

# LANDMARK FINANCIAL ADVISORS, LLC

WEALTH MANAGEMENT

JUL  
2017

## WE ARE IN THE BUSINESS OF HELPING CLIENTS

achieve financial independence, but anxiety about money never seems to go away. The truth is that we can never be certain about an outcome or totally alleviate the fear of running out of money. While we cannot guarantee your financial success it is possible to achieve a sense of security by following some easy steps.

Many of us were huge fans of the show, Seinfeld, and the crazy antics of Kramer. The theme over a few shows was Frank Costanza dealing with stress by saying “Serenity Now,” which Kramer adopted as well. While it was in jest...deep down we are all looking for serenity. We need to “accept the things we cannot change; the courage to change the things we can; and the wisdom to know the difference.” These words taken from the Serenity Prayer can apply to your finances as well:

- While you could create a single goal (What’s Your Number?) for retirement expenses, we recommend you have two sets of goals: 1. Basic Living Expenses and 2. Lifestyle Goals which will account for discretionary expenses such as travel, gifts, and new cars. If something throws a wrench in your plans, you can make adjustments to your “Lifestyle Goals” and not worry about having enough for your basic living expenses.

- We don’t necessarily advocate managing your life to a budget. We would prefer that you focus on what you can save. We look at your income this year, and see what you’re saving and/or contributing to a 401(k), IRA or other savings vehicle. If you aren’t saving enough or don’t know how you’re spending your money, then we may need to create a budget. You can control your savings/spending mix.



- Next, let’s consider rates of return. In retirement, over a period of 30 to 40 years, small changes in rates of return can have a significant impact on your plan. We spend considerable time and energy constructing a portfolio and make estimates in regards to how it will perform over time. If we predict annual returns of 8% and you receive an overall

return close to 8%, we’re doing great. If returns exceed our expectations, we may be able to lower your risk profile or expand your goals. Because most damage is done during times of stress, it is our job to understand your capacity to accept risk and keep you consistent.

Financial planning is an ongoing process. We want to show clients a plan that is a range of possibilities and needs to be frequently updated. A plan helps clients make more appropriate decisions, because they have better information. When a client is focused only on short-term returns, they miss the big picture.



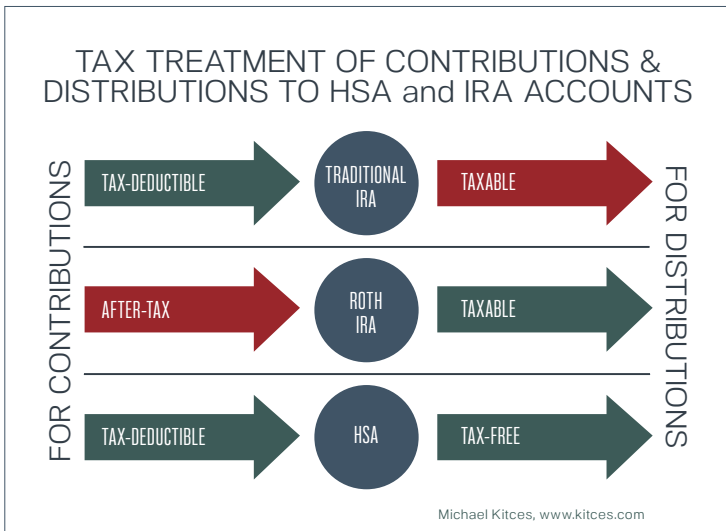
GOALS THAT ARE NOT WRITTEN DOWN  
ARE JUST WISHES —UNKNOWN



The concept of a Health Savings Account (HSA) is fairly simple. You are allowed to save money in this account for future qualified health expenses and any gains in the account are tax free. The other significant benefit is that you get a tax deduction for the amount you contribute. In 2017, the maximum contribution is \$3,400 for individuals and \$6,750 for families as long as you have a high deductible health insurance plan (Minimum annual deductible of \$1,300 for individuals and \$2,600 for families). We fully endorse this strategy as you are using insurance to protect against major medical expenses, and saving for those high probability expenses that pay for the doctor and prescriptions.

The HSA has the unique characteristics of being the only vehicle where you get a tax deduction for the contribution and the money comes out tax free if used for qualified health expenses that are sure to happen as you age. Unlike a Flexible Spending Account you can accumulate funds for decades in this HSA super charged tax shelter. If you have the means, we would encourage you to not use the dollars in your HSA to reimburse your medical expenses. If you have the disposable income, as the chart shows, an HSA could be used as an exceptional savings tool.

The only caveat is that you would need to make sure that your HSA is invested for growth and not sitting in a cash savings vehicle. We would recommend that you research HSA providers before choosing one.



The measure of success is not whether you have a tough problem to deal with, but whether it's the same as last year's.

—JOHN FOSTER DULLES



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