April 2023 - NEWSLETTER

“Between Two Kingdoms”

by: Bill Cummings, CPA/PFS

I recently went to the Chapters Health Foundation’s Annual Spring Soiree Fundraiser, which supports LifePath Hospice. Each year the Hospice Women of Philanthropy put on this great fundraiser to raise money for Hospice. Concierge Financial Organization was one of the sponsors of the event because I am forever grateful for the services they have provided to my family. My mom, dad, and father-in-law were all cared for during their last days by the wonderful Hospice Nurses. The main speaker this year was a young woman named Suleika Jaouad, who wrote a book called “Between Two Kingdoms”. I highly recommend reading this book and taking her 100-day challenge, since I believe it will have a positive effect on your life.

The story is about the journey that Suleika traveled when she was diagnosed with leukemia at the young age of 22. The doctors only gave her a 35% chance to live. She chronicled the terrible battle she endured to survive. She began to blog and journal her daily experiences. The New York Times picked up on this and they asked her to write a daily column, called Life Interrupted. She began to receive letters of encouragement from people across the world.

After 1500 days of a desperate pursuit to survive, she was told by doctors that she was cured, but she had no idea how to live. She decided to take her scruffy terrier mutt, Oscar, on a 100-day, 15,000-mile road trip to meet some of the strangers who had written to her. What she learned is that “the divide between sick and well is porous, that the vast majority of us will travel back and forth between these realms throughout our lives”. It’s about what it means to begin again.

As part of her presentation to the group, she encourage us to begin a 100-day challenge. The challenge was to create one tiny beautiful thing each day. In her words, “To set a 100-day plan was to will myself into the future, no matter how uncertain it seemed”. She then gave us a form with Day 1 to day 100 printed on it, so we could record our progress each day. Most of us at our table accepted her challenge, including me and I’m grateful I did.

The 100-day challenge reminds me of the work we provide as financial advisors. You have a goal, say retirement, and we advise you how to get there with a plan of small action steps over your lifetime. We are here to provide empathy and encouragement during the challenging times and to provide continued small action steps to hopefully ultimately get you to where you dream of going.

“Each day is a gift. Don’t send it back unopened” - Suleika Jaouad

All the best,

What did Mama say about the SECURE Act 2.0 and ABLE accounts?

by: Scott Russell, CFP®

Everyone knows the quote from when Forest Gump quoted his Mama “Life was like a box of chocolates.” Financial planners feel the same way about the SECURE Act 2.0! Well, maybe not but it’s still chock full of interesting planning tidbits. One such tidbit is the change in eligibility requirements for ABLE accounts.

Quick refresher: The Achieving a Better Life Experience (ABLE) Act authorized states to create tax-free savings accounts for individuals with disabilities. Money contributed to an ABLE account is excluded when determining eligibility for federal benefit programs, such as Supplemental Security Income (SSI) and Medicaid. However, there are certain parameters that must be followed to keep ABLE account monies from affecting these benefits (e.g., $17,000 per year contribution limit and balances over $100,000 will count against your benefit eligibility limits).

The SECURE Act 2.0 expanded access to ABLE accounts to individuals that became disabled at older ages. Currently, to be eligible to use an ABLE account, a person must have become disabled prior to turning 26 years old. Beginning in 2026, that age becomes 46.

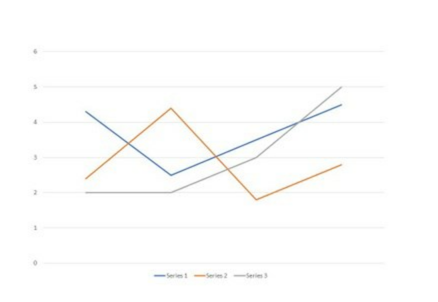
For example, let’s say 50-year-old Billy Bob was injured in a shrimping boat accident 12 years ago and became disabled (yes, I’m sticking with the Forest Gump theme here). Under the current eligibility rules, Billy Bob would not be eligible because his disability did not exist prior to turning 26. However, because of the SECURE Act 2.0, in 2026 Billy Bob will become eligible because he became disabled prior to age 46 (his accident happened at age 38).

Due to the relatively small account balance limits ($100,000) before it starts affecting government benefits and payback requirements, ABLE accounts are not the sole answer for all circumstances and probably would not replace third-party special needs trusts for many. That said, it gets a little more interesting if the beneficiary is not utilizing government benefits. In that case, there is a maximum balance limit equal to your state’s 529 limit. In Florida it is currently $418,000! Therefore, in Florida once the account balance reaches $418,000, your account may continue to earn money, but you will not be able to make any additional contributions until your balance dips below this limit.

I realize the foods I referenced in this article, chocolate and shrimp, should never go together but tax savings and investments do! My Mama said if you’d like to learn more about ABLE accounts or other tax efficient ways to invest, do what Forest did and RUN…to see your CFO Team!

Chasing Performance

By: Ruth E. “Robin” Delaney, CFP®, CLU, ChFC, ADPA



A financial advisor should try to get the highest rate of return for you. Right? If you are a gambler that might be a good strategy. However, you have certain goals and time frames that constrain your investment strategy. Also, you may not want to take the rollercoaster ride that the Stock Market demands for the higher returns that it gives over time. If you need the funds in ten years to buy that dream house, you may want more certainty that your funds will be available when you find your Shangri-la.

