

Flourish Wealth Management

Quarterly Newsletter

News from Flourish

Happy New Year! I hope this email finds you rested and recuperated from the holiday season and ready for a year filled with growth, forward momentum, and achieving your goals.

Over the holidays, my family and I enjoyed some R and R in Palm Springs, CA. It was so nice to step away from Minnesota for a few days and enjoy each other's company. Jay, Maddy, Fernando, Grace and I enjoyed the weather, great restaurants, and opportunities to connect about all the events from the past year.



The experience was refreshing and made me think of all the holiday memories we've made at home over the year and the benefits of occasionally having a change of scenery to deepen connections.



4th Quarter | 2019

This quarter's article focuses on marital communication about retirement. In a time when the rates of "gray divorce" are rising, it is all the more important to listen to and talk with your spouse about your goals and expectations for retirement. Chances are that you will differ on certain elements of it and the sooner you can identify areas where compromise or a shift in priorities is warranted, the better off you will be when the time to start your retirement actually comes.

Director of Investments, Jay Pluimer, will also provide his quarterly market commentary and the market review. We hope you enjoy this quarter's newsletter and that it finds you and yours happy and healthy in this new decade!!!

Q4 2019 QUARTERLY ARTICLE

Ask Your Spouse These Nine Questions Before You Retire

Planning Together Ensures You'll Understand One Another's Expectations



By: Kathy Longo, CFP®, CAP®, CDFIA®
President & Founder

Nearing retirement is an exciting time. It's a culmination of your many years of hard work and smart financial decision-making, and many people find it to be an incredibly meaningful and rewarding phase of life. You likely have a host of retirement dreams – everything from where you'll live to how you'll spend your days and with whom – but do you know if your spouse has different expectations?

If you don't know the answer to that question, it's time for some open discussion. If your spouse's plans for retirement are different from your own, it's important to find out long before you cut the retirement party cake. Many couples are blindsided when their partner's retirement dreams don't line up with their own, and it's a possible factor in [rising rates of gray divorce](#) – splits among couples age 55 and older.

In order to avoid conflict and confusion, sit down with your spouse and ask the nine questions below. Doing so will help ensure you're on the same page as you near retirement and bring your plans into sharper focus.

Question 1: Where will you live?

This is a basic question, but a very important one. Knowing whether you'll stay put, downsize to a smaller home or condo or even move across the state or country, will inform many of the answers to ensuing questions on this list. If you and your spouse are on the same page – great! If you need to compromise or look for common ground, consider practical matters such as state tax rates, proximity to medical facilities you may need as you age and whether family and friends are close by. Discussing your options out loud is a great way to come to a consensus.

Question 2: How will you spend your days?

Ask your spouse what an ideal day in retirement looks like, and share yours, too. Your spouse may want to visit the farmer's market daily and try new recipes, while your priority is lounging on the beach reading a novel. Your interests don't have to line up perfectly – in fact, it's healthy for you to have both joint ventures in retirement and some solo interests – but it's a good way to gauge whether you're on track for a retirement that serves you both.

If you plan to stay put and continue to prioritize the family and friends near and dear to you both, this may not be a necessary discussion point.

However, if you have grandchildren in another state and you'd like to be nearer to them, make sure you share that priority. If your spouse prefers to move to a remote island and rarely see family and friends in person, you'll need to work toward an agreement that allows you both to have meaningful social connections in retirement.

Question 3: Who will you spend your time with?

If you plan to stay put and continue to prioritize the family and friends near and dear to you both, this may not be a necessary discussion point. However, if you have grandchildren in another state and you'd like to be nearer to them, make sure you share that priority. If your spouse prefers to move to a remote island and rarely see family and friends in person, you'll need to work toward an agreement that allows you both to have meaningful social connections in retirement.

Question 4: What are the financial implications of your shared dream retirement?

The answer to this question is highly dependent on what you and your spouse discussed for questions one, two and three. Knowing what your planned retirement will cost you is of the utmost importance. This dollar figure will tell you whether you can retire at your earliest opportunity or whether you need to save for another 5-10 years. Any plans you and your spouse make need to be compatible with your financial abilities, so don't gloss over this crucial question.

Question 5: Where will your living expenses come from?

