

Winter 2017

# FAMILY MATTERS



## Family Investors Company

### THE LIGHTER SIDE

**Artificial intelligence is no match for natural stupidity.**

*Keep the faith...the most amazing things in life tend to happen right at the moment you are about to give up.*

**Life is not a problem to be solved, but a reality to be experienced.**

*Ever stop to think and then forget to start again?*

### MESSAGE FROM THE PRESIDENT



Happy 2017! Finally the presidential election is over. Time will tell what the next four years will bring and how the markets will react. The markets got a boost from the Trump victory, but profit taking may send the market down. As always, I urge you to “stay the course” in times of market turmoil. Just like bull markets, bear markets do not last forever.

Thank you to all the new clients who have chosen Family Investors Company as their investment firm. Your confidence is truly appreciated. A “Thank You” also to all of our ongoing clients for your continued trust and your knowledge that your investments are being handled professionally. Another “Thank You” to our clients for all the referrals you have given. A referral is the highest compliment I or any associate of the company can receive. In 2017 Family Investors Company will continue to serve your financial and insurance needs. Remember our philosophy—we LISTEN, we ADVISE, we PERFORM, but most of all we CARE about you and your financial future.

### Future Happenings

Planning for long term care (LTC) is a vital part of any personal financial program. Please join our own **Steve Goldberg** for an informational seminar on the various aspects of LTC planning. Steve will speak about the different options for receiving LTC, their costs, and several methods to pay for services, including self-pay, Medicaid, and LTC insurance.

Come to our office on **Tuesday, February 7th at 11AM or Thursday, February 9th at 7PM** to get the facts and have your questions answered. Please call the office in the event of inclement weather for a reschedule date.

Meetings and seminars are always free of charge, but a reservation is necessary as seating is limited. Please call the office at 908 322-1800 or email [lynngalgano@familyinvestors.com](mailto:lynngalgano@familyinvestors.com) to reserve your seat. Bring a friend to attend with you. Refreshments will be provided.

*The best things in life are unseen...that's why we close our eyes when we kiss and dream.*

### THANK YOU!

Thank you to all our clients and friends for your kindness and all the yummy confections you brought to the office for the holidays. We truly appreciate your generosity, although our waistlines do not.

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# Mutual Funds: Facts and Fancy

- According to the ICI (Investment Company Institute), Millennials focus on retirement saving through mutual funds reflects the importance of workplace retirement plans as a gateway to fund investing. In addition, the ICI found that mutual fund owning households headed by Millennials made their first mutual fund purchase at an earlier age than Baby Boom households.
- In an October 16, 2016 ICI report, total estimated inflows<sup>1</sup> to long-term mutual funds and exchange-traded funds (ETFs) were \$734 million for the week ended October 12, 2016, the Investment Company Institute reported today. Estimated mutual fund outflows were \$2.82 billion while estimated net issuance for ETFs was \$3.55 billion.
- On September 28, 2016, the ICI reported the combined assets of the nation's mutual funds increased by \$55.80 billion, or 0.3 percent, to \$16.36 trillion in August, according to the Investment Company Institute's official survey of the mutual fund industry. In the survey, mutual fund companies report actual assets, sales, and redemptions to ICI.

## Compliance Corner

DARRAUGH A. VALLI, VP

The FINRA Conduct Rule 2280 requires investment firms to annually inform clients of the availability of FINRA's Public Disclosure program regarding investment firms and individual representatives. You can check the background of the investment firms and the registered representatives with whom you do business by calling FINRA at their toll free number: **1-888 295-7422** or via the internet at **www.finra.org**

You can also find a link to the FINRA's Broker Check on the Family Investors Company website in the "About Us" section. There is also a brochure available from FINRA detailing the Public Disclosure Program. Family Investors Company urges you to take advantage of this free service.