Even if you are willing to take the ride, did you know that the smoother your returns, the more you will earn over time? Let’s look at a simplified example of two portfolios over a three-year period. Both start with a $10,000 investment. Portfolio A is invested aggressively while Portfolio B is more moderately invested. Here’s what happened:

Year	Plan A Performance		Plan B Performance	
0		$10,000.00		$10,000.00
1	20.00%	$12,000.00	10.00%	$11,000.00
2	-10.00%	$10,800.00	10.00%	$12,100.00
3	20.00%	$12,960.00	10.00%	$13,200.00
Average Rate of Return	10.00%		10.00%	

Even though they both had the same average rate of return, Portfolio B produced a higher balance. Granted this is not a real-world example. But it shows that a smoother ride produces better results.
How do you get a smoother ride? By protecting the downside of the portfolio. You will give up some on the upside, but that does not necessarily mean you will give up overall return. If you are making progress towards your goal in the time frame you desire, you are on track.

Bear markets can be scary. In 2022 the market, as represented by the S&P 500, was down roughly 20%, if your portfolio was down less than that, you beat the market. It takes a 25% return in the next year to break even from a 20% decline. If you were down 10%, it takes only an 11% return to get back to even. The further you fall, the harder it is to regain what you lost.

Now you are asking, how do I protect the downside? By putting short-term bonds in your portfolio. The amount you use is dependent upon how much risk exposure you want. Why short-term bonds? Because they are more stable in price and are less affected by interest rate fluctuations. They are not for performance or income; they are for protection.

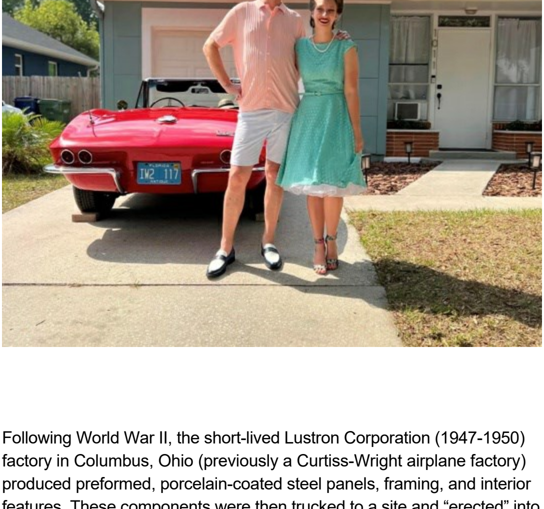
If you want a diversified portfolio that protects your investments, come see us.

The Power of Restoration and Preservation

By: Tim Keeports, MBA

I’ve shared previously how the neighborhood where our CFO Tampa office is located has historical and unique charm. One of the events held here is the Old Seminole Heights Home Tour which provides an opportunity to put these attributes on display.

On April 2nd, the tour was again in full swing as we hosted visitors from the Greater Tampa Bay area. The homes were remarkable, varied, and individualistic due to the decorative style and the finishing touches of each owner. However, one of the nine houses simply jumped out! The house is a Lustron and one of few left standing around the country. A Lustron – what is that?



Following World War II, the short-lived Lustron Corporation (1947-1950) factory in Columbus, Ohio (previously a Curtiss-Wright airplane factory) produced preformed, porcelain-coated steel panels, framing, and interior features. These components were then trucked to a site and “erected” into a house by a local crew. Lustron houses primarily were in the Midwest, but four were built in Hillsborough County (with five more around the state). Today, only two remain in Tampa.

The Lustron of Seminole Heights was erected in 1950 and is one of only about 2500 ever built. Lustron’s could be ordered in any of three models, and this is a Westchester Deluxe, the most common floor plan. It includes a kitchen, utility room, dining room, living room, two bedrooms, and a bathroom. The houses were designed to be constructed on concrete slabs with no basement, so all storage and closets are built in. The cabinetry, vanity in the master, china hutch, and pass-through between kitchen and dining room, are all made of steel (no termites in this house!). Interior walls and ceiling are also enameled porcelain over steel. Sadly, Lustron houses have been disappearing from the American landscape and it is estimated only about 1500 remain.

So, who would take the time and effort to buy an old Lustron and then spend thousands of hours and a significant expense rehabbing it? Must be an older, wealthy retiree with a focus on the good old days? Not in this case!

Alison and Eric are young, professional full-time workers, with a bent for the nostalgic. They stumbled on the house during one of their regular neighborhood walks. After a quick walk-thru and some dedicated YouTube time, they became obsessed -- the Lustron had stolen their hearts.

The owners have put countless hours into restoring and maintaining the original porcelain-coated interior and exterior. Their Lustron, the local community with wonderful restaurants and kind neighbors, have convinced them to make Seminole Heights their long-term home and financial anchor. Sometimes saving and investing is focused on the future and for “future retirement.” However, living in the present while preserving the past, can also be immensely and equally rewarding.

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