

Spring 2020

FAMILYMATTERS



Family Investors Company

THE LIGHTER SIDE

A woman in labor suddenly shouted, “Shouldn’t! Wouldn’t! Couldn’t! Didn’t! Can’t!”
“Don’t worry,” said the Doc. Those are only contractions.”

Yesterday I saw a guy spill all his Scrabble letters on the road. I asked him, “What’s the word on the street?”

Hear about the new restaurant called Karma. There’s no menu: You get what you deserve.

COVID-19 Statement

During these unprecedented circumstances we are committed more than ever to taking every necessary precaution to keep all Family Investors clients and staff safe. **Your health and welfare are of utmost importance to us, and are the most valuable assets we can have.**

Although we are currently not permitted to receive clients in the office, we will remain accessible by phone, email, conference call and video-conference. We want to make sure you get the help you need as we manage the many calls resulting from the COVID-19 pandemic. Please do not hesitate to contact us as often as needed. We are here to answer any questions or concerns you may have.

While we understand it is not easy to hear at this time, we remain confident that the best course of action is to “stay the course”. To date, history has shown that declined markets have always recovered and are a normal part of the investment cycle.

We have provided below the information for you to access via the internet an article from American Funds that we have found to be an informative guide to market fluctuations and common concerns during times of volatility. If you would like to have a hard copy mailed to you, please call the office on **908-322-1800**.

We appreciate your continued patience and continued faith in our commitment to your success as we navigate through this difficult time together.

<https://www.capitalgroup.com/individual/planning/market-fluctuations/past-market-declines.html>

We hope you and your families remain safe and healthy.

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CONTEST WINNER

Congratulations to **Susan Thul**, winner of the Winter 2020 Client Appreciation Contest. Susan's entry was drawn from all correct entries received. Be sure to complete and return the Client Appreciation Contest entry in this newsletter.

Compliance Facts by Darraugh A. Valli, VP

SEC Regulations require that we inform our clients of the Family Investors Company privacy policy with regards to their personal information. A copy of the 2020 Family Investors Privacy Policy is enclosed with this newsletter. Please be advised Family Investors Company does not disclose your confidential information to anyone (other than necessary information sent to our clearing agent).

When you receive a request to complete a new Client Information Form, please know we are required by our regulators to obtain this information to provide you with suitable financial products or services and to affirm the products you currently own are proper for your risk tolerance and investment time horizon. This information is NOT shared. We take precautions to protect personal information at all times and we will remain vigilant in protecting that information. **SAFEGUARD YOUR PRIVACY!**

Highlights of the \$2.2 Trillion Stimulus Package

In March, Congress passed and President Trump signed a \$2.2 trillion stimulus package, which includes sending checks directly to individuals amid the COVID-19 crisis. The Coronavirus, Aid, Relief and Economic Security (CARES) Act [H.R. 748] includes several adjustments to the rules that apply to retirement plans. Here are some of the highlights that could apply to you.

Hardship Distributions

Up to \$100,000 can be withdrawn, without incurring the 10% early withdrawal penalty, from an IRA or qualified plan as a coronavirus-related distribution made in 2020 if you or your spouse/dependent is diagnosed with COVID-19 or experiences adverse financial consequences due to the pandemic. Additionally, this distribution will not be subject to the 20% withholding and notice rules.

Repayment of Distributions

A COVID-19 related distribution can be repaid within three years of the date of distribution and may be made in increments not to exceed the amount of the distribution that would otherwise be eligible for rollover.

Loan Relief

If available within a qualified retirement plan, loan limits will increase from the lesser of \$50,000, or 50% of the account balance, to the lesser of \$100,000, or 100% of the account balance, of your vested account balance if the loan is made during the 180 days after enactment of the law.

Loan payments on existing loans due between the date of enactment to Dec. 31, 2020, may be delayed for one year, however this will be subject to plan approval. Like hardship distributions, these loan provisions only apply if you or your spouse/dependent is diagnosed with COVID-19 or experiences adverse financial consequences due to the pandemic. You should check with their employer or plan administrator to ensure this option is available under your plan.

Required Minimum Distributions (RMDs)

A temporary waiver of RMDs will be provided to eligible participants affected by COVID-19, while also suspending RMDs for 2020 for all IRA holders.

Additional Regulatory Changes Due to the COVID-19 Pandemic

Direct Payments to Individuals - Many Americans will receive \$1,200 (\$2,400 for married couples) and parents will receive an additional \$500 for each child under age 17. However, the payments will be decreased for individuals with adjusted gross incomes of \$75,000-\$99,000 (these thresholds are doubled for couples).

Federal Income Tax, IRA, and HSA Extensions - Federal income tax return filing deadlines have been postponed to July 15, 2020. In addition, the deadline for making 2019 contributions to Traditional and Roth IRAs and Health Savings Accounts (HSAs) has also been extended to July 15, 2020.

