

New Year and New Website



Happy New Year! We hope that you and your families had wonderful holidays, and that 2018 has started out well for you!

Not only are we now in a new year, but Advanced Wealth Management has a new and improved website. We encourage you to check it out, explore the different tabs and sections, and let us know your thoughts. Also, if you haven't viewed your accounts online for a while, now would be a great time to do so.

One of the updates to the website that we are most excited about is the section highlighting the various ways that our team gives back to the community, both individually and as a firm. We encourage you to visit our Giving Back tab to see some of the causes that are important to us, and from there you can follow the links to learn more about the various organizations that we are spotlighting.

We also invite you to share with us what causes are important to you. We are constantly amazed to learn about the wonderful and exciting projects our extended Advanced Wealth Management community is working on, and we would love to hear what you have to share, if we have not already discussed it with you. Please feel free to send us a quick note at any time about the causes you care about or are involved in, or be sure to bring it up the next time we meet.

What is a Roth IRA?

A Roth IRA is a retirement savings account that allows you to grow your money tax-free. Roth IRA contributions are made with post-tax funds, meaning that you've already paid income taxes on the funds before they are deposited to the account, and there is no deductibility of contributions. The funds in the account grow tax free, and when withdrawn after age 59 1/2, funds are withdrawn tax-free, as long as the account has been open for five years.



Who is eligible to contribute to a Roth IRA?

As long as one has earned income, there is no age limitation for Roth IRA contributions. However, the ability to contribute to a Roth IRA is limited when one's income exceeds certain levels. These thresholds change each year and should be confirmed before making a Roth IRA contribution.

How much can you contribute to a Roth IRA?

For the year 2018, individuals under the age of 50 can contribute up to \$5,500 per year. If you are age 50 or older, you can contribute up to \$6,500.

Quiz—True or False

You can still contribute to a Roth IRA for 2017.

True – You have until the 2017 tax deadline, April 17, 2018 to make contributions for 2017.

You can contribute to your Roth IRA and a Roth 401(k).

True – You can contribute to both of these programs in the same year.

There are income limitations when contributing to your Roth 401(k).

False – There are no income limitations to contribute to a Roth 401(k) like there are a Roth IRA.



Individual tax returns are due Tuesday, April 17th this year.

Corrected Form 1099s

If you have a non-retirement brokerage account with National Financial Services, it is important to be aware that you could be issued multiple Form 1099 tax documents for the 2017 tax year. These corrected documents are the result of adjustments made to the year-end financial reporting for companies you own, which causes the companies to reclassify the tax treatment of their dividend payments.

Corrected Form 1099s will begin to be issued in mid-March. Even if you receive one corrected document, it is possible that others will follow.

We encourage you to delay filing your taxes until closer to the April 17th deadline, to avoid the possibility of needing to refile your return due to a corrected 1099.

If you have any questions about your tax documents, please reach out to our office. We are here to help!



Did you know that you can access tax documents related to your accounts in Investor360° before they arrive in the mail? Click the button above to log in to your accounts, and as always, give us a call if you need help getting logged in.



Building for the Future, Enjoying the Present | Bob Haley

This is the motto we created many years ago for our firm. The goal was to help people balance the importance of planning/saving/investing, with the need to live in and enjoy their daily lives. We want people to be both the grasshopper and the ant, as much as is possible. (*Google "The story of the grasshopper and the ant," or better yet, obtain a copy of Aesop's Fables and also read the many other lessons!*)

"Building for the Future" starts at young ages. It includes piano or dance lessons, sports or artistic interests, vocational or higher education choices, career decisions, life-partner decisions, children, home-buying, retirement, and all along the way taking care of one's physical and financial health.

Success with these things does not guarantee happiness. Often happiness depends upon the breadth and depth of one's personal relationships, which can only be successful with a true investment of time and energy.

Some people think money will make them happy, but, no, money is only a tool. It is the tool which can provide for a comfortable lifestyle and a relief from many kinds of stress, but money does not by itself create good health, loving families and good friends. It is the wise use of financial resources which can create the potential for both prosperity and happiness.

Our role is to help people make good decisions about money matters. This may make it possible to enjoy their working years, while building wealth for goals such as retirement, education of their children and grandchildren, and perhaps to leave a charitable legacy.

