



THE LIGHTER SIDE

The most successful investor was Noah. He floated stock, while everything around him went into liquidation.

The most successful female investor was Pharaoh's daughter. She went to the Nile bank and floated a prophet.

I saw a bank that said it offered 24 Hour Banking." But I didn't go in. I didn't have that much time.

The market is weird. Every time one guy sells, another one buys, and they both think they're smart.

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Family Investors Company
265 South Avenue
Fanwood, NJ 07023
908-322-1800
info@familyinvestors.com
www.familyinvestors.com

PRESIDENTS MESSAGE 2020

2019 was a humbling year for me, with the passing of my father, who was a mentor in both life and work. I was overwhelmed by the amount of support I received from all who knew Fred and the wealth of respect that he drew. Fred's passing has also shed light on a critical financial conversation that the death of loved ones brings forth. As he would often say, **"you aren't taking it with you,"** and you want to be sure that the people and entities that you care about are getting your assets. Estate planning, however, is much more than leaving assets. It includes provisions for family members, companion animals, and speaks to charitable intent. Considering that federal and state inheritance laws are always changing, an annual review is always recommended. You will sleep better at night knowing your wishes are captured in writing and will be carried out in the way you want.



My dad felt strongly about sharing his knowledge and wisdom with others. Most children need financial education; it is essential to deliver this information to your children and grandchildren. Informally have a conversation about a financial mistake you made and what you learned from it. To better help reinforce the importance of this conversation, **we would be happy to meet with you and any family members** for a discussion about the time-value of money and the merits of a long-term investment strategy.

Give back—whether you give money or time, the act of giving can have a profound impact on your life as well as the lives of others.

Finally, focus on things you can control in your financial life and embrace the benefits of an annual review to help better your financial standings.

In 2020, Family Investors is celebrating its 60th anniversary in business. We have been extremely blessed with the opportunity to provide financial guidance and build personal relationships with multiple generations of clients. Thank you for being a part of our family. We look forward to serving you in the years ahead.

We wish you a Happy and Prosperous New Year!!

Retirement Assets Total \$29.8 Trillion in Second Quarter 2019

According to a report published by the Investment Company Institute (ICI) in September 2019, total US retirement assets were \$29.8 trillion as of June 30, 2019, up 2.3 percent from March 31, 2019. Retirement assets accounted for 33 percent of all household financial assets in the United States at the end of June 2019.

Individual retirement accounts (IRAs) totaled \$9.7 trillion at the end of the second quarter of 2019. Defined contribution plan assets were \$8.4 trillion, while government defined benefit (DB) plans—including federal, state, and local government plans—held \$6.2 trillion in assets. Private-sector DB plans held \$3.2 trillion in assets and annuity reserves outside of retirement accounts accounted for another \$2.2 trillion.

Of the \$8.4 trillion held in defined contribution plans at the end of the 2nd quarter, \$5.8 trillion was held in 401k plans. Of that \$5.8 trillion, \$3.8 trillion was managed by mutual funds. Equity funds accounted for \$2.2 trillion, with another \$1.1 trillion in hybrid funds, including target date funds.

Of the \$9.7 trillion held in IRAs, 46%, or \$4.5 trillion, was invested in mutual funds. With \$2.5 trillion, equity funds were the most common type of funds held in IRAs, followed by \$952 billion in hybrid funds. The full ICI report can be found at https://www.ici.org/research/stats/retirement/ret_19_q2

SAVE YOUR STORY

Keenan Lee of **Record of a Life**, a New Jersey based business providing recorded audio conversational histories of loved family members speaks about the importance of saving cherished family memories.

When someone you love passes, it is one of life's most painful experiences. Their love, their presence, the stories, the history...

If you could sit with them today, what would you ask? What would you say? Would you ask about their childhood? Their parents? Their struggles? About a recipe you miss? How many times have you thought "I wish I had asked them about _____."

At some point you'll also wonder why you didn't ask. If you think about it, it's because you knew them so well. You knew their favorite stories, their ways, their wishes. This is where family can be too close. We don't ask what we already know nor do

we think to ask when they're with us.

Sometimes the phone rings, a baby cries, someone says "it wasn't like that at all."