Stimulus Package (continued)

Student Loan Relief - The U.S. Department of Education implemented two changes to rules regarding student loans:

- Interest Waiver - All borrowers with eligible federal student loans will automatically have their interest rates set to 0% for a period of at least 60 days* beginning March 13, 2020.
- Suspension Period – Borrowers will also have the option to temporarily suspend their student loan payments. This administrative forbearance period will last for at least 60 days* from March 13, 2020.

* The U.S. Department of Education may extend this period, depending on the status of the COVID-19 national emergency at the end of the 60-day period.

If you have any questions about any of these provisions of the stimulus package, please call your representative at the office.

INSURANCE MATTERS by Steve Goldberg

I hope everyone is doing as well as possible in this very difficult time for all. COVID 19 touched my family as my brother and sister-in-law both had the virus. They have recovered fully with no lasting effects. My daughter Melissa is finishing up her law school studies, but her graduation ceremony has been postponed. I haven't seen my grandchildren in more than a month. FaceTime is great but it certainly doesn't quite replace spending time with them.

The world of life insurance has seen some **changes**. Some companies have discontinued some products and also have increased rates. The low interest rate environment has been a contributing factor to the rate increases.

Because of technology, you can still apply for life insurance without coming into the office for an in-person meeting. A phone call to me in the office can begin the process. We then assess the need for insurance and the type and amount of insurance that is appropriate. I then access a quoting system showing multiple insurance companies. We pick out the best product and company for your situation and then begin the application process while on the phone. Typically, a minimum of information is needed to start the process. The insurance company will follow up and complete the application during a phone call. Generally speaking, this process shortens the time for applications to be approved.

If you have any questions about applying for life insurance, or if you would like to have your current life insurance program reviewed, please feel free to give me a call at the office. I am always happy to help. **Stay safe and healthy!!**

Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange. Our office will be closed on **Monday, May 25** and will close on **Friday July 3**. A sign is always posted on the office door to remind clients. The office closes at 4PM on Fridays of long holiday weekends.

INVESTMENT IDEA

by Darraugh Valli

DOLLAR COST AVERAGING

During these times of extreme volatility, we would recommend you set up a monthly systematic investment plan or increase the monthly plan you already have in place. Successful investing is equal to buying low and selling high. There is no easier way to buy into the market during difficult times than by dollar cost averaging. This investment strategy that has stood the test of time. As you invest using the dollar cost average method you purchase more shares of the security when the price is low and fewer shares when the price is high. Eventually, you will have accumulated a large block of shares at various prices. This method like all other investing techniques requires persistence, confidence and patience. Please call your representative today to set up a systematic investment plan.

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.

Sometimes It Is Just Enough to Listen

Mia Kebea, Vice President of Case Management of Seniors in Place LLC, a Springfield, NJ In-Home and In-Facility Care company shares some thoughts.

“Growing old is not for sissies” – as Bette Davis once famously said. Watching somebody you love grow more forgetful and less independent can be just as shattering.

Many families struggle to know what to do, and how to help their senior family members. As people age, they often struggle with feeling less important than when they were younger. The world goes by so fast and they can feel passed by and ignored. Additionally, they may have hearing issues which can make them feel isolated, even among family. They might even experience age-related memory loss which can make it difficult to have interaction with others.

With over two decades experience caring for seniors and, by extension, their families, we have found that one of the most important things you can do for a loved one struggling with issues associated with old age is to listen – just listen. Give them a shoulder. Forget about yourself and really hear what they are saying.

Sit with them. Talk to them. And concentrate on listening. Or as we like to call it “hearing between the lines.” Most of all, laugh whenever you can. Listening and laughing reminds them that they are still loved, cared for, and that they are leaving a profound legacy for their family.

By taking the time to actively listen and seek their counsel, you can actually help dispel feelings of isolation and show your loved ones that you still consider them to have value.

Make Time for What’s Important. Sure it takes time to sit and listen to a senior. But we have so much to learn – more than we can imagine. For instance, we can learn lessons in courage in the face of adversity ... love, laughter, and the best way to live a long life ... and we can learn what not to do from their mistakes. What great life lessons!

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:

Average maturity: For a bond fund, the average of the stated maturity dates of the debt securities in the portfolio. Also called average weighted maturity. In general, the longer the average maturity, the greater the fund's sensitivity to interest-rate changes, which means greater price fluctuation. A shorter average maturity usually means a less sensitive - and consequently, less volatile - portfolio.

Diversification: The process of owning different investments that tend to perform well at different times in order to reduce the effects of volatility in a portfolio, and also increase the potential for increasing returns.

Federal Funds Rate (Fed Funds Rate): The interest

rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The most sensitive indicator of the direction of interest rates, since it is set daily by the market, unlike the prime rate and the discount rate, which are periodically changed by banks and by the Federal Reserve Board.

Growth-style funds : Growth funds focus on future gains. A growth fund manager will typically invest in stocks with earnings that outperform the current market. The manager attempts to achieve success by focusing on rapidly growing sectors of the economy and investing in leading companies with consistent earnings growth. The fund grows primarily as individual share prices climb.

Family Chatter

All of us here at **Family Investors** are staying safe and spending quality time with our families. We hope the same is true for you. Wishing you all the **best of health** as we all get through this difficult time **together**.