-study-on-the-retirement-readiness-of-generation-x.pdf?sfvrsn=2>

⁸<http://www.irionline.org/resources/resources-detail-view/will-millennials-ever-be-able-to-retire->

⁹<http://www.bloomberg.com/news/articles/2016-04-07/majority-of-millennials-have-no-idea-when-student-loans-will-be-paid-off>

¹⁰<http://www.investopedia.com/articles/personal-finance/011916/student-loan-refinancing-pros-and-cons.asp>





TIPS

for Protecting You!

Financial Life

as a CAREGIVER

Few tasks in life can be as rewarding and challenging as being a primary caregiver for your loved ones. And caregiving comes in a variety of forms, from looking after ailing relatives to raising children as a stay-at-home parent. Whether you purposefully chose the role or life's circumstances required you to fill it, you face myriad responsibilities that can distract you from managing your own financial life. To feel secure in your future and the future of those you care for, you need to make sure you safeguard your finances.

Financial Tips When Caring for Children

A thirty-year-old woman making \$50,000 a year can lose over \$654,000 of total income—including wage growth and retirement benefits—by taking five years off work.¹

Having one parent stay home with the children is the right choice for many families. In fact, after declining for decades, the %age of mothers who don't work outside the home has increased to 29 %.² And men now make up 16 % of stay-at-home



parents too.³ For this option to work well, however, families not only need to plan how to live on one income but also address future financial responsibilities.

1. Plan for Your Retirement

Stay-at-home parents need to plan for their retirements as much as their peers who work outside the home. Without income to contribute to your Social Security and workplace-

provided retirement benefits, though, you need to look outside the most obvious solutions.

In addition to contributing to the wage-earning spouse's 401(k), a family with a parent who stays home should also consider a spousal IRA. For married couples filing their taxes jointly, you can currently contribute \$5,500 annually for the spouse who stays home if he or she is under fifty years old—and \$6,500 if he or she is over fifty.⁴

2. Stick to a College Savings Plan

The average cost for room, board, tuition, and fees is currently over \$45,000 a year at a four-year private college and \$20,090 for an in-state student at a public institution.⁵ With college costs continuing to rise, this number might be much higher by the time your children are in school.

You can get ahead by opening and continually funding a college savings plan as soon as

possible—ideally right after your child is born. The earlier you start, and the more regularly you contribute, the better you will be able to take advantage of compounding interest and be a more effective saver.

3. Evaluate Your Insurance Coverage

When one spouse works, his or her income is absolutely critical to the family's financial well-being. So protecting that income must be a

major priority. Naturally, sufficient life insurance is a necessity, but you should also look to limit any risk to that income. From disability to illness to job loss, evaluate the life events that could threaten the wage-earning spouse's earnings—and work with your adviser to create a strategy for preserving your family's finances should the unfortunate occur.

Financial Tips When Caring for Adults

34.2 million Americans have provided unpaid care to an adult age fifty or older in the past twelve months.⁶

As the population ages, more and more people are becoming responsible for their loved ones' health and care—a job that few are trained to hold. So, it's understandable that 84 % of caregivers say they need more information or help with relevant topics.⁷

Knowing which financial strategies are right for you is key when you are a caregiver. As you move forward in this role, the following guidance can help you preserve your financial health.

1. Determine Whether You Can Get Paid for Your Care

Depending on your loved one's and your circumstances, you might be able to receive compensation for supporting him or her. You will have to research the opportunities

that fit your scenario, but begin by exploring the following avenues:⁸

- Long-term care insurance: if your loved one has this coverage, it might be able to pay you for the care you provide.
- Veterans' benefits: if your loved one served in a war, you might be able to access financial support. Call 1-877-222-VETS to learn more.
- State opportunities: your state might offer financial support for caregivers, and you can learn more by contacting your Medicaid office or the National Resource Center for Participant-Directed Services.

2. Seek Help from Loved Ones

Caregivers spend an average of 24.4 hours per week supporting their

loved ones. And 23 % provide more than forty hours of care each week.⁹

That level of commitment is exhausting—regardless of whether or not you have another job. Chances are, though, you don't have to go it alone.

