

PERSPECTIVES

S P R I N G 2 0 1 8 E D I T I O N



FROSS & FROSS
WEALTH MANAGEMENT

GIVING BACK

*Reaffirm the Deeper Side
of the Human Heart*

**WAYS TO PROTECT YOUR
ESTATE AND PREPARE
FOR YOUR FUTURE**

9 Tips for Managing
LOWER BACK PAIN

*How to Grow
an Herb Garden*

SPRING WELCOME

Dear Client,

Greetings and well wishes to you as we prepare for springtime. The arrival of spring this year comes as a very welcome change—after what, for many, was a very brutal winter.

For most of us, the change of season is a time for optimism. Longer days, warmer weather, and the blossoming of nature await us. Spring is also a season of preparation: spring cleaning, gardening, and summer vacation planning.

In this Spring 2018 Newsletter, we present to you several timely articles with valuable information you can use to plan your financial life, to prepare for warmer weather, and to safeguard your health and well-being.

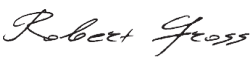

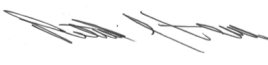
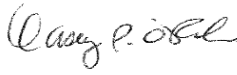
You'll read about the importance of carefully planning your charitable giving, steps to take to prevent and relieve lower back pain, and how to create an herb garden that will allow you to grow delicious and healthy herbs for you, your family, and your friends. You'll also learn about the importance of planning your estate.

We're hoping this newsletter—full of tips and ideas for a more prosperous and healthier future—will brighten your life for many more seasons to come.

As your financial professionals, we at Fross and Fross Wealth Management wish you success, wisdom in planning, and a greater appreciation for what lies ahead.

Contact us today. We'd be very happy to help you pursue your financial goals.

Warm Regards,

	
Robert Fross	Thomas Fross
	
Patrick Fross	Casey O'Rourke

FUN DOESN'T RETIRE.



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WEALTH MANAGEMENT



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Giving Back

Charity. It's just a 3-syllable word, but it reaffirms the deeper side of the human heart: its innate desire to sacrifice for love's sake, its selfless acts of improving the lives of others, and its humble expressions of caring and compassion. This is where life ought to begin.

In his first inaugural address, President Abraham Lincoln referred to that intrinsic drive in each of us to connect and to bond with others: "The mystic chords of memory will swell when again touched, as surely they will be, by the better angels of our nature."

For some reason, charity is woven uniquely and deeply into the fabric of the American soul. Per capita giving in the United States exceeds that of any other nation by a nearly 2–1 margin.¹

Carefully designed financial strategies enable Americans holding those heartfelt passions to integrate their visions of giving and their heart-held values into clearly defined directives. These directives provide givers with the assurance that they are making a difference in their communities and in people's lives.

Developing a plan of action allows you to keep track of your donations and provides you with the confidence in knowing your gifts are going to worthwhile causes.

HOW DOES PLANNING YOUR PHILANTHROPY **HELP CHARITIES?**

Charity and nonprofit organizations depend on the generosity of donors. While many organizations devote considerable time and effort to fundraising and marketing campaigns to maintain their budgets, the bulk of their donations comes from the faithful givers who believe in the nonprofit's cause and share its vision.

Charity Navigator,² an independent nonprofit that evaluates charity organizations, provides donors with the resources to choose responsible and accountable recipients. Donors can use the site to investigate nonprofits' financial transparency and percentage of actual giving.

Strong, loyal commitments from donors to nonprofits allow organizations to align their budgets more closely with their mission statements.


CharityWatch,³ an independent charity watchdog group, analyzes nonprofits' financial reports to reveal spending trends and budget expenditures in rating organizations.

CharityWatch rates organizations as highly efficient if their administrative, marketing, and other overhead costs fall below 25% of their budgets.⁴

STRATEGIC GIVING **HELPS** DONORS AND NONPROFITS

Developing a donation plan helps nonprofits shift their focus to the principles outlined in their mission statements. Nonprofit leaders who know their revenue streams are flowing strongly and steadily can adjust their efforts on either expanding their organizations to help more people or improving their levels of service.

