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HAPPY NEW YEAR!

Now that 2018 is upon us, it's a good time to implement this new communication tool. 2017 has been an amazing year for the markets and our economy. Unemployment is low, wages have trended higher, credit is available, and we have seen the largest change on our tax laws in over 30 years. What will 2018 bring? Only time will tell. But those who are well prepared and have a plan will be ready for whatever lies in store. We wish the best to you in this New Year!

Your 2018 New Year's Review

The New Year brings with it a desire to review the past (what worked, what didn't), make resolutions, set new goals, and get on a path for improvement and getting things in order.

Completing this makes us feel better because we know our new course is the right one for us in the New Year. Call or email to schedule your financial review. It can be done by phone or in person.

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Financial Focus

A Monthly Insight Into Your Finances
January 2018

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THE COSTS OF FINANCIAL PROCRASTINATION

Many people are guilty of some form of procrastination, whether that means they put off filing for taxes as long as possible or just have an ever-increasing stack of papers on their desk to sift through. This can be especially true with financial responsibilities, because doing financial paperwork isn't exactly "fun" for most people.

Mark Twain once said "Never put off until tomorrow what you can do the day after tomorrow."

According to a 2016 report from the Insured Retirement Institute, only 55 percent of baby boomers have set aside savings for retirement. That means that the other 45 percent don't have retirement savings to fall back on.

New Year's Eve Trivia

1. January is named after Janus, the god with two faces, one looking forward and one looking backward.
2. The first ball dropping celebration atop One Times Square was held on December 31, 1907.
3. The original New Year's Eve Ball weighed 700 pounds and was five feet in diameter. It was made of iron and wood and was decorated with 100 25-watt light bulbs.
4. In 1942 and 1943 the ball lowering was suspended due to the wartime dim-out. The crowds who still gathered in Times Square celebrated with a minute of silence followed by chimes ringing out from an amplifier truck parked at One Times Square.

Source : <http://www.cnn.com>

Whether it's that they have a significant amount of debt, their finances are tied up in ongoing expenses, or that they hold onto the idea that they will have time to save for retirement down the road, people are always going to have excuses to delay saving for retirement. Putting off saving for retirement by even a few years, however, can mean the difference between the retirement you desire and outliving your money.

How this kind of procrastination might affect your retirement

Based on calculations, a 25-year-old that saves \$100 every month until he retires at age 65, with an annual return of 6.5 percent, would accumulate over \$225,000. If he waited until he was 40 years old to start contributing to his retirement account, the balance would be a significantly smaller at \$75,000. According to a report by the U.S. Government Accountability Office, the median amount of savings for many Americans is about \$104,000 for households with members between 55 and 64 years old. That figure tells us that many Americans aren't saving nearly enough for retirement. The amount that you need for retirement varies by each individual as there are several factors to be taken into consideration.

What should someone do if they find themselves behind on the retirement savings spectrum?

One of the most beneficial things you can do for your retirement savings is to sit down and come up with your list of realistic expenses that you think you will face in retirement. This can help you determine how much you will need to save, and help you gauge how far along you are in your retirement savings process.

If you aren't sure where to begin when it comes to creating a retirement budget, you can start by looking up online what some of the average expenses are in retirement.

This will include factors like:

- Housing
- Transportation
- Health care
- Food
- Entertainment
- Insurance
- And others

For the most part, a lot of your day-to-day expenses will change dramatically when you retire.

You won't need to commute to work every single day, for example. You also may have your house paid off by then, so you wouldn't have to worry about mortgage payments. There are some unpredictable costs in retirement such as health care. Health care costs tend to rise throughout your retirement, and the older you get, the more medical help you will likely need. It's important to factor in these unpredictable costs into your plans, so that you can be as prepared as possible.

Your unique situation could look much different, depending on a list of things:

- Your lifestyle in retirement. Are you someone who hopes to travel a lot during your retirement? Or enjoy a round of golf every day?
- Your health and life expectancy.
- Your housing.
- And many other factors

Source : <https://www.protective.com/learning-center/retirement/the-cost-of-procrastination/>



Nobody enjoys filing taxes but it's a chore that has to be done. Make filing your taxes quick this year by providing your tax preparers with the correct documents on the first visit. Below is a list of 5 items to bring with you to help speed along the process.

1. Identification: You will need to prove you are who you say you are on the top of your 1040. Bring a driver's license, military id, or your passport. You will also need to bring your spouse's and your social security card.
2. Proof of Income: Income from an employer, self-employment income, rental income, retirement income from an IRA, pension or annuity, social security benefit, investment income from sale of a stock, interest, or dividends are just a few of the types of income you need to claim.
3. Proof of Disaster, Theft and Other Unexpected Losses: Bring proof of ownership of any property that was damaged or stolen and the date that it happened.
4. Proof of Expenses: Self-employment expenses, business expenses, education expenses, charitable contributions, medical expenses, mortgage interest and union dues are some examples of expenses that qualify for itemized deductions. Be sure to bring receipts or other proofs of expenses.
5. Payment Method: Bring your bank account information so you can direct deposit your refund so you can receive it quicker. Or, if you have to pay into the IRS, bring you're the method of payment you would like to use for that (check, money order, bank account, etc.) If you are married, bring your spouse to co-sign on the final refund or payment.

Source : <https://money.howstuffworks.com/personal-finance/personal-income-taxes/5-things-to-bring-to-tax-preparer1.htm>

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