

Fall 2019

FAMILY MATTERS



Family Investors Company

Congratulations on 25 YEARS

Congratulations to **President Peter Chemidlin** on celebrating **25 years** with Family Investors. Peter continues the legacy of his dad, Fred, in providing sound, common-sense financial advice to his clients to help them meet their financial goals. Peter is well-respected by his clients, his community, and his Family Investors family. Good luck to Peter for the next **25 years!!!**



THE LIGHTER SIDE

Local ad for a plumber: "We repair what your husband fixed."

Door of a plastic surgeon's office: "Hello, can we pick your nose?"

Sign at the psychic's hotline: "Don't call us, we'll call you."

Outside a muffler shop: "No appointment necessary, we hear you coming."

On a desk in a reception room: "We shoot every third salesman, and the second one just left."

In a veterinarian's waiting room: "Be back in 5 minutes. Sit. Stay."

IN THIS ISSUE

Mutual Fund Facts 2

Compliance Facts

Darraugh A. Valli 3

Insurance Corner

Steve Goldberg 3

Investment Terms 4

Family Chatter 4

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WHAT'S HAPPENING?

The potential need for **Long Term Care** is an important consideration when putting together a sound plan to reach your financial goals in the future. How much does it cost? How will I pay for it? What kind of facility may be right for me? Would I prefer to receive my care at home? These are some of the questions which will be answered on **Tuesday, November 12 at 7PM**, by Family Investors' Steve Goldberg along with Mia Kebea and Erika Carbone of **Seniors in Place, LLC**. They will give an informative presentation at the office of Family Investors Company. Light refreshments will be provided. Admission is free and there is no obligation. Seating is limited.

Please call the office to reserve your seat: **908.322.1800** or email: **lynnalgano@familyinvestors.com**.

Bring a friend or someone who might benefit from this presentation!

Mutual Fund Facts

Investors in Mutual Funds

- Demand for mutual funds is, in part, related to the types of investors who hold mutual fund shares. Retail investors (i.e., households) held the vast majority (89 percent) of the \$17.7 trillion in US mutual fund net assets at year-end 2018. The proportion of long-term mutual fund net assets held by retail investors is even higher (95 percent). Retail investors also held substantial money market fund net assets (\$1.9 trillion), but that amounts to a relatively small share (12 percent) of their total mutual fund net assets. In contrast, institutional investors such as nonfinancial businesses, financial institutions, and nonprofit organizations held a relatively small portion of mutual fund net assets. At year-end 2018, institutions held 11 percent of mutual fund net assets. The majority (58 percent) of the \$1.9 trillion that institutions held in mutual funds was in money market funds, because one of the primary reasons institutions use mutual funds is to help manage their cash balances.

Source: Investment Company Institute 2019 Investment Company Fact Book.

LETTING GO OF YOUR EMOTIONAL ATTACHMENT TO “STUFF”

Elaine Fernando of Organized Transitions, LLC, a Scotch Plains based business providing professional organizing services for homes, businesses and estates gives us some great ideas to help us let go of some of the “stuff”. Here are some of her tips.

The scarcity mindset makes us acquire more of the things that we have and don't have. It is sometimes a difficult task to really let go of things especially if there is sentimental value.

The key is to clear your clutter and organize what is left that you need, use or love. Why is it that some individuals can simply get rid of their clutter and others struggle with it? Unfortunately, many of us have emotions that, consciously or not, stop us from releasing our clutter. Following your emotions seem to be most common in this struggle.

1. Start with an easy area or the area that annoys or distracts you the most. Tackling an area that annoys or distracts you is a fantastic way to free up energy. The garage that you can no longer fit the car in. Start there. The sock drawer that you have to push and shove to close because it's so full of mismatched socks. Start there.

2. Give yourself a challenge. Challenge yourself on what needs to be done on your own space. Try to keep track of the things that you need to do every week to reduce clutter.

3. Only keep what is essential or beautiful. Imagine having a home that only contained things that were essential or beautiful, or both. That idea fills me with a sense of calm and pleasure. This step was the best way for me to make a decision on whether to keep something, as having that guiding idea took away the constant questioning. “Should I keep it? It could be handy in the future.” “You can never have too many pairs of black trousers, black socks...”