Talk to everyone who has a real stake in your loved one's care and health, and find ways others can help contribute. Create a plan that shows who will give financially and who will give time, and have each person pledge to uphold the responsibilities he or she has agreed to. Often, people might not understand how much work you're putting in or not know where you need help. So, writing out a specific care strategy can help them get involved, improve the care your loved

one receives, and reduce the time and money you spend.

3. Explore Tax Deductions

Unpaid caregivers provided \$470 billion of economic value in 2013—more than the value of paid home care and Medicaid spending in the same year.¹⁰ The work you provide has significant financial value, and you might also be spending more money on caregiving than you realize. Caregivers average over \$5,500 in out-of-pocket costs in their roles each year.¹¹ The time and money you spend can quickly add up and work against your other financial goals, so exploring tax deductions is critical.

You can work with your tax adviser to determine expenses you might be able to write off and whether you can claim the person you're caring for as a dependent. By finding every opportunity to reduce your personal tax burden, you'll be better able to use those funds to preserve your financial health for the future.

No matter if you became a caregiver out of necessity or choice—or if it was early in adulthood or later in life—taking care of your own financial needs is essential. By protecting your assets and future, you'll be better able to focus on your loved one while managing your own happiness and comfort in the process.



¹ <http://interactives.americanprogress.org/childcarecosts/>

³ <http://www.pewsocialtrends.org/2014/06/05/growing-number-of-dads-home-with-the-kids/>

⁵ <https://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2016-17>

⁷ [http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4 WEB.pdf](http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WEB.pdf)

⁹ National Alliance for Caregiving and AARP. (2015). Caregiving in the United States.

¹¹ The MetLife Mature Market Institute, MetLife Study of Caregiving Costs to Working Caregivers, June 2011





– The Wise Traveler –

TIPS FOR DRIVING IN WINTER WEATHER

For many of us throughout the United States, we're waving good-bye to warm weather. Now, we must prepare for winter travel with cold cars, snowy lanes, and freezing windows. While weather conditions around the country will vary throughout the season, we can all agree that driving irresponsibly for the weather is a recipe for roadside disaster. So, before you take that ski trip, refresh your driving skills with these winter tips.

Tip 1: Clear Ice and Snow from Your Car before Driving

Cars piled with foot-high snow and thick ice on windshields can do more than block your ability to get in your car and see; they also become driving hazards. Removing only small portions of the snow and ice from your car and windows limits your visibility of the road, and you might do the same for the cars behind and beside you. As you gain speed, pieces of snow and ice can fly off your vehicle and hit the ones around you, potentially blocking other drivers' views and causing an accident. So, do yourself and your fellow drivers a favor: always clean your car before you leave the driveway.

Tip 2: Slow Down

Slowing down on the road is an essential way to stay safe during your winter travels. Everything takes longer when you're driving in winter weather—accelerating, braking, turning, and more. Never assume you can drive the same speed you would in warmer conditions. A rule of thumb is to reduce your speed by one-third on rainy roads and by one-half or more on snowy roads.

Tip 3: Maintain Longer Braking Distances

Controlling your braking speed is much more challenging when you have ice and snow to maneuver through. With less tire grip available than in warmer, drier weather conditions, a quick brake tap can be harder to manipulate and recover from. So, always approach braking earlier than you normally would, and be sure to apply light pressure on the brakes to avoid skidding.

Tip 4: Correct a Slide Properly

If you find yourself sliding, you need to make sure you correct the slide with the right actions. When the rear of your car is sliding, you'll want to take your foot off the accelerator. Don't give the car any gas. Gently turn the steering wheel into the direction of your slide. This action might feel counterintuitive as you seek to correct the slide, but by doing so, you'll help your car to realign in the direction you desire.

Tip 5: Carry Backup Tools

Sometimes you hit a patch of snow on the road that you just can't seem to spin your wheels out of—no matter how hard you try. To avoid getting yourself stuck, make sure to travel in winter weather with tools to help you get out of a bind: shovel and sand or litter. A shovel will help you dig your tires out of tall snow, and sand or litter will help you gain the traction you need to drive away.

