



WEALTH ADVISORS GROUP

W E A L T H A D V I S O R Q U A R T E R L Y

YTD Returns Through June 30, 2019

Dow Jones Inds.	+10.6
S&P 500	+17.24
Barclays Aggregate Bond	+4.56
MSCI EAFE	+11.82
MSCI Emerging Mkts.	+9.86



WAG on the Move

Mark at NAPFA Conference

Mark attended the National Association of Personal Financial



Advisors (NAPFA) Spring National Conference in Austin, TX. NAPFA is the country's leading professional association of Fee-Only financial advisors who are committed to working in the best interest of those they serve. The conference was designed to give advisors a deep dive into technical education, strong practice management guidance and actionable ideas that could be implemented in their professional practices. Back in our office, Mark has already taken steps to implement what he has learned into continually improving our client-first driven processes. ■

Logan at Orion Conference

This past May, Logan Timbrook attended the Orion Advisor Ascent conference in

Chicago, Illinois. We utilize the Orion suite for performance reporting, model-building, and keeping track of the investments inside our client accounts. At Ascent, Logan attended many breakout groups that were aimed at improving WAG's day-to-day client experience. The Ascent conference is meant to educate us on the best practices in employing the Orion technology to its fullest potential. ■



Tech Corner

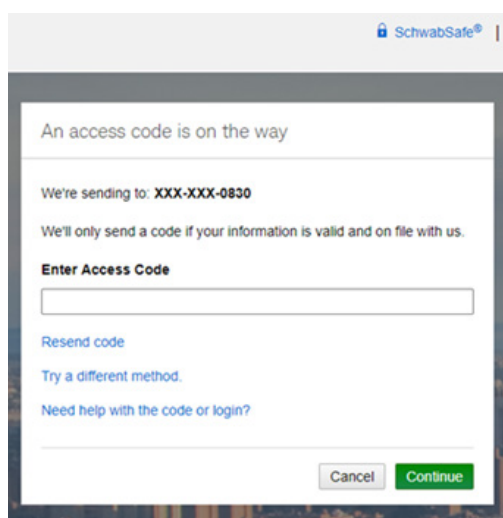
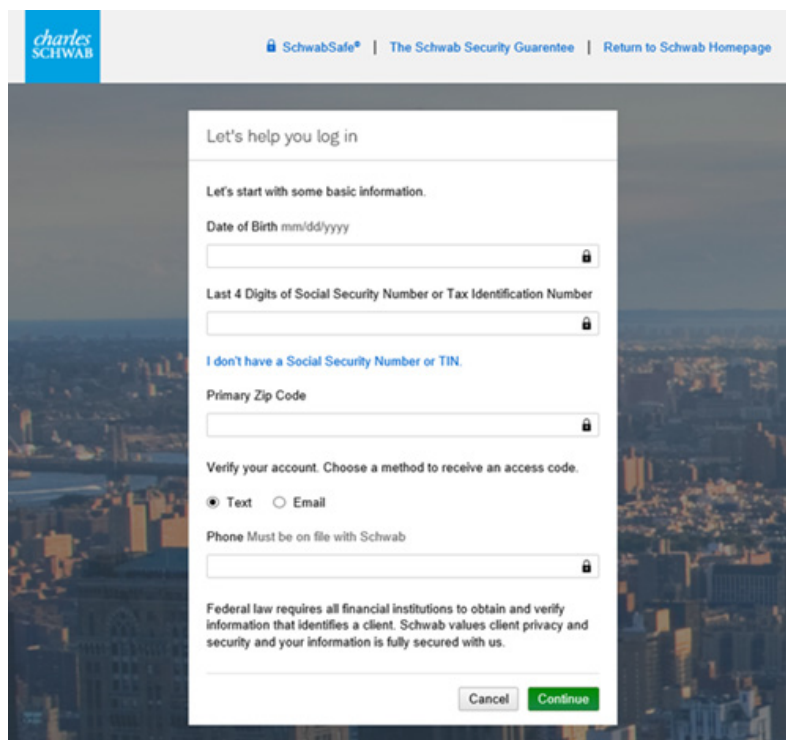
Clients can now reset their own Schwab Alliance website passwords