## SPOTLIGHT

LYNN BJORKLUND GALGANO

Lynn joined Family Investors Company in June of 2014. Prior to that, she had been a stay-at-home mom for nineteen years raising her two daughters, now 18 and 21 years old. Prior to raising her children, Lynn worked in New York City in the Financial services Industry. She was an arbitrage trader for several years and then moved to Mergers and Acquisitions Financing as well as Bankruptcy Financing.

Lynn has been credit trained and holds her Series 7 Broker license. She also has a Bachelor of Science degree in Mathematics with a minor in Business and Computer Science.

While at home with her children, she tutored Mathematics, volunteered at local schools and worked part-time helping local businesses with their marketing efforts.



## Investment Idea

DARRAUGH A. VALLI, VP

If you have the means, consider setting up an automatic investment each month and pay yourself first. This can be done for as little as \$50 per month. \$50 means one less dinner out for two people, during the month...not a hardship for most people.

## 2017 IRA Contribution

The 2017 IRA contribution limits will remain the same as in 2016. For those under age 50, the maximum contribution you can make to a traditional or Roth IRA is \$5,500. For those age 50 and older, the maximum amount is \$6,500.00.

**You have until April 17th to contribute to your 2016 IRA account.**

## CONGRATULATIONS!

*The winner of the Client Appreciation Contest in the Fall issue was Janet Lawrence. Congratulations, Janet!*

You can check on the status of your federal income tax refund by calling toll-free 800.829.1040 or online at [www.irs.gov](http://www.irs.gov). The IRS also has a mobile app you can download to check your refund status: IRS2GO. It is available at the Apple App store, Amazon and Google Play. You will need your Social Security number, your filing status and the amount of your refund. File early and make sure your IRA is fully funded for 2016.

## INSURANCE MATTERS by Steve Goldberg

Happy 2017! I hope you and your family had a good 2016 and a happy and healthy holiday season. It was an eventful year for my family as my wife and I became grandparents for the first time. I look forward to spoiling grandson Ryan for many years to come.

As always, the beginning of a new year is an ideal time to review your financial situation, especially when it comes to your insurance program. In the past year, I've sat down with many clients to review their life insurance. On many occasions, we discussed the need for life insurance as a level term period was about to expire. At that time, the major question to ask yourself is "Is there a loved one who will suffer a financial hardship if I were to die?" If the answer is yes, then the need for life insurance is still strong.

It is also an excellent time to review your plans in the event you will need long term care in the future. Where do you think you will be living? Where do you think you would like to receive care...nursing home, assisted living facility, home? How will you pay for it? These are some of many questions that can be answered with a meeting to discuss your plans for long term care.

Thinking about the need for life insurance and the potential need for long term care are two important factors in creating a long term financial program. If you would like to talk about either or both, please feel free to give me a call to schedule a no-cost, no-obligation review. I am always happy to help. Again, Happy 2017!!!

## WHEN SHOULD I REVEAL MY SOCIAL SECURITY NUMBER?

*Courtesy of FINRA.org*

Every request for your Social Security number is an effort to steal your identity...but not every request is mandatory. In general, you will need to provide your Social Security number to:

- Employers for wage and tax reporting purposes
- Financial institutions such as banks or brokerage firms for tax reporting purposes
- Banks, credit card issuers or other lenders if you apply for a loan or a new credit card
- Landlords or utility companies (such as a power company) for a credit check
- Government agencies to obtain services or file your taxes
- Credit reporting agencies such as EquiFax, Experian, TransUnion or [annualcreditreport.com](http://annualcreditreport.com) to obtain your credit report or credit score.

When an individual or entity asks for your Social Security number, be sure to ask the following questions to help you decide whether or not to reveal it:

- Why do you need my Social Security number?
- Will you accept another form of ID such as a driver's license or passport?
- How will you use my Social Security number?
- How will you protect my Social Security number from being stolen or misused?
- What will happen if I don't provide my Social Security number?

