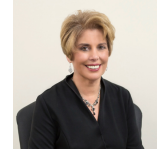


# FEBRUARY

## 2024



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# THE ROAD TO RETIREMENT

OUR MONTHLY GUIDE TO EVERY MILEPOST, JUNCTION,  
AND LANDMARK ON YOUR ROAD TO RETIREMENT.



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## WHAT'S ON OUR MINDS THIS MONTH

Isn't February a curious month? It often feels like we've been battling the winter chill forever, and the end seems nowhere in sight. Yet, before we know it, spring whispers its imminent return, with days gradually stretching longer. And with February being our calendar's sprint, March swiftly arrives, bringing promises of renewal.

This reminds me a lot of navigating our financial journeys. Have you ever found yourself feeling stuck, tirelessly working towards a goal and wondering if you're making any headway? I know I have. But here's a little insight I've gleaned from my time as a financial advisor: more often than not, we're on the brink of a breakthrough even when it feels like we're at a standstill.

So, as you set your sights on your ambitions this week, this month, and this year, remember that your dreams might be just around the bend. Sometimes, all it takes is that final push, one more effort, to turn the corner. Have you experienced a moment where just one more step made all the difference? I'd love to hear about it.

Let's make this month count, and remember, I'm here to guide and support you on your journey. Here's to a month filled with progress, no matter how small each step might seem!

# WHAT'S AROUND THE BEND: LEAP YEAR LIST

It's a leap year! That means we have twenty-nine days to enjoy in February instead of the usual twenty-eight. But the question is, what should we do with the extra day? Most people will probably treat the 29th like any other day.

But as a financial advisor, I have a suggestion. Why not use the extra day to do something that gets you closer to your financial goals? Here are eight suggestions that everyone can do in a single day.

- 1) **Review your monthly expenses.** Is there anything you can eliminate? For example, do you really need Hulu and Netflix when you only use one?
- 2) **Review your various insurance policies.** Have any expired? Are there gaps in your coverage?
- 3) **Review your Will to make sure it's up to date, especially in terms of who your beneficiaries are.** Name contingent beneficiaries on your Will if you haven't done so already.
- 4) **Review your Power of Attorney and Advanced Medical Directives** to make sure they are up to date, too.
- 5) **Conduct a household inventory.** Make a list of your possessions and document them with photos. This can be invaluable if you ever need to file an insurance claim. Keep one copy at home, and another in a separate, secure location, like a bank safety deposit box.
- 6) **Consider signing up for an automatic savings plan,** where a fixed amount of your income is automatically deposited into your account every month.
- 7) **Create a Disaster Preparedness Kit for your home.** Should a natural disaster ever happen, the safer and more prepared you are, the less financially impacted you'll be. Also, share your emergency contact info with any financial professionals you work with so they can always get in touch with you during a crisis.
- 8) **If you haven't already, get started on your taxes!**

## QUOTES WE'VE BEEN THINKING ABOUT:

**“To be interested  
in the changing  
seasons is a  
happier state of  
mind than to be  
hopelessly in love  
with spring.”**

— GEORGE  
SANTAYAN  
A

# WHAT'S OVER THE NEXT HILL: IRA CONTRIBUTIONS

It goes without saying that one of the best things you can do to proceed further along the road to retirement is to save for it. And there are few better ways to *save* than to contribute to an **Individual Retirement Account (IRA)**.

If you haven't already contributed to an IRA (Individual Retirement Account), there's still time to do so. Many people don't know that the 2023 contribution deadline is actually [April 15, 2024](#). However, if you do decide to contribute, you must designate the year you are contributing for. (In this case, 2023.) Your tax preparer should be able to help you fill out the necessary forms, but please feel free to contact me if you have any questions or need help.

The contribution limit is [\\$6,500 if you are under 50, and \\$7,500 if you are age 50 or older](#). This applies to both traditional and Roth IRAs. If you're unsure whether to contribute, remember:

- Contributions to traditional IRAs are tax-deferred, making them an effective way to decrease your tax bill each year. And while distributions from IRAs are taxed as income, your tax rate after retirement could possibly be lower than it is now, lessening the impact.
- Contributions to a Roth IRA, on the other hand, are made with after-tax assets. However, the advantage of a Roth IRA is that *withdrawals* (distributions) are usually tax-free.
- Whichever type you use, IRAs provide a great, tax-advantaged way to save for retirement.

If you have yet to set up an IRA for 2023, you can still do that. The deadline to establish an IRA is also April 15th. In other words, if you want to take advantage of the benefits an IRA has to offer, there's still time to do so, either by contributing to an existing account or by establishing a new one.

