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For more information about L&M's services or to schedule an annual review, just fill out the enclosed, prepaid reply card.



**L&M Profile**



**L&M "We Show Up!"**

L&M specializes in financial planning and investment advice. L&M is a "do-the-right-thing" kind of place, and we always put our clients first. Since our founding in 1972, we have stayed true to our vision: delivering the highest quality advice and service so we will be the last financial advisors our clients will ever need.

From our offices in Amherst, Rochester, and Binghamton, we serve thousands of clients nationwide and oversee \$2 billion on our clients' behalf. We're proud to count thousands of clients and dozens of employees who have been with L&M for decades. Please contact us at 716-839-1234 or visit us online at [www.lmfs.net](http://www.lmfs.net) for more information.

## Spring Cleaning for 2019: How to Declutter Your Financial Documents

### Help Is at Hand for Your Financial Documents

Feel like your financial documents are overwhelming and hard to keep track of? You're not alone. According to Consumer Reports National Research Center, nearly one in four Americans say they've either lost or forgotten about an important financial document. In addition, only 40% believe they'd be able to find a critical one at a moment's notice.

It's no wonder. From tax returns and bank statements to credit card bills and insurance policies, most people are bombarded with paperwork every day, whether in their mailbox or inbox. This likely won't change any time soon. So the question is: What can you do about it?

The good news is there are ways to declutter your financial documents, so you can toss what you don't need and retain more

of what you do need. Here's what to know to manage the process and get successfully organized this spring:

### Here's What to Toss

- ATM receipts and bank deposit slips once reconciled to your monthly statement.
- Credit card statements and receipts (unless there's a purchase related to taxes.)
- Utility bills that show the prior month's payment was received. But if you have a home office deduction, you'll need to hang onto these for seven years.
- Medical receipts if you don't qualify for a deduction.
- Charitable gift receipts when you don't claim the deduction.

When you're ready to get rid of these, don't throw them in the garbage or recycling bin



since they contain personal information. Even just your name and address can make you vulnerable to identify theft. Instead, shred everything.

### What to Keep for 1 Year

- Pay stubs to ensure they are in sync with your W-2.
- Monthly bank statements unless one reflects a tax-related expense. Then, retain it for seven years.

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## Glossary

### Consumer Reports

A nonprofit organization providing unbiased product testing, consumer-oriented research, public education, and advocacy.

### Cloud Storage

A type of service in which data is stored on remote servers accessed from the Internet or “cloud,” and maintained, operated, and managed by a cloud storage service provider, such as Google Docs or Dropbox.

### External Hard Drive

A portable storage device that can be attached to a computer through a USB or FireWire connection, or wirelessly. External hard drives typically have high storage capacities and are often used to back up computers.

### Flood Insurance

A type of property insurance that covers a dwelling for losses sustained by water damage specifically related to flooding.

### Inflation

The rate at which the average price level of selected goods and services in an economy increases over time.

### Society of Actuaries

A global professional organization for actuaries, founded in 1949 as a result of the merger of two major actuarial organizations in the United States: the Actuarial Society of America and the American Institute of Actuaries.

## Is Downsizing During Retirement Right for You?



New beginnings are just around the corner if you're considering retiring. It's certainly an exciting phase of life, but also one full of decisions.

One of the biggest is whether or not to downsize – many opt to cut back on space for a number of reasons. It's certainly a personal choice. At the same time, downsizing has many implications, which is why it should also be an informed choice. So, before you make a move – or don't – ask yourself these questions:

### 1. What are your goals?

For instance, do you want a home that costs less, a smaller space with less clutter, or to relocate to a retirement community? Or perhaps you want to live in another state for health or tax reasons, or because family has moved there. No matter what your goals are, it's important for you to clarify them so you can follow through once you've decided.

### 2. How will downsizing impact your quality of life?

Before downsizing, think through how it will impact daily life. Will it enable you to better afford flights and hotels? What will holidays be like once you've sold the family home? Where do you plan to move to and what's the cost of living there? If you relocate, your monthly expenses could actually increase even with less space.

### 3. When to downsize?

Timing is important due to factors ranging from housing values to

interest rates. In general, one advantage of downsizing early is that you can often save on mortgage payments and other home expenses, then invest that money into your retirement accounts. On the other hand, if you don't think you'll get the sale price you want for your home now, then it's better to wait.