Dedicated giving plans by a network of donors also help lessen the need for nonprofits to sponsor exhaustive marketing campaigns and hold regular fundraising drives. Donors who only respond to mail or cybersolicitations reinforce the need



'Charity. It's just a 3-syllable word, but it reaffirms the deeper side of the **human heart.**'

‘Volunteering gives people the opportunity to invest in their communities on a deeper human level.’⁵



for charity groups to conduct expensive marketing campaigns, which explains in part why many organizations spend so much of their money to generate more money.

Planning your giving also lets you determine who exactly should receive your donations. You may choose, for example, to earmark percentages of your donation budget to churches, to shelters, or to certain education foundations.

Here are some questions to help bring focus and clarity to your giving strategy:

- What does your pattern of giving reveal about you?
- What charitable causes ignite your passion or grab your interest?
- Have your giving and your gifts been disciplined and focused in one area?
- What motivates your giving?
- How did you connect with your chosen charities?

Developing a plan for your giving provides you with the assurance that your gifts are going where you feel they'll produce the best impact. Having a plan in place establishes a kind of partnership between you and the charity organization.

Giving also has a secondary and more tangible benefit on your taxes. Listing charitable giving during your tax filing may lower your tax bill.

PHILANTHROPY ACCENTUATES YOUR PERSONAL VALUES

A giving plan helps define your core values and fortifies your life mission. Determining how, what, and to whom you want to give involves at least some personal reflection to assess your values and your priorities in life.

Helping people doesn't always have to take the form of a monetary gift. Volunteering your time, offering your expertise, or sharing your wisdom fits into the category of philanthropy. Volunteering gives people the opportunity to invest in their communities on a deeper human level.⁵

The act of sharing our time and talents with others elevates us by enhancing our problem-solving abilities, strengthening our communities, improving other people's circumstances, establishing connections with others, and creating opportunities to transform hurting lives on the deepest levels.

Investing in others could never be easier.

GIVE NOW OR GIVE LATER: WHEN'S BEST?

The timing of your giving is just as important as how much and to whom you give. Here are some questions to consider: How often do you want to give? Do you want to include a gift as part of your estate? How do you want to give? Consulting a financial professional to analyze your circumstances and review your goals may help alleviate your concerns.

HOW CAN WE HELP YOU REACH YOUR GOALS?

As financial experts, we want to help you shape your vision into a practical and workable plan. We can help you:

- Explore your values and create a family mission statement.
- Develop a system for giving that incorporates your goals.
- Understand how planned giving can fit into your existing financial strategies.
- Develop your personal legacy and a vision for your family's future.

By working with financial professionals, you gain valuable insight into how to give responsibly and guidance in achieving your charity goals. We will help you identify worthy and reputable groups and organizations by equipping you with the ability to analyze and research nonprofit causes.

¹<http://www.philanthropyroundtable.org/almanac/statistics/>

²<https://www.charitynavigator.org/>

³<https://www.charitywatch.org/home>

⁴<https://www.charitywatch.org/charitywatch-criteria-methodology>

⁵<https://www.nationalservice.gov/serve-your-community/benefits-volunteering>



WAYS TO PROTECT YOUR ESTATE

AND PREPARE FOR YOUR FUTURE

Proper estate management is critical when working toward a more sound and stable financial life. From your wills to beneficiaries and beyond, estates require thoughtful strategies.

Yet many Americans still haven't protected themselves in the ways they should. In fact, only 40% of adults have a will or living trust.¹ If you don't have documentation in place to direct your wishes, the courts may decide what to do with your estate when you pass away.

Preparing for the future and adequately protecting your financial life take care and consideration. By starting with these tips, you'll be on the path to creating a more stable foundation for your family.

PREPARE TO ENJOY A LONG LIFE.

Thanks in part to advances in medicine, we're living longer than ever, meaning you will probably need to account for a longer life span than previous generations. Without thoughtful strategies, outliving your resources can be a real threat to your estate and your family's financial standing. Today, one-quarter of all 65-year-olds will live into their 90s—and 10% will live beyond 95 years old.² Furthermore, 20% of 65-year-olds today will need assisted care at some point in their lives for more than 5 years.³

As we age, our expenses increase. With long-term care costs continuing to escalate, you need financial strategies to help you prepare for longevity. Here is a snapshot of some of the annual costs to anticipate for your future:⁴





- Private room in a nursing home: \$97,455
- Semiprivate room in a nursing home: \$85,775
- Home health aide: \$49,192
- Assisted living, 1 bedroom: \$45,000

Preparing for these expenses with long-term care insurance can be a helpful strategy as you work to further protect your estate.