4. Get some help. Who says that decluttering your world has to be a chore or boring? Invite some good friends over, put some music on, and combine laughter with letting go of what no longer serves you...or consider hiring a professional organizer to help you declutter objectively in a confidential and nonjudgmental way.

5. Give your things a second life. Have you thought about giving some of your stuff a second life? Have a pile of t-shirts that you no longer wear why not donate

them? You can also sell them by having garage sales. Garage sales are good so you can earn extra money on the clutter or things you no longer need. If you have valuable items like art, antiques and jewelry, we can help you find its value and sell it through estate sales.

6. Connect with your emotions. Letting go of possessions can be like letting go of a part of ourselves. Dig into why you're hanging onto that item. What does the item represent to you? What memories have you attached to that item? Connecting to those emotions can help to know that those memories are always with me and don't need to be triggered by a thing.

We would like to take this opportunity to wish our friends and clients a very Happy Thanksgiving and a joyous holiday season.

INSURANCE CORNER by Steve Goldberg

Happy autumn!!! I hope you all had a great summer. I enjoyed lots of time at the beach and spent many hours with my beautiful grandchildren.

I am excited to host a long term care seminar on **November 12**. It is a topic that is on the minds of many people. The cost of long term care can be a major hindrance to a comfortable retirement. I hope you will be able to make it to this informative session.

I will be discussing some of the ways to pay for long term care. An increasingly popular way to pay is a hybrid long term care/life insurance policy. This type of policy addresses 2 of the major objections I get when discussing long term care insurance....the potential for rate increases and **“What happens if I never use it. I will have thrown away all that money.”** This type of policy does not have increases in the cost of the long term care coverage and has a residual death benefit payable to your heirs if there hasn't been a long term care claim.

Like any other financial concern, there is more than one way to address the question of how to pay for a potential long term care need. If you have any questions about strategies to pay for long term care, please feel free to give me a call in the office. **I am always happy to help.**

Compliance Facts by Darraugh A. Valli, VP

The FINRA Conduct Rule 2267 requires investment firms to annually inform clients of the FINRA's Public Disclosure program regarding investment firms and individual representatives. You can check the background of the investment firms and the representatives with whom you do business by calling FINRA at their toll free number: **1-800-289-9999** or via the internet at **www.finra.org**. Family Investors Company also provides a link to FINRA's Broker Check on our website. There is also a brochure available detailing the Public Disclosure Program. Family Investors Company urges you to take advantage of this free service.

INVESTMENT IDEA by Matt Chemidlin

You know that you need to save for retirement, even if you're not sure when you plan to retire, or how much income you'll need when you do. But, you do know that while you are saving, you want to be sure that your retirement funds will be protected. A Variable Annuity can help provide the retirement security you desire by exposing your savings to potential growth with various options for protection. There are options available that allow you to take advantage of growth potential without the risk of market volatility, and select a withdrawal plan that's right for you.

For example, some offer: **Principal Protection** - If your account value doesn't grow or falls to \$0, your principal investment, also known as your Guaranteed Amount, can be returned to you (less withdrawals) through annual payments.

Growth Protection - Your Guaranteed Amount can “step up” to the account value, if higher, every year. There can be annual withdrawals of up to 5% for 20 years. If you are age 65 or older, you may receive 5% for the rest of your life. If not, withdrawals can last until the Guaranteed Amount is returned. Please call your representative to find out if a Variable Annuity can be a suitable investment for your particular circumstances.

Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange.

Our office will be closed on **Thursday, November 28** and will close at **1PM on Friday, November 29**. The office will close at **1PM on Tuesday, December 24** and be closed **Wednesday, December 25**. The office will close at **4PM on December 26, 27, 30 and 31**. The office will be closed on **January 1 and January 20, 2020. Happy Holidays!**

In cases of severe weather, the physical location of Family Investors Company may be closed, but you can always call the office and your call will be forwarded to a licensed principal representative.