## 2017 Social Security Benefits

Social Security benefits will increase 0.3% in 2017. An insignificant amount and the smallest increase ever. The average retiree's check will increase by \$3.92 per month.

## Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange. Our office will be **closed on Monday, January 16th** for Martin Luther King Day. The office will be **closed on Monday, February 20th** in observance of Presidents' Day. It will also be **closed on Friday, April 14th** in observance of Good Friday. A sign will always be posted on the office door as a reminder.

The office is open on Saturday by appointment only for the convenience of our clients.

## Year End Statements

Year-end mutual fund statements are being 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.

*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](mailto:info@familyinvestors.com) to request this service.*

## INFORMATION

As usual, enclosed with this edition of the newsletter is the Family Investors Company simplified Net Worth form. This easy to complete and understand form is an essential “report card” of your financial health. If you would like your representative to help you complete this and review your investment portfolio, call and schedule an appointment. There is no fee for this service. Even if you are not a client, a representative will be pleased to meet with you and perform this service.

**Tax Tips:** You can deduct medical and dental expenses for you, your spouse and your dependents after your total medical expenses exceed 10 percent of your adjusted gross income (AGI). If you or your spouse is age 65 or older, you can deduct total medical expenses that exceed 7.5 percent of your AGI.

Regardless of whether you take the standard deduction or itemize, you can deduct up to \$4,000 in qualifying tuition and fees paid for yourself, your spouse or a dependent in 2016. The expenses must be for higher education. If you are married but filing separately or if another person can claim an exemption for you as a dependent, then you don't qualify for the tuition and fees deduction.

The sooner you file your 2016 taxes, the sooner you will get your refund (if you are entitled to one). Don't procrastinate! The filing deadline for 2016 income tax returns is April 18, 2017. That's because the traditional April 15 deadline falls on the day commemorating Emancipation Day, the anniversary of the abolition of slavery in the District of Columbia. Emancipation Day is a D.C. holiday, but the IRS treats these as federal holidays for tax-filing purposes. Emancipation Day typically is celebrated on April 16. But that date falls on a Saturday so the holiday is being celebrated on the Friday before.

Residents of Maine and Massachusetts get even more time. They have until April 18 to file their federal taxes. April 18 is Patriot's Day, a statewide holiday in both states. The IRS has previously ruled that state residents get an extra day to file taxes if the federal deadline occurs on a statewide holiday.

## 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.

**Mission Statement:** A Mission Statement is a short sentence or paragraph used by a company to explain, in simple and concise terms, its purpose for being. These statements serve a dual purpose by helping employees remain focused on the tasks at hand as well as encouraging them to find innovative ways of moving towards an increasingly productive achievement of company goals.

**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.

## FAMILY CHATTER

**Peter Chemidlin** and wife, Joan, went to Pittsburgh and Heinz Field to watch his beloved Steelers. An added bonus was the Steelers beat the Giants! **Matt Chemidlin** and wife, Janice, and children Angela and Scott, enjoyed Thanksgiving and Christmas at home with family and friends. **Edna Trujillo** and husband, Luis, enjoyed the holidays at home with their daughters. **Steve Goldberg** again delighted children of all ages as Santa at the Scotch Plains Business and Professional Association's Holiday Celebration on the Village Green in Scotch Plains. Congratulations to Steve's son, Andrew, and wife, Jodi, on the birth of their son, Ryan Joseph. Steve and wife, Pat, were thrilled to welcome their first grandchild. **Joe Chemidlin** and wife, Valerie, spent the Christmas holidays with their children and grandchildren. **Darraugh Valli** can't believe how fast the time has gone. Twins, Michaela and Sean, are anxiously awaiting their acceptance notices from colleges they have applied to. **Janet Lesce** enjoyed the Thanksgiving and Christmas holidays with family as her daughters were home from college. **Lynn Galgano** enjoyed Christmas at home, then traveled to Hawaii with her daughters. They visited Maui, Kauai and Oahu. They enjoyed time exploring the islands and relaxing.