REVIEW AND UPDATE IMPORTANT DOCUMENTS REGULARLY.

As life moves along, the details of your financial life will change, too. Reviewing your important documents can help ensure the details reflect where you are now and protect your future.

For example, did you recently marry? Have a child? Lose a spouse? These factors can affect the beneficiaries of your account (among other details) and, without accurate documentation, create real difficulties for family members trying to settle estate details. Do yourself and your family a favor by making sure your financial accounts and documents remain accurate as your life changes.⁵

In addition, new tax laws take effect this year that could impact your estate-planning strategies.⁶ Now is a good time to address what you may need to update in order to continue protecting your estate.

Consider addressing the following financial items:⁷

- Review retirement account details to confirm that your beneficiary listings are accurate.
- Make sure you have adequate life insurance with the correct beneficiaries listed.
- Designate transfer on death (TOD) details for accounts such as bank savings, CDs, and individual brokerage accounts.
- Update or revise your will to help ensure it reflects your current wishes.



Percentage Who Do Not Have Wills by Generation

- 18–36 years old: 78%
- 37–52 years old: 64%
- 53–71 years old: 42%
- 72+ years old: 19%

Source: AARP

<https://www.aarp.org/money/investing/info-2017/half-of-adults-do-not-have-wills.html>



Remember, any beneficiaries you name will override what you detail in your will.⁸ Make sure you have all the details aligned with your wishes in order to thoughtfully transfer your estate.

CONSIDER AN IRREVOCABLE LIFE INSURANCE TRUST (ILIT).

An ILIT is a trust that owns a life insurance policy and helps people minimize their estate taxes. This year the estate tax threshold is \$10 million in value per estate.⁹ By designating your estate—rather than a person—as the policy’s beneficiary, you make it an asset.

Once you set up an ILIT, you can’t make changes or close it out. When you or your spouse die, your death benefits pay directly into the trust. From there, your estate beneficiaries (children, grandchildren, etc.) receive regular, tax-free payouts from the ILIT instead of a taxable lump sum.¹⁰

Here are some additional benefits of an ILIT:¹¹

- It controls the beneficiaries’ receipt-of-proceeds circumstances.
- It protects the cash value of the life insurance policy from creditors.
- It creates potentially lower insurance needs due to reduced estate taxes.
- It allows stronger protection and management of proceeds to any beneficiary on government aid.
- It reduces the size of your estate, thereby potentially lowering your tax debts.

TRY TO AVOID PROBATE.

People go through the probate process after someone dies and his or her estate must transfer to his or her heirs. The legal process is usually costly and cumbersome. It may also involve the general administration of someone’s estate.¹² Each state’s limits to probate vary, including the size of the estates that must go through the process.¹³ You will need to identify the specific laws based on where you live.

One way to possibly avoid probate is to set up your financial accounts to transfer on death (TOD). By doing so, you specifically assign who receives which assets and how much he or she gets. You may also be able to avoid the costly probate process.¹⁴

Overall, probate fees add up and usually vary. Here are some fees to be aware of:¹⁵

- Accounting Fees: The amount you pay depends on your estate’s overall value and the type of assets you own.
- Appraisal and Business Valuation Fees: You will pay these fees when identifying the value of assets such as real estate, business interests, and personal property.
- Attorney Fees: These fees are similar to the personal representative fees, and costs depend on the legal firm and state requirements.



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Assets Subject to Probate

- Individual assets, such as bank accounts
- Tenants-in-common assets
- Beneficiary assets with no beneficiary or predeceased individuals designated
- Assets not in a trust

Source: The Balance

<https://www.thebalance.com/what-are-probate-assets-an-overview-3505271>

”

- Court Fees: State laws define what fees you must pay, ranging from a few hundred dollars to a few thousand or more.
- Personal Representative Fees: These fees are paid to the estate administrator or executor, which state laws also define.

Your unique financial life and estate goals will drive the strategies that work best for you. Coordinating with a financial professional can help you proactively address your needs and protect your estate. Whether you have gaps to fill or you need to lay the foundation, remember that today's efforts will help you prepare for tomorrow's comforts.