Once you've evaluated the cost of your retirement, you'll have to determine where the money will come from. More than likely, you've got a mix of assets – personal savings, Social Security benefits and a 401(k) or pension. Some accounts won't be accessible without penalty

until you reach a certain age, so be sure to take that into account if you're planning to retire before then. In order to truly ensure you can cover your monthly costs, it's worthwhile to meet with a financial advisor who can discuss your options and guide you on how to maximize the assets you have. After all, your dream retirement will come to a crashing halt if it's not financially sustainable.

Question 6: What is your timeline?

For some couples, this is easy – retire as soon as possible! If you can't wait to leave the daily grind behind and you've got the resources to do it, then this won't require much discussion. However, if you or your spouse derive a lot of fulfillment and meaning from your work, it can be difficult to think about letting it all go. In such a case, you might think about a [phased retirement](#). For those who find their preferred timeline can't be supported financially, practicality may answer this question for you.

Question 7: What are your health care needs?

When you've reached retirement age, it's important to begin planning for potential future health and long-term care needs. Are you and your spouse both healthy and physically fit, or do you require certain health care services? Do you have family histories or life expectancies that could impact your needs in retirement? This discussion isn't necessarily a fun one, but it's vital to your planning. As you talk with your spouse, it may become clear that you need to live near particular medical services, or that you need to further invest in life insurance or a long-term care policy.

Question 8: Do you have any concerns or fears about retirement?

Many people view retirement as a dream lifestyle, and it can be. However, you shouldn't overlook the fact that it's a major life transition.

Change isn't easy, and you're likely to face social and financial differences in retirement that you may not be completely prepared for. Do you have concerns about moving, leaving behind coworkers who have become friends, or something else? It's normal to have some retirement fears and talking about them openly with your spouse is important in moving forward together.

Question 9: What priorities remain on your bucket list?

Is there anything you absolutely want to do before the end of your life? If so, retirement is a great time to accomplish goals and seek out experiences that you've been meaning to focus on. As we age, many of us begin to have regrets about the things we failed to do, so spend some time thinking intentionally about how you and your spouse can avoid that fate. There may be things you want to do together, as well as solo pursuits, that can bring you meaning and satisfaction in your retirement years.

As you answered the above questions, did you find your dreams and expectations were mostly compatible? Or, do you have major differences to work out? Either way, it's smart to keep your discussion going so that you and your spouse can solidify plans, reconcile differences and move confidently toward a retirement that will bring fulfillment to you both.

Market Commentary

Fourth Quarter 2019



By: Jay E. Pluimer, AIF®, CIMA®

Director of Investments

Investors of all varieties received a generous Holiday gift from the markets in 2019 as almost all markets generated positive returns. US Stocks led the pack once again as the S&P 500 Index earned 31.5%. It was an interesting year where Bonds also performed well, which isn't always the case. Key drivers of performance in 2019 included support from the Federal Reserve which reversed course by cutting interest rates to support growth in the US along with moderate earnings growth and easing Trade War tensions. The Trade War between the US and China is on a path to resolution, calming a significant theme of uncertainty. International Stocks also performed well, up 21.5%, with optimism that a calmer foreign trade environment should be helpful for foreign companies plus what appears to be a Brexit resolution. Finally, the positive economic and investment landscape led to the first US decade without a recession as we turn the clock forward into the 2020s.

The investment themes we are monitoring most closely in the New Year include a resolution to the US-China Trade War, global growth rates, and political tension during an election year. Trade War concerns were a primary driver of market volatility in both 2018 and 2019 but eased toward year-end as Phase 1 of a new trade deal was announced. Final details of the deal will become apparent in the next few weeks and will have a big impact on global growth. Earnings for S&P 500 stocks grew just 1% last year due in large part to uncertainty around global trade. Those concerns also put a damper on global economies which grew at just 2.6% last year. We will be watching earnings reports in the first half of the year as a key indicator of upside market opportunities in 2020, with particular emphasis

on manufacturing and wages. It will also be important to monitor the US political environment as Presidential elections generally lead to increased market volatility. There are many reasons to expect that the economy and the markets can continue to do well in 2020 and beyond, although few investors predict a repeat of the strong market performance from last year.

For more information on investments and the markets this quarter and for the past year you can look at our [Quarterly Market Review and Annual Market Review](#).

CONCLUSION

As always, we are here to listen to our clients and share our perspective. We hope that our newsletter and articles provide you with inspiration and useful information. We encourage you to share our resources with family and friends who you think would benefit from them. Happy New Year!



Sincerely,

Kathy Longo & the Flourish Team