With so much to say, so much history and emotion, where does one start?

Taken a step further, your questions, the stories, memories, photos, and videos could be considered pieces of a puzzle.

A puzzle only they could put together.

When you give someone the space to tell their story through their own eyes; you'll be amazed at what you learn, what they learn, and how your relationship can grow.

Imagine that. Imagine you could hear their voice telling their own story. What would that mean to you? To your family? And if they were still here, what would you ask them now? Maybe you'd see them in a new light. Maybe you'd see yourself differently. Maybe you'd learn nothing but your conversations would change. And what about your relationship?

This is why it's important. We're all part of a long line of people. You are your family's link between the past and future.

Just like you, one day your children and their children will want to know about their parents and ancestors. They'll wonder who their ancestors were, where they came from, what their life was like, how you lived without the internet.

For you, for your family, and for those who come after you, I ask you to consider telling your story. You could write it, record it, paint it, sing it. Whatever it is, it's important. It will be one of the greatest gifts you will give your family.

Your story might not be a Hollywood script, but it's important. Because your story is the beginning of your children's story. Your story is their story.

The following information pertains to clients with National Financial Accounts.

Family Investors has entered into an agreement with National Financial Systems to satisfy FINRA Rule 613, CAT Reporting Technical Specifications. National Financial will report specified data and information about Reportable Events and record this data and information to the hour, minute and millisecond via synchronized clocks, and electronically transmit this data and information to CAT (Consolidated Audit Trail).

INSURANCE MATTERS by Steve Goldberg

Happy 2020! I hope you and your family had a good 2019 and a happy and healthy holiday season. It was an interesting year in the Goldberg household with many fun-filled days playing with 3 year old grandson Ryan and 1 year old granddaughter Molly. They certainly kept us hopping. I have continued with my healthy diet and exercise routine, losing a total of 55 pounds since September 2018. My daughter Melissa is in her last semester of law school and will be working with a large law firm in Philadelphia after graduation. Good luck to my son Andrew, who recently started a new job. As though chasing our grand-children around isn't enough, my wife Pat continues to work part time in early childhood education at the Scotch Plains YMCA. Never a dull moment!!

In recent months, I have spent a substantial amount of time with clients whose level term life insurance policies have neared or reached the end of their level term periods. These situations presented opportunities to **evaluate their current need for life insurance**. Financial situations change and it is unlikely that there is the same need for life insurance now as there may have been 20 or 30 years ago. As with any other financial product, there is no single answer that suits everyone.

In addition, I have seen many of our clients to review their **long term care insurance policies**. Many of these have seen substantial rate increases over the course of time and it is important to make sure the policies are meeting current needs and budget.

If you have similar concerns, or would just like to have a review of your current life insurance or long term care insurance program, and hear a bit about some new innovations in the insurance industry, please feel free to give me a call at the office. I am always happy to help. Once again, please accept my **best wishes for a happy, healthy, and prosperous 2020**.

INVESTMENT IDEA by Darraugh Valli

As the New Year arrives, now might be a good time to review where your **dollars are being spent**. Perhaps you should take the time to research your car insurance or homeowners insurance and discover if these premiums be reduced. Do you still need all the riders you are paying for? Are you paying for a gym membership you are no longer using? Review your current mortgage and your mortgage company to see if your PMI Insurance could be eliminated. Are you using coupons when you shop? Are you taking advantage of all the benefits your company offers such as enrolling in the HSA program? Could this money be better spent by investing in a non-retirement account? You can start saving for yourself today. A monthly systematic investment can be set up on any account. **Please call your advisor today to discuss.**

2020 Retirement Account Contribution Limits

The 2019 IRA contribution limits remain the same for 2020 at \$6,000. The additional catch-up contribution limit for individuals aged 50 and over also remains the same at \$1,000. The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$19,000 to 19,500. If you are over 50 years old, the catch up increases to \$6,500.

Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange. Our office will be **closed on Monday, January 20** for Martin Luther King, Jr. Day. The office will be **closed on Monday, February 17** in observance of Presidents' Day. It will also be **closed on Friday, April 10** in observance of Good Friday. A sign will always be posted on the office door as a reminder.

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.