Sources

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⁴ <https://www.forbes.com/sites/nextavenue/2017/09/26/the-staggering-prices-of-long-term-care-2017/#43fef4642ee2>

⁵ <https://www.investopedia.com/retirement/importance-updating-retirement-account-beneficiaries/>

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⁹ <https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax>

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¹¹ <https://www.investopedia.com/advisor-network/articles/irrevocable-life-insurance-trust-protect-your-estate/>

¹² <https://www.investopedia.com/terms/p/probate.asp>

¹³ <https://www.forbes.com/sites/nextavenue/2017/04/07/probate-wills-executors-your-estate-planning-questions-answered/#31a1b5a63250>

¹⁴ <https://www.investopedia.com/terms/t/transferondeath.asp>

¹⁵ <https://www.thebalance.com/how-much-does-probate-cost-3505268>





Back Pain?

9 Tips for Managing Lower Back Pain

Statistics on lower back pain are staggering. Nearly 10% of Americans (31 million) suffer from lower back pain at any given time.¹ Half of all working adults in the United States complain of symptoms each year.

Around 80% of Americans will experience lower back pain at least once in their lifetimes.² Back pain is considered the leading cause of disability worldwide.³ Medical researchers say lower back pain has risen by about 8% in the last 10 years.

Abnormal stress and strain on muscles of the vertebral column⁴ cause most cases of back pain.⁵ The mechanical pain typically arises from the bad habit of poor posture, poorly designed seating, and incorrect bending and lifting motions.⁶

Back pain costs Americans more than \$50 billion a year.⁷

If you have lower back pain, you probably don't need an explanation of what it is or how it feels. But for those in the minority, those 1 in 5 who will never experience this excruciating and sometimes debilitating condition, lower back pain is an injury to a muscle (strain) or a ligament (sprain). Causes include improper lifting, poor posture, lack of exercise, a fracture, a ruptured disc, infections, and tumors.⁸

Most incidents of lower back pain will subside after 2 to 4 weeks. Physical therapy and pain relievers may provide some help. But what do you do in the meantime, and how can you prevent the onset of back pain? Here are 9 tips to help alleviate the pain and set you on your way to healthy living:⁹



Chill

Physical therapists say ice is the first line of treatment in the first 24 to 48 hours following an injury. Ice helps reduce inflammation. Heat initially exacerbates back pain. You can use heat treatment after 48 hours. Therapists also say to stop using ice packs after 20 minutes of application to give your skin a break.

Get a move on

While you shouldn't repeat the movements that produced the injury, the best advice is to get moving, experts say. Your body was meant to move, but don't overdo it. Take it easy, but get that blood flowing, and keep those muscles limber.

Get back to work

Once you're feeling better and you feel you've recovered from your injury, start doing some exercises to strengthen your lower back. Exercises for your lower back will help improve your posture and prevent future injuries and pain. Crunches and other abdominal-focused exercises are no-nos. Strong hip, pelvic, and abdominal muscles provide lower back support.

Stretch it out

Sitting in one position all day will only aggravate lower back pain. Take frequent stretch breaks to keep your back loose. Stretch your legs, too.

Go ergonomic

No more hunching or slouching. Design your office space and your home so that you aren't leaning forward to see your monitor or to move your mouse. Sit in a chair that supports your lower back and allows your feet to rest on the floor.

Sit up straight

Developing better, straighter posture will help reduce the possibility of lower back pain. Watch how you lift heavy objects. Don't slump, and never bend over from the waist. Use your knees for bending over to lift objects off the floor.

Go with low heels

Those high heels may create unstable postures. Low heels (less than 1 inch) or flats are best for your back.

Stop smoking

Smoking may increase the risk of osteoporosis of the spine, which may lead to compression of the spine.

Lose weight

If you're overweight, start losing. Excessive weight puts pressure on the spine.

Following a few preventative steps can put you in the minority of Americans who live back pain-free lives. Maintaining the health and strength of your lower back leads to a more active and healthy lifestyle.

¹<https://www.acatoday.org/Patients/Health-Wellness-Information/Back-Pain-Facts-and-Statistics>

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⁸<https://www.webmd.com/back-pain/guide/low-back-strain#1>

⁹<https://www.webmd.com/back-pain/features/manage-low-back-pain-home#1>



The British pronounce the *h*. Americans don't. The French? Definitely not. In fact, "herb" comes from the Old French word "erbe," which came from the Latin "herba." Both early French and Latin speakers dropped the *h*.¹

Whether you pronounce the *h* or not, you know herbs are good (as in delicious) and good for you (as in healthy). You also know an herb garden (or a herb garden) is the ideal way to capture the best of all worlds: horticulture, nutrition, and cooking.

