



MOLDENHAUER ASSOCIATES

APRIL NEWSLETTER

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GETTING (MENTALLY) READY TO RETIRE

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TAKING CHARGE OF YOUR FINANCIAL LIFE

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The Easter Holiday brings WNY people into the Spring Season. We hope your Easter was enjoyable and filled with promise.

Moldenhauer & Associates has gone through a real metamorphosis, but the more we change the more we evolve toward the original mission of the firm. We've been through various market cycles and crashes, but our mission has continued to focus on providing the best possible, personal service for our clients.

Every member of our firm understands that we stand ready and committed to serve each client's changing needs. Whether it is a routine in person review, a zoom meeting, or a simple phone communication, we welcome the chance to interact with you and serve you.

This month, we are back at the remodeling of our second-floor offices. Finally, the furniture we have been waiting for is about to arrive. The updates will complete the work we've been doing over the past several months. Over the past few years, the Village of Orchard Park has been experiencing frequent electrical blackouts. To solve the problem, we are adding a back-up generator to keep the lights, air conditioners, and computers running during these power outages.

This year the challenges are still there; unique and scary. Soon, there will be some return to normalcy. For that reason, it is critical that we all do our best to stay the course. I've been fortunate to be able to call some of our industry's sharpest minds, friends. In our discussions in recent months, they too feel that there is just too much noise coming from the left and the right but too little appreciation for what the citizen is experiencing.

The tragedies occurring in Ukraine and the potential for expansion of the war will affect society and the economy for at least the mid-term future. To expand the discussion would require expressing the opinions I have developed from reading, research, and thoughtful consideration. To summarize, what drove my mother's parents from that part of the world in 1899 was that that part of Europe/Asia was a place of perpetual tribal conflict. Unfortunately, today the weapons are bigger and more deadly.

As one of the brilliant financial people once so eloquently stated, there is no right or wrong time to enter or leave the market. The markets are always either healing or growing. During the healing period, things can look terrible; sometimes looking like the end is near. Then, when we least expect it, the healing is at a stabilizing point and recovery occurs faster than expected. The winners are happy they did not jump ship; the losers are disappointed that they did not choose the right moment to get back in.

The financial world is much like a fishing trip. There are days, and sometimes weeks, that I cast my carefully tied flies into the water hoping the fish will decide to select my offering for dinner and they seem disinterested. Then, out of the blue at a time least expected, when I am about to give up, the prettiest fish grabs my fly, and all the patience and effort is rewarded. I then realize this is how life happens, and I appreciate the gift.

With all its pimples, the United States is still the best place to live, work, and invest. Appreciate the good parts of our lives and help make America better for future generations.

Richard Moldenhauer

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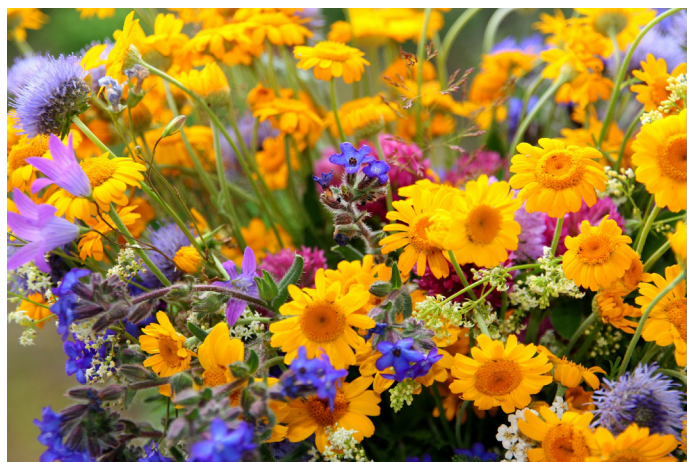


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ARE YOU RETIRING WITHIN THE NEXT 5 YEARS?

What to focus on as the transition approaches.

You can prepare for the transition years in advance.

In doing so, you may be better equipped to manage anything unexpected that may come your way.

How much monthly income will you need?

Unfortunately, there is no “magic” number for everyone to strive for. Instead, examine your monthly expenses, considering any trips, adventures, or pursuits you have in mind for the near term. As a test, you can even try living on your projected monthly income for 2-3 months prior to retiring.

Should you downsize or relocate?