Santa Goldberg

The Township of Scotch Plains along with the Scotch Plains Business and Professional Association will hold their annual Holiday Festival on **Sunday, December 8** at Alan Augustine Park in the center of Scotch Plains. Santa arrives at 3 PM. Be sure to stop by and see Steve “Santa” Goldberg and enjoy the rest of the festivities. Bring your children and/or grandchildren!

Our office is open on Saturdays, by appointment only, for the convenience of our clients. You can receive “Family Matters” via email or online at our website. We would be happy to send it to you quarterly as soon as it becomes available. Please email us at: info@familyinvestors.com to request this service.

Household Debt Continues to Climb

According to an August 13, 2019 press release issued by the Federal Reserve Bank of New York's Center for Microeconomic Data, total household debt in the US increased by **\$192 billion to \$13.86 trillion** in the 2nd quarter of 2019. This represented the 20th consecutive quarter with an increase.

Mortgage balances, which makes up the bulk of the outstanding debt, increased by **\$162 billion to \$9.4 trillion**. The next 3 categories in size are student loans, auto debt, and credit card debt. Student loans decreased slightly by **\$8 billion to \$1.48 trillion**, auto debt rose by **\$17 billion to \$1.30 trillion**, and credit card debt increased by **\$20 billion to \$0.87 trillion**.

The entire press release can be found at

www.newyorkfed.org/newsevents/news/research/2019/20190813

INVESTMENT TERMS

You hear investment terms on television and read them in print media and on the internet. But what do they mean? Here is a primer of some common investment terms:

Millennial: A Millennial is the name given to the generation born between 1982 and 2004. The Millennial generation follows Generation X in order of demographic cohorts. This generation is often associated with technology and social media.

McFadden Act: Federal legislation that gave individual states the authority to govern bank branches located in the state. This includes branches of national banks located within state lines. The act was intended to allow national banks to compete with state banks by permitting them to open branches within state limitations.

Medallion Signature Guarantee: One of several certification stamps which guarantees that the signature authorizing the transfer of securities is authentic. A medallion signature guarantee is commonly required when an owner wants to sell or transfer securities. Generally you obtain a signature at the financial

institution where you already do business. A small fee may be charged by your bank.

Market Sentiment: The overall attitude of investors toward a particular security or financial market. It is the feeling or tone of the market revealed through the activity and price movement of securities traded in that market.

All Cap Fund: A stock mutual fund that invests in equity securities without regard to whether a company is characterized as small, mid-size or large.

Asset Accumulation: The increase in value of financial property and investments over time through the process of saving money and earning returns. Asset accumulation is the goal of all savers and investors. It represents increasing portfolio values, net worth and savings accounts balances, as cash is saved or invested and then grows through interest earnings and investment gains.

Family Chatter

Lynn Galgano was thrilled to have her daughter Elisabeth home from college this summer. She spent her summer working as an intern for the Bob Woodruff Foundation in New York City, and was able to enjoy some leisure time in the city with Lynn and her sister Emma. **Janet Lesce** enjoyed a lovely vacation in the Sedona and Grand Canyon areas with the family. Daughters, Caroline and Grace, are tucked neatly back at school for both their graduating years. Our Mini Dachshund, Petey, is enjoying all the one-on-one attention. **Darraugh Valli** and husband Peter are looking forward to going to Nashville to celebrate their 24th Wedding Anniversary. **Steve Goldberg** and wife Pat enjoyed many days on the beach this summer and had great times with their 2 beautiful grandchildren. Their daughter Melissa accepted a position as an associate with a large law firm in Philadelphia for when she graduates next May. Over the summer, **Peter Chemidlin** and wife Joan enjoyed a spectacular Alaskan cruise. Peter also celebrated his 40th high school reunion. **Matt Chemidlin** and his family enjoyed trips to Las Vegas and Los Angeles (both during earthquakes) and Wildwood Crest. They also enjoyed their annual trip to the lake in the Pine Barrens. **Susan Tomljanovic** enjoyed her summer and is enjoying her new position at Family Investors.