In short, you can't lose with an herb garden. Picture it: a sprawl of basil, bay laurel, borage, caraway, catnip, chervil, chives, dill, fennel, garlic, lavender, lemongrass, lemon balm, lemon

verbena, mints, parsley, oregano, rosemary, sage, savory, sorrel, tarragon, and thyme.

Obviously, considering the list of herbs is long, you may want to start slowly, unless you have a whole lot of land and plenty of time on your hands. Starting an herb garden in the spring can ignite an exciting and satisfying habit that will reap some very healthy and tasty rewards for years to come.

Gardening—and herb gardening, in particular—also provides some wonderful physiological benefits. That means you're going to be healthy and happy just by getting outside, digging in the dirt, and doing the work of tilling and planting under the spring sun. Think vitamin D and the 200–400 calories burned per hour of gardening.²

Let's roll up our sleeves and get to work. Here are the basic herbs:³



Here are the basic questions:

WHERE DO YOU WANT YOUR GARDEN? Find a place outside where the sun will shine and where the soil will drain well.⁴ Besides the plants, you'll need some fertilizers or compost. While herbs can grow in pots, they thrive better in the ground. Unless herbs are managed carefully, potting them can stunt their growth. Some herbs require 4–6 feet in area to grow strong.

While you ought to read labels for exact instructions on different herb needs, most require full sun and generally grow strongest when spring and summer temperatures don't rise above 90 degrees.

If you live in hotter climates, then you should find a garden spot that gets morning sun and afternoon shade. Another rule of thumb for hot summer gardening is to find an area that gets filtered sun, such as under trees.

HOW MUCH SPACE DO HERBS NEED? Most herbs require 1–4 feet in diameter each.

Here are some general rules of thumb for herb spacing:⁵

- 3–4 feet: rosemary, sage, mints, oregano, marjoram
- 2 feet: basil, thyme, tarragon, savory
- 1 foot: cilantro, chives, dill, parsley

HOW DO YOU PREPARE THE SOIL? Use a large garden fork to loosen the soil. This allows the water to flow through the soil more thoroughly and evenly. Mixing compost into the soil helps the herbs to grow stronger and helps prevent plant damage. The compost acts as a fertilizer.

HOW DO YOU PLANT THE HERBS? Plant the herbs according to directions, and water them after they become dry. Check the soil a couple inches below the surface to see if it is dry before watering. Do not overwater the plants. Excessive watering is not good for strong herb growth. In the beginning, you'll have to monitor soil moisture frequently to ensure the herbs are hydrated properly.

HOW DO YOU HARVEST? Cut off about 1/3 of the branches after the plant reaches more than a foot tall. Cutting close to leaf intersections allows the herbs to regrow. The oldest branches in herbs that grow from the center, such as parsley, should be removed completely to allow small branch growth.

HOW HARD IS IT TO GROW HERBS IN CONTAINERS? Compared to houseplants, herbs are a breeze. Find yourself a warm, sunny area and large containers, and you're ready to go. Keep in mind that if your herbs had a choice, they'd take the earth over containers any day. While more challenging, growing an herb garden in containers can be just as much fun and just as rewarding. It will, however, take more work.

WHAT KIND OF MATERIALS WILL YOU NEED? You'll need clay or plastic containers 8" to 18" in diameter. You'll also need enough potting soil to fill the containers. Get good organic herb or vegetable fertilizer.

HOW DO YOU PREPARE THE CONTAINERS? Make sure you allow for at least 8" in diameter for each herb. (You may need to replant the herbs in larger containers later as they outgrow the smaller pots.)

Fill the containers with the potting soil and mix in the fertilizer. Add water to the mix so that the soil feels damp throughout. Follow package directions when digging holes in the soil for the herb. Immediately water the herb after planting. After that, water it only when the soil feels dry to the touch.

HOW MUCH SUN SHOULD YOUR HERBS GET? Herbs should get 4 hours of sun, on average.

HOW DO YOU HARVEST HERBS FROM CONTAINERS? Just follow the same steps for garden-grown herbs.

That's it. Herb gardening is easier than traditional gardening and produces a very tasty and healthy by-product: herbs!

¹ <https://grammarpartyblog.com/2013/01/04/herbs-and-herbs/>

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