Your home is not only a significant asset, it also represents a significant part of your lifestyle. After all, our homes are often a reflection of who we are. It follows that the decision of how much home we want—or need—may vary with each situation; it is not strictly a financial decision. However, if you are considering downsizing or relocating, the financial component of the decision should be considered thoughtfully.

How should your portfolio be constructed?

For many retirees, the top priority is generating consistent income. With that in mind, your financial professional can adjust your portfolio with respect to your time horizon, risk tolerance, and goals. For example, some retirees prefer to maintain an amount of risk-averse investments that can provide income during retirement. However, even the most risk-averse investments aren't immune to risk entirely.

How will you live?

Whether you dream of endless Saturdays or dedicating your time to volunteering, remember that retirement is a beginning. Ask yourself what you would like to begin doing now. Think about how to structure your days to pursue that goal, and give it a shot! There's no better way to prepare for what may come, than to practice in the present.

How will you take care of yourself?

If you retire before age 65, Medicare may not be an option. If you're considering early retirement, check if your group health plan extends certain benefits into retirement.

Even if you retire at 65 or later, Medicare may not be your ideal solution. Consider items Medicare doesn't traditionally cover, such as extended care or other specialized medical services.

Review your retirement strategy as the transition approaches.

Give your financial professional a call today. An adjustment or two before retirement may be all you need for a successful next chapter.

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Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC

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STATES ARE REQUIRING RETIREMENT PLANS

Will new mandates solve an old financial problem?

Too many Americans save too little for retirement.

This problem has been discussed for decades in all kinds of media, and there seems to be no easy way to solve it.

Fourteen states are giving it a try, however: they have passed or introduced laws requiring or urging companies to provide retirement savings opportunities to employees. In most of these 14 states, employers must either sponsor a retirement plan, or automatically enroll their workers in a state program.¹

Payroll giant ADP notes that a majority of states have considered mandatory retirement saving programs. A similar mandate is being discussed on Capitol Hill: H.R. 2954, informally called SECURE ACT 2.0, would require employers to auto-enroll employees in workplace retirement plans. This bill stalled in Congress in 2021, but the House and Senate are likely to revisit it this year.^{2,3}

California and New York are among the states now stipulating worker enrollment.

By June 30, 2022, any private employer in California with more than five full-time employees (FTEs) must offer those FTEs a retirement savings program, enroll them in the new CalSavers retirement plan, or face fines after 90 days of non-compliance. New York now requires most businesses and non-profits with ten or more employees to either provide retirement savings choices for them or auto-enroll them in the New York State Secure Choice Savings Program.^{1,4}

In Vermont and Washington, the employer mandate is voluntary. In all 14 states, employees have the right to opt out of the state-run retirement programs.¹

Will efforts like this solve the problem of inadequate retirement saving?

Not entirely. Only about 50% of Americans participate in employer-sponsored retirement programs. Tens of millions of Americans lack access to any kind of retirement plan.⁵

Even if SECURE Act 2.0 becomes law, its automatic enrollment stipulation would not be retroactive. Automatic enrollment would only be a requirement for new workplace retirement plans, not those created in the past. It could also allow employer-sponsored retirement plans to set a deferral rate as low as 3%, and many financial professionals would like to see savers direct greater percentages of their earnings toward retirement.⁵

The list of states with retirement program mandates either live or oncoming includes California, Colorado, Connecticut, Illinois, Maine, Maryland, Massachusetts, New Jersey, New Mexico, New York, Oregon, Vermont, Virginia, and Washington. Twenty-one other states have introduced bills into their legislatures that could create similar requirements.¹

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1. Nasdaq.com, January 12, 2022
2. ADP, January 30, 2022
3. Barron's, January 3, 2022
4. National Law Review, October 29, 2021
5. MarketWatch, March 31, 2021

UPCOMING EVENTS:

Our upcoming seminars are at:

SEMINARS ARE TEMPORARILY ON HOLD.

Please visit our website at www.moldenhauerassociates.com for updates.

We encourage clients who live in the area to consider attending with a friend or two. We find that the best way to introduce new potential clients to our firm is when an existing client brings a friend to one of our seminars. As you know, these are informational/educational events. We are not there to convince people that we are the only firm to consider working with. Rather, we do believe that our firm offers a quality opportunity for those people looking for a new advisor relationship. Please consider attending an upcoming seminar in your neighborhood with a friend. You may register for a seminar by calling 716-662-4361 or through our website at www.moldenhauerassociates.com.

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