Thank You

Thank you to all our clients and friends for your kindness and all the delicious treats brought to our office during the holidays. We truly appreciate you taking time out of your busy schedules to remember us.

Year-End Statements

Year-end mutual fund statements have been sent to each mutual fund family shareholder. We ask each client to make sure they save the year-end statements. Most statements are easy to understand with asset allocations shown in charts or graphs.

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.

Congress Passes Sweeping Retirement Bill

In late December, the US Senate passed the most sweeping retirement bill since the Pension Protection Act of 2006. The SECURE Act, whose progress had stalled until lawmakers tacked it onto a spending bill, aims to make saving easier. The House had already passed the legislation, and it was signed into law by President Trump. Here are the major changes:

Your Required Minimum Distributions(RMDs) Will Start at Age 72. Starting Jan. 1, 2020, the new bill pushes the age at which you need to start withdrawing money from your traditional retirement accounts to age 72 from age 70 ½. These RMDs are Uncle Sam's way of finally getting his share of your retirement savings that have grown tax-free for decades.

Those who are currently 70½ or older should not interrupt their RMDs but proceed with them as scheduled under current rules. Those who turn 70½ on or after Jan. 1, 2020, are subject to the new rules and will have an extra year and a half before they need to start withdrawals.

You Can Contribute to Your Traditional IRA After Age 70 ½. The law will allow you to contribute to your traditional IRA in the year you turn 70 ½ and beyond, provided you have earned income. This is currently prohibited (although there's no age cap on contributing to a Roth IRA).

You Will Need to Pay Taxes on Inherited IRAs Sooner. The bill essentially eliminates the “stretch IRA,” a planning method that allows IRA beneficiaries to stretch their distributions from their inherited account — and the required tax payments on them — based on the beneficiary's life expectancy. But under the new law, most beneficiaries will have to withdraw all the distributions from their inherited account and pay taxes on it within 10 years. Exceptions are made for certain beneficiaries, including spouses and the chronically ill or disabled. This provision is not retroactive and will not affect those who have already inherited an IRA. It will apply to those who inherit them starting on Jan. 1, 2020.

If You Work Part-Time or for a Small Business, You May Have a 401k for the First Time. The legislation makes it easier for small businesses to band together to offer retirement plans. Such multi-employer plans are currently rare because current law requires participating companies to be similar, e.g. from the same industry. The new law removes this requirement to allow any combination of small businesses to join together to achieve economies of scale. The law removed another hurdle to multi-employer plans by saying that all members of a group can no longer be punished if one company fails to follow the rules.

Separately, the law would also require employers who offer a 401k to expand access to part-time workers who work at least 500 hours a year for three consecutive years or 1,000 hours for one year.

Please feel free to call the office if you have any questions on these important changes to retirement regulations.

2020 SOCIAL SECURITY CHANGES

Social Security benefits will increase 1.6% in 2020. For the average retired worker it should translate into about \$24 extra per month in 2020, or close to \$248 for the year. The maximum amount of earnings subject to Social Security tax is rising from \$132,900 in 2019 to \$137,700 for 2020.

FAMILY CHATTER

Lynn Galgano enjoyed a wonderful, late summer trip to Denver and the surrounding area. It was sad to see the nice weather come to end. However, she had a great holiday with family and friends. **Janet Lesce** enjoyed her daughters being home from school and spending time together in New York City. Visited with family in Connecticut for the holidays. In January **Darraugh Valli** is celebrating **20 years** with Family Investors. She is very thankful for all of the amazing people she has met along the way. Darraugh thanks all her clients for your continued trust and confidence over these past 20 years. “Santa” **Steve Goldberg** enjoyed greeting and chatting with more than 200 children and their families at the Holiday Celebration in Scotch Plains. Steve recently accepted the position as Membership Chairman of Rotary District 7475. **Peter Chemidlin** and wife Joan enjoyed their holidays and wish their son Tighe good luck on his new career in Miami. Congratulations to daughter Morgan on making the Dean's List at Northeastern. **Matt Chemidlin** was happy to have all his family home to celebrate the joyous holiday season. **Susan Tomljanovic** is thrilled to have passed the Series 27 exam. She also enjoyed a wonderful holiday with her family.