### 4. What's the cost to move?

While you might save on monthly mortgage payments and utility bills, moving is expensive. Consider closing costs, necessary home improvements, and losing your property tax deduction if you plan to rent. For your new home, you'll need to calculate monthly expenses, as well as annual ones, like flood insurance if you plan to live in a coastal community.

### 5. Ready to say goodbye?

Decluttering, purging, packing up and leaving might sound good in theory; but in reality, it's often an emotional roller coaster. For many retirees, they've lived in their homes for decades and raised their families there too, so there's a lot of sentiment involved. This is something you'll need to prepare for, even when downsizing is the right decision for you.

If you're uncertain about downsizing, connect with your L&M advisor today. They can meet with you to evaluate your financial big picture and your options, so you can make the best choice.

## Spring 2019 Quiz

Answer correctly and be entered to win a delicious coffee cake – delivery included. Email your answers to [quiz@lmfs.net](mailto:quiz@lmfs.net) or mail back the enclosed reply card by April 30<sup>th</sup> to be eligible.

1. How many U.S. states have no personal income taxes at all on individuals?
2. In March 1937, a Cleveland streetcar motorman received the very first Social Security retirement benefit payment. It was a one-time, lump-sum payout. How much was it for?
3. What was the highest, year-over-year inflation rate ever recorded in US history?

### Winter Quiz Winner: Client:

Joseph Kustich

Financial Advisor:  
Julie Murphy



## The Financial funnies

Texting Shortcuts for Seniors

- ATD:** At the Doctor's
- BFF:** Best Friend's Funeral
- BTW:** Bring the Wheelchair
- CBM:** Covered by Medicare
- CUATSC:** See You at the Senior Center
- FWIW:** Forgot Where I Was
- GGPBL:** Gotta Go, Pacemaker Battery Low
- IMHO:** Is My Hearing-Aid On?
- LMDO:** Laughing My Dentures Out
- LOL:** Living on Lipitor
- TTYL:** Talk to You Louder
- WAITT:** Who Am I Talking To?

## Recipe for Success

### Avocado Corn Salsa



#### Ingredients

- 1 (16 oz.) package frozen corn kernels, thawed
- 2 (2.25 oz.) cans sliced ripe olives, drained
- 1 red bell pepper, chopped
- 1 small onion, chopped
- 5 cloves garlic, minced
- 1/3 cup olive oil
- 1/4 cup lemon juice
- 3 tablespoons cider vinegar
- 1 tsp dried oregano
- 1/2 tsp salt
- 1/2 tsp ground black pepper
- 4 avocados, peeled, pitted and diced

#### Directions

1. In a large bowl, mix corn, olives, red bell pepper and onion.
2. In a small bowl, mix garlic, olive oil, lemon juice, cider vinegar, oregano, salt and pepper. Pour into the corn mixture and toss to coat. Cover and chill in the refrigerator for 8 hours, or overnight.
3. Stir avocados into the mixture before serving.
4. Serve with tortilla chips, or over chicken or fish or on tacos.

## What Retirees Wish They'd Known Before Retirement

If you're gearing up to slow down, what can you expect? According to a Risks and Process of Retirement Survey by the Society of Actuaries, here's a look at what many retirees wish they'd known ahead of time:

#### Planning is key for success.

The better you plan in terms of finances, the less you have to worry during retirement. A critical part of this process includes creating a retirement income plan. This means crunching the numbers, from Social Security and pension to retirement savings, so you have clarity about your income and what you can spend each month and throughout the year.

#### Easing into it makes the transition simpler.

Transitioning from full-time work with a salary and benefits to a life of leisure on a fixed income is a huge change. It is, therefore, helpful to ease into it. For instance, switch to part-time work if you can. If you have a sense of what your retirement budget will be, try cutting back before you retire and living off that amount so you can ensure it's realistic. Whatever you do, consider a slower approach.

#### You might spend more than you think.

Even when you downsize and cut back, there's always something to spend money on. Just don't assume you'll be living on a tight budget

during your golden years. In fact, many retirees overspend during their first 12 months of retirement.

#### Healthcare costs will take a big bite of your budget.

Out-of-pocket healthcare costs add up in terms of dollars and cents and can dent retirement savings. According to a 2018 Fidelity Benefits Consulting estimate, the average couple will need \$280,000 in today's dollars for medical expenses in retirement, excluding long-term care. Knowing these kinds of numbers ahead of time will ensure you're not blindsided.

