

Planning Your Financial Future

Atlas Brown Family Wealth Management

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.

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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.

Talking to Your Teen About Money



Parents play an important role in shaping their children's financial behaviors and attitudes toward money.

You probably feel comfortable talking to your teen about things like school, sports, and clothing. But how do you feel about talking about money? While it may be a tricky topic to broach, odds are that your teenager will rely on you to learn basic financial management skills. And the teenage years can be a critical learning period. According to a report by the Consumer Financial Protection Bureau, it's important to establish strong financial decision-making habits in the teen years because it will help your child better navigate his or her financial life as an adult.¹

Prepare your teenager for the financial challenges of adulthood by talking to him or her about the following topics.

Handling an income

Whether your teen earns an allowance from you or works a part-time job, he or she will need guidance on what to do with the income. Set some expectations regarding your teen's pay. How much of it will be discretionary? Will your teen start contributing to his or her share of a monthly cell phone bill, or would you prefer for your child to set aside a portion of each paycheck for college?

When your teen earns his or her first paycheck, take time to sit down and review the information on the pay stub or online statement. Help your child understand what certain terms mean, such as gross pay, net pay, federal income tax, state income tax, Social Security tax, and Medicare tax. Show your teen how income taxes can affect take-home pay.

Building a budget

Help your teen learn to be accountable for his or her finances by developing a spending plan. Start by listing all sources of regular income (e.g., an allowance or earnings from a part-time job). Next, ask your teen to identify regular expenses. Depending on what you and your child have agreed on, that might include car insurance, a cell phone bill, or clothing expenses. Take the total expenses and subtract them from your teen's total income.

If this exercise shows that your child won't have enough income to meet his or her expenses, help your teen come up with a plan for making up the shortfall. Suggest ways to earn more money or cut back on expenses, but resist the temptation to bail out your teen. The point of establishing a budget is to give your child a taste of what it's like to earn an income and pay expenses without running out of money.

Setting and saving for financial goals

In the past, your teenager probably came to you for money to pay for items that he or she wanted. Now that your teen has a steady source of income, it's time for him or her to make purchases independently. Your child may be ready to start saving for larger goals such as a new computer or a car and longer-term goals such as college. Encourage your teen to save by putting these goals in writing to make them more concrete. Consider offering incentives, such as matching what your teen saves toward a long-term goal. For example, for every dollar your child sets aside for college, you might contribute 50 cents or more.

Remember to praise your teen for showing responsibility when a goal is reached. Your approval, as well as the sense of accomplishment your teen will feel, can help reinforce healthy savings habits.

Getting familiar with credit

While credit card companies require an adult to co-sign a credit card agreement before they will issue a card to someone under the age of 21, you shouldn't ignore the credit card issue altogether. Teach your teen about establishing and maintaining good credit. Explain how credit card interest is calculated and emphasize the importance of paying bills on time. Don't be afraid to share your experience using credit with your child — personal examples can be a great way to help him or her learn.

Becoming a smart shopper

Encourage your teenager to spend money wisely. Teach your child to ask questions before making a purchase, such as:

- Why do I want this item? Am I buying something because I really want it, or because all of my friends have it?
- Can I really afford this item?
- Do I need to buy this item now, or can I set aside money to buy it at a later time?
- Am I getting a good deal on this item, or should I shop around for a more affordable alternative?

Remember that talking to your teenager about money now can help him or her establish a more financially stable future.

¹ Report Brief: Building Blocks to Help Youth Achieve Financial Capability, Consumer Financial Protection Bureau, September 2016

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Is bulk buying worth it?

In theory, buying goods in bulk seems like a smart, money-saving strategy. But in practice, is it really worth it?

Next time you're out shopping, consider the following before you stock up on large quantities of your favorite products.

An obvious benefit of bulk buying is that it tends to be an economical way to shop because you're often paying a lower price per unit of each individual item. For example, buying a five-pound bag of potatoes will typically cost you less per pound than buying individual potatoes.

In addition to saving you some money, buying items in bulk can also save you time and energy. You won't need to take as many trips to the store if you've stocked up on essentials.

But there are some drawbacks to bulk buying. Unless you have a large family who will go through items bought in bulk quickly, it probably won't make as much sense for you to stock up on groceries and other household goods. Plus, items sold in bulk are often packaged in larger containers. You'll need to store these somewhere, and you might not necessarily have space to accommodate everything.

Also consider that some wholesalers charge membership fees. The cost of membership and frequency of renewal could be pricey.

While there are advantages and disadvantages to bulk buying, you can help determine whether it is worthwhile by asking yourself the following questions:

- Have you compared prices of bulk-packaged products to see if you're really getting a deal?
- Have you previously tried and liked the product? Can you bear the risk of having it go to waste if you discover that you don't like it after you've purchased a bulk quantity?
- Do you actually need that much of a particular item? Will it spoil before you can use it?
- Do you have enough storage space for items purchased in bulk?

Avoid buying in bulk just because you can. Take the time to consider your needs, and weigh wholesale rates against supermarket rates in order to help yourself save as much as possible.



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