Hopefully you will be able to enjoy the best of the grasshopper's life, AND end up as secure and comfortable as the ant in your retirement!

Now, we have homework for you. Watch this [You Tube video](#) about selective attention. Let us know how you did, and we will discuss this topic in our next issue.



Connect with Bob



New Year Changes | Ted Haley

For many people, New Year's Day often comes with new resolutions, new gym memberships, and new plans for the upcoming year. We hope that this new year has brought you renewed motivation to achieve your goals, both personal and financial. To that end, we encourage you to take some time to review your financial plan and to think about what has changed in the last year, and what could change in the year to come.

We now know that the tax code will be significantly different in the current year than it has been in the past. It appears that many of us, but not all, will pay less in taxes in 2018. However, there have been important changes to many aspects of the tax code, such as changes in available deductions and exemptions, so it is important to revisit your tax plan to make sure that your current tax strategies are optimized.

Another important consideration to think about is whether your income has changed recently. It is important to adjust your spending and saving as your income increases or decreases. If your income has increased, there is a common tendency to increase your lifestyle as well by enjoying more goods and services that might have seemed too expensive before. In economic terms this is called 'lifestyle creep,' when all or most of the increased income is spent. Often this is necessary in order to meet important spending needs, but often some or all of the increase could be directed to savings or investments.

This time of the year is the right time to revisit one's financial plan, and we recommend you take the time to review your reserves, your cash-flow, and your short and long-term goals and investment strategies. If there is anything that we should be talking about, please don't hesitate to reach out!



Connect with Ted



Disaster Planning—Property Insurance



Most of us spend our adult lives slowly building up financial assets, working towards goals such as home ownership, educating our children, and eventually, retirement. We dedicate so much time to the process of accumulating wealth, but do we put enough thought towards protecting that wealth? The fact of the matter is that any of us could fall victim to disaster at a moment's notice. 2017

was the costliest year on record for natural disasters in the US, with events ranging from raging wildfires, to devastating hurricanes, to severe winter storms.

Many experts believe that nearly two-thirds of American homeowners are underinsured, meaning they could be on the hook for tens of thousands of dollars (or more) in out-of-pocket rebuilding and replacement costs. Furthermore, many policyholders have no idea that their insurance may not cover any damages from earthquake or flood, or that there may be exclusions or limits for property such as jewelry, art, or collectibles. People who rent their homes are even less likely to carry sufficient insurance to cover property losses or liability.

If it has been a long time since you last updated your policy, we encourage you to reach out to your insurance agent for a review. The value of your home and/or possessions may have grown well beyond your current coverage. We also encourage you to carry appropriate supplemental policies, such as umbrella insurance to protect your net worth against liability claims, or earthquake insurance for our clients here on the west coast! There is no way to prevent a disaster, but you can sleep a bit easier knowing your hard-earned wealth is protected.

Staff Spotlight: Dorothy Haley

Dorothy is the unsung hero of Advanced Wealth Management. She joined Bob in his new financial services career in 1983. For years she was the only co-worker, responsible for both client administration and business management. Even when she became a full-time mother to Ted and Andy, she still was a part-time manager of the support staff hired to take her place. Eventually our needs became more specialized and today she and Lindsey Haley share the responsibilities of co-CFOs and HR.

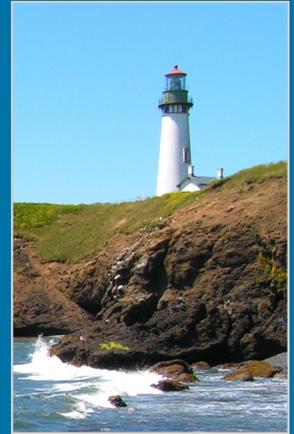
Currently Dorothy's favorite activity is being with her grandson Sebastian. She spends two afternoons a week with him, plus whatever other opportunities present themselves. She and Bob still travel extensively, primarily on business. When at home (and not with Sebastian) Dorothy enjoys cooking, reading, and exercising. Home improvement projects keep her busy whenever she can get Bob out of the house for 3 or more days at a time.



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Office Closures

President's Day
Monday, February 19th

Memorial Day
Monday, May 28th

Independence Day
Wednesday, July 4th

Labor Day
Monday, September 3rd

Spring Forward!



Remember to set your clocks ahead one hour on Sunday, March 11th at 2 am.