#### Inflation impacts you more than the rest of the population.

If your plan doesn't account for inflation, it could spell trouble for your retirement. From 1913 through 2013, the average inflation rate was 3.22%. This has led to prices doubling around every 20 years. What's more is that while expenses for goods and services are increasing, the purchasing power retirees have can remain sluggish due to factors like pension limits and Social Security cost-of-living adjustments that are lower than inflation.

#### Meet with your L&M financial advisor soon.

Getting ready to retire or just thinking about it? Work with your L&M advisor so you know where you stand and how to best plan.



## L&M by any other name...

Many companies offer insurance, financial planning, or advice on investing in the stock market. But representatives of L&M are experienced not only in these three areas, but in many more as well. L&M Financial representatives have been providing a broad range of financial planning and benefits programs to many people across New York State since 1972.

Available products and services are:

- Financial and estate planning
- Long-term care planning
- Pre- and post-retirement counseling
- Tax-favored investments
- Mutual funds
- Equities
- Life insurance
- Disability insurance
- Group insurance
- Funding for education
- 401(k)
- 403(b) Tax Sheltered Annuities
- 457(a) Deferred Compensation
- Individual Retirement Accounts
- Third party administration/ payroll deduction services

L&M representatives offer workshops, seminars and, of course, individual meetings in an effort to educate you about effective ways to help establish a secure financial future.

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## Resources to Help You

Planning for retirement can be stressful. With an unpredictable economy and rising healthcare costs, it's hard to know what to expect. These online calculators can help to project your income and expenses.

- [www.aarp.org/work/retirement-planning/retirement\\_calculator.html](http://www.aarp.org/work/retirement-planning/retirement_calculator.html)
- [www.bankrate.com/calculators/retirement/retirement-plan-income-calculator.aspx](http://www.bankrate.com/calculators/retirement/retirement-plan-income-calculator.aspx)
- [www.newretirement.com/planner/retirement-calculator](http://www.newretirement.com/planner/retirement-calculator)

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## L&M Financial Advisor Bob Rosen Receives National Coaching Honor



L&M Financial Advisor Bob Rosen has been selected as this year's recipient of the American Hockey Coaches Association's *John Mariucci Award* in recognition of his almost 30 years as one of the all-time winningest coaches in New York State history as head coach of the Williamsville North High School hockey program.

The honor is bestowed upon the secondary/high school association coach who best exemplifies the spirit, dedication and enthusiasm of Mariucci, a legendary college coach at the University of Minnesota and a driving force in the growth of hockey in the United States.

Rosen will be honored during a luncheon during Frozen Four week in Buffalo this spring.

"I'm very honored to get such a prestigious award, just amazed," Rosen said.

Rosen is the winningest active high school hockey coach in the state with 483 victories. His accomplishments at Williamsville North include five state championships, including an unbeaten season in 2011; and being named New York State coach of the year three times. He also coached 30 years with Amherst Youth Hockey, leading teams in the organization to four national championships. He has been a financial advisor at L&M since 1981.

## Financial Spring Cleaning For 2019

Continued from Cover

- Investment statements until you get your annual summary. However, if they reflect a gain or loss, you'll need to keep it for seven years.
- **What to Keep for 7 Years**
  - Tax returns.
  - Supporting documents from your taxes, such as canceled checks, receipts, W-2s and 1099s. In most cases, the IRS has three years from the time you filed to audit you; however, they can look back at six years' worth of records. Experts recommend retaining seven years, just in case.
- Warranty paperwork until it's expired.
- Lease agreements, membership contracts, and bank account agreements until accounts have been closed or contracts expired.
- Insurance policies until expired and / or outstanding claims are resolved.
- Receipts for major purchases, such as electronics, appliances and cars.

### Storage Solutions

For those documents you have to keep for seven years / indefinitely, storage can become an issue. The best approach is to befriend your scanner and digitize them into PDFs. You can then keep them on an external hard drive or in the cloud.

Not only will this declutter your space but going digital allows you to locate any file you want in a matter of seconds. This is helpful in situations, such as when you're applying for a loan, or any time you need to access financial information quickly.

### What to Keep Forever

There are certain documents you'll need to retain forever, such as marriage and birth certificates, adoption papers, educational transcripts, important health records, divorce records and custody agreements, mortgage-related documents, and stock and bond certificates. These are best kept either at home in a fireproof box, or in safe deposit box if you don't need easy or regular access.