# WHAT'S ON THE HORIZON: THE W'S IN YOUR WILL

Over the next few issues of this newsletter, we're going to take a deeper dive into the topic of estate planning. This month, let's discuss what I like to call *the W's in Your Will*.

Do you remember learning about the "W" questions in school? They are **Who, What, When, Where, Why, and How**.

We ask these questions frequently throughout our lives. Who should I marry? What should I study in college? When can I retire? Where do babies come from? Why is my car making that noise? How did I get so old?

The "W" questions are particularly important when it comes to your will. Specifically:

- Who** will I leave my assets to?
- What** will I leave for the people I love?
- When** should I have a will?
- Where** should I keep my will?
- Why** am I making these decisions?
- How** often should I update my will?

Getting the answers to these questions can really demystify the entire process of creating a will. It can reduce uncertainty, create fairness and balance, and most of all, ensure that your loved ones will be financially taken care of in the future.

So, ask yourself each of these questions. If you don't know the answers, we can help you determine them.

If you do know the answers, the next step is to make sure your will actually reflects them.

## INVESTING TIP OF THE MONTH

Many publicly-owned companies – especially larger ones that have been around for a while – give their shareholders a regularly-scheduled payment called a dividend. Dividends may be paid out quarterly or annually, but they are typically calculated on a per-share basis. They can be a powerful source of income, especially for those who are retired.

However, if you are not yet retired and are still in the process of building your wealth, it may be a good idea to reinvest any dividends you receive. *(Continued on next page)*

# WATCHING THE WEATHER: MARKET CONDITIONS ON THE ROAD TO RETIREMENT (JAN-FEB)

The stock market continued its ascent in January, albeit more slowly and gradually than in November and December. [The S&P 500 rose 2.17% for the month.](#)

While inflation ticked up slightly - from [3.1% in November](#) to [3.4% in December](#), this was in line with most economists' expectations. In addition, data showed that the U.S. economy grew by [3.3% in the fourth quarter of 2023](#), capping off a remarkable year when most economists had initially expected a recession.

On the other hand, market sentiment was also weighed down a bit by the realization that the Federal Reserve may not lower interest rates as soon as many investors hoped. And indeed, at their monthly meeting on January 31, the Fed indicated that rates were likely to remain where they were for the foreseeable future.

## HERE'S WHAT WE'RE KEEPING AN EYE ON IN FEBRUARY & BEYOND

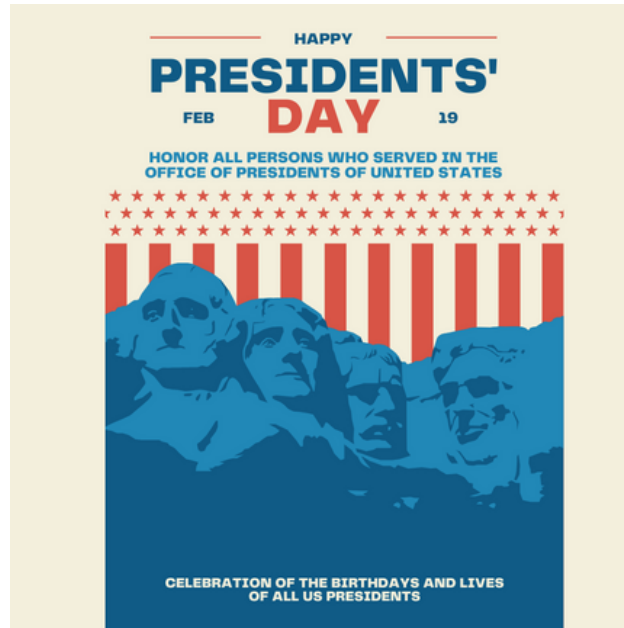
Many of the big tech companies - began releasing their quarterly earnings at the end of January. These companies were largely behind the stock market's rise in 2023, fueled by excitement over developments in AI. Investors will be watching them closely to see if their momentum will continue in 2024.

As usual, investors will also monitor every inflation update and jobs report. While inflation decreased significantly in 2023, and the labor market remained strong, we must continue to pay attention to whether higher interest rates are working to bring prices down *without* causing a slowdown in the economy.

*cont...*This means to buy additional shares of the company with the money rather than it as cash. The advantage is that it allows you to increase your stake in the company, potentially increasing the value of your portfolio if the stock continues to rise in value over the long term.



## UPCOMING HOLIDAY



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If you would like them to be added to our list, simply forward this email  
to them so they can sign up. We love being introduced!

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