A new link on the login page of the Schwab Alliance website allows clients to reset their passwords or retrieve their login IDs without the need to contact the Schwab Alliance service team. Schwab Alliance is the Charles Schwab client website in which you may view your accounts and go paperless. <https://client.schwab.com/Login/SignOn/CustomerCenterLogin.aspx?&kc=y&sim=y>

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Clients who forget their credentials should click the “Forgot your password?” link, where they will be directed to a new page. They will then be asked to enter:

- The last four digits of their Social Security Number
- Their date of birth
- Their ZIP code
- The mobile number they have on record with Schwab



Once clients complete this process, they will receive a one-time-use code on their mobile device, which they enter in the “Enter Access Code” field. They will then be walked through the process of retrieving their login ID or creating a new password.

If the client is unable to provide any of the required fields they will be prompted to call the Schwab Password Reset

team, who will guide them through the process. As always, feel free to contact our office for additional information or assistance. ■

Tax Corner

Mid-Year Tax Check-up

It is hard to believe that we are already more than halfway through 2019. Before we know it, tax season will be upon us again. It is important to keep tabs on your tax situation throughout the year, in order to reduce the chances of any surprises during tax season. Below are a few things to consider through the last half of the year:

Check your tax withholding: If you are a W-2 employee, you should review your 2019 withholding to date, and determine if the amount being deducted is enough to meet your 2019 tax liability. The IRS has a withholding calculator on its website, which is a valuable tool to help review your current tax withholding. There is still time to make adjustments, if necessary.

Maximize 401(k) & IRA contributions: You still have time to maximize the amount you contribute to your 401(k) or IRA's this year. The contribution limit for 401(k) participants increased to \$19,000 in 2019, and the catch-up for employees over 50 is \$6,000. If you are eligible to contribute to a traditional or Roth IRA, the contribution limits were also increased to \$6,000, with a \$1,000 catch-up for individuals over 50.

Major Life Changes: If 2019 holds any big changes for you such as marriage, a new baby, adoption, retirement, or moving to a new state, this could generally mean changes in your tax situation. Tax planning should become an integral step as you move through these life changes.

As always, please feel free to reach out to us if you have any questions or need guidance in any of these areas. We are here to help! ■

Did You Know

In New Mexico it literally pays to get older. New Mexico residents who are 100 or older no longer have to pay any income tax.

Retirement Planning

Retirement: Is the Honeymoon Over Already?

Entry into Retirement May Be a Letdown

We work to save for retirement for most of our lives. We anticipate having the time and freedom to do what we want when we want. However, when retirement happens, many of us struggle with the transition. About two-thirds of recent retirees (69%) say they had challenges adapting to retirement.¹

Retirement Is Supposed To Be Fun, Not Challenging



The Four Phases of Retirement



Four-phased concept of retirement. Each is characterized by the tasks and issues individuals are most likely to be managing. Source: MIT AgeLab.

What's the Honeymoon Phase of Retirement?

According to Dr. Joseph Coughlin, director of the MIT AgeLab, retirement is made up of four phases. The Honeymoon Phase is the first one. Advertising portrays this time being filled with beaches, bike riding, and golf. It's true if retirees have stopped working, they will have more time for leisure activities. They might even think, "This is the life. This is

what I want my retirement to be like." But after a while, these activities can become routine. They might not provide the happiness expected.

The Highest Levels of Resources

In each of the four phases, retirees will have varying levels of resources in the following categories: financial, cognitive, physical, and social. These resources tend to diminish throughout retirement.

Financial resources tend to be highest in the Honeymoon Phase, since retirees have just started spending their retirement savings. For most, aging hasn't taken its toll on bodies and minds, therefore, cognitive, physical, and social resources also tend to be at their highest level. As a result, lifestyle and well-being is often comparable to life during full-time work.

So, What's The Problem?

Despite retiree's resources potentially being at their highest level, the Honeymoon Phase comes with transition challenges related to routines, roles, and relationships.

Breaking a Routine That Began in Kindergarten

Get up. Get dressed. Get breakfast. Go to school or work. Come home. Eat. Go to bed. Retirement can break this routine. There's nothing forcing retirees to live like this anymore. They'll have a lot more time on their hands. They may enjoy this freedom, but if you're not sure what you're going to do with it, boredom can set in. Thirty-two percent of recent retirees struggle with getting used to a new and different routine.¹

Our 60-Year Routine



Retirement can break this routine. There's nothing forcing you to live like this anymore.