– Winter Inspection Tips –

- Service your vehicle now, and inspect for leaks, bad hoses, and other problems.
- Check your battery power and belts to ensure optimal performance.
- Check your cooling system for leaks, coolant levels, and flushing needs.
- Fill your windshield reservoir with high-quality no-freeze fluid.
- Service windshield wipers and defrosters to ensure fresh blades and a working defrost system.
- Replace used tires, and make sure all tires are properly inflated.
- Stock your vehicle with jumper cables, emergency flares, flashlights, and blankets.

Ultimately, you always want to play it safe when driving in winter weather. By slowing down, being aware, and driving courteously, you'll find you avoid roadside disasters for yourself, your family, and those around you. You might arrive a little later than normal, but at least you will arrive safe and sound, and who can argue against that?

Inspection tips courtesy of National Highway Traffic Safety Administration.

Simple Ways to Keep

Your Home

Ready for Guests

We're in the middle of prime guest-hosting time—and making your home shine for the holidays (and beyond) can be simpler than you might imagine. From big parties to impromptu get-togethers, hosting guests brings lots of intricate details you must manage. And keeping your house in top shape as you prepare only adds extra work.

The following tips will help you create the impression you desire, without taking all your time and energy—so hosting feels like a treat rather than a chore.

Create a Welcoming Entrance

Remember, first impressions count. And when guests come to your house, what they see from the curb and as they walk to your front door will color their expectations once they come inside.



Simple Tips:

- Hang seasonal decorations or a wreath.
- Make sure paths and steps are clear and well lit.
- Provide a welcome mat for guests to wipe their feet.

Bonus: Add Accent Lighting

Whether you hang sparkling white lights on your trees or dramatically light your home's most interesting architectural details, a little extra shine goes a long way toward a great first impression.



Provide

Pleasant Scents

One of the first things guests might notice when entering your home is how it smells. And this time of year, when most entertaining happens inside, your home's scent matters more than ever.



Simple Tips:

- Light candles in your favorite scent.
- Keep houseplants to freshen air.
- Air out your house on warmer days.

Bonus: Display Fresh Flowers

Cut flowers bring beauty—and sweet scents—to your home. If you pick long-lasting varieties, you can buy flowers once a week and enjoy them every day. Just swap water every few days and pull out any blooms that are past their prime.

Keep Main Rooms

Clutter-Free

A tidy home feels inviting and clean—even if the busy season means you haven't truly scrubbed it in a bit. Remember, guests will congregate in only a few rooms in your home, so you don't have to be completely clutter-free to look that way!



Simple Tips:

- Collect family clutter—think mail, shoes, and so on—in private areas rather than leaving it out for all to see.
- Straighten items on shelves, such as books and decorations.
- Place any lingering clutter in attractive bins that match your decor.



Bonus: Style Your Coffee Tables

In place of clutter and remote controls, artfully arrange a few books with beautiful seasonable items on your coffee tables. If young children live in or frequently visit your home, consider keeping the tables completely free.

Prep for

Last-Minute Guests

Let's say you find out that some people want to drop by for a quick hello—and they'll be at your house in twenty minutes. Don't stress if your home isn't perfectly prepped. There's nothing like a little spot-cleaning to make your house shine.



Simple Tips:

- Clear and wipe your kitchen counters and any dark-colored surfaces.
- Move any clutter from public spaces into a private room.
- Fluff pillows and straighten blankets on your sofas.

Bonus: Keep Frozen Treats Ready to Throw in the Oven

Nothing says the holidays like the smell of fresh baked goodies. Keep a few frozen options—both savory and sweet—so you can easily greet guests with delicious scents and a tasty nibble the moment they walk in your door.

Make Overnight Guests

Feel at Home

Whether you have multiple, dedicated guest rooms or need to improvise sleeping space, a few small details can make every guest feel comfortable and at home.



Simple Tips:

- Leave space in the closet for guests to hang their clothes.
- Provide a flat space for guests to set their suitcases.
- Keep extra toiletries and fresh towels in easy-to-find places.

Bonus: Create a Coffee Bar

Give guests a place to quietly start their morning with small stations set up for coffee in their rooms. Just a few small items—think a tray with coffee, French press, kettle, and cups—can make your guest feel truly pampered. (It'll also keep them from waking you up to make coffee!)

Follow these steps, and you can make your holidays filled with more joy and less stress—while still entertaining your guests in style. We can all cheers to that!

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