Relationships Change

If a retiree stops working, they may miss the socializing, intellectual stimulation, and sense of accomplishment resulting from collaborating with co-workers on projects. Among recent retirees, 37% miss the day-to-day social interaction with co-workers.¹

In the Honeymoon Phase, retirees will spend less, if any, time with co-workers, and way more time with their spouse. This adjustment can put a strain on relationships if couples don't share similar interests or social circles. New conflicts can

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pop-up about the sharing of chores, how to spend leisure time, and how to manage the household.

Many retirees in this phase find themselves caring for parents, children, or grandchildren. Two-thirds of parents over the age of 50 financially support their grown kids.² They provide an average of \$6,800 annually.² Twenty-five percent of boomers care for aging parents.³ Trying to care for either grown kids, parents, or both, under the constraints of a retirement budget, can cause stress on relationships as people wonder if they're overextending their resources.

Their Role Will Change

Work can give you an identity, a sense of purpose, and respect. In the Honeymoon Phase, if you stop working, retirees may miss that identity and sense of accomplishment. It might feel like they are under-appreciated or in a state of limbo after leaving the structured world of work. Family members may expect more—more of their time and attention, maybe more than they'd like. Previous identity, built over their career, was clear while their new identity is foggy.

Timing Is Important

If you are nearing retirement, you may be a bit anxious about entering the Honeymoon Phase. Sixty-three percent of people feel stressed about retirement leading up to that decision.¹ Retirees usually have a smoother transition if they enter it in a planned way, where they choose a retirement date. They tend to experience more anxiety if they're forced into this phase by a layoff or health problems.

5 Steps to Make a Smoother Transition



Create a new routine

Even though you know retirement is coming, most people don't spend much time planning what they'll do when they get there. Ask yourself: "How do I plan to spend my time? What hobbies or activities will fill my days?" List some long-term and short-term goals. Moving towards these goals can provide a sense of purpose and control in your new routine.



Find your new identity

Find ways to be productive. Maybe volunteering, working part-time, taking a class, or learning a new skill. For more ideas, checkout encore.org. If you are really struggling in the Honeymoon Phase find a retirement mentor, someone who's thriving in retirement.



Discover new relationships

Build new relationships to replace work relationships. You might take a class, work part-time, or join a group where you can meet people. Browse to meetup.com, enter your zip code to find groups in your area.



Give yourself time

Understand that you shouldn't expect to hit your retirement groove right away. It may take six months or a year or two to find new roles, routines, and relationships.



Gain clarity about finances

In the Honeymoon Phase, you may not be bringing in a paycheck. You might start withdrawing money from your savings for income. Without proper planning, you may wonder if you'll run out of money in retirement. Gain clarity in your financial situation and retirement by talking to your advisor about your income plan, or by sitting with an advisor to develop an income plan.

Entry into Retirement Doesn't Have to Be a Let Down

At this point retirees may be asking themselves, "how long can the honeymoon phase last"? If retirees have bought into the propaganda that rest and relaxation are the keys to a great retirement, they may be disappointed. But don't fear, it's never too early to start planning for new roles, relationships, and routines, especially when it comes to income. Sit with your financial planner today to talk about retirement and all the parts that make up a successful next chapter. ■

Original Article written by Hartford Funds titled: Helping Clients Through The Honeymoon Phase of Retirement. To read the full article go to: https://www.hartfordfunds.com/ad/honeymoon-phase.html?utm_source=investmentnews.com&utm_medium=email&utm_campaign=investor_insights&utm_content=HoneymoonPhase

¹Retired Baby Boomers face emotional adjustments, USA Today, 2/3/15. Survey included 1,000 people, ages 60 to 73, who retired in the last five years from their primary profession and who have at least \$100,000 in investable assets. Most recent data available used.

²How to stop your grown kids from ruining your retirement, Forbes, 11/29/17. Most recent data available.

³How to take care of aging parents and yourself, Fidelity, 9/27/17. Most recent data available.

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There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. No strategy assures success or protects against loss.