

Good To Know!

Weaver Financial

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4th Qtr 2019 Newsletter

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Welcoming new clients!
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In **THE KANSAS CITY STAR**



My clients are awesome financial planners. See my article [here](#) to read about the steps they're taking.

Teaching: I covered retirement and investment strategies at the Institute of Management Accountants' annual KC conference. [See the video](#), where the first half addresses tactics for business owners, and the second half has strategies for individuals.



Let's Do The Numbers

In a nutshell U.S. and overseas stocks did quite well in 2019's 4th quarter, while bonds coasted. For the year all markets are way above averages reversing the deep 4th quarter loss in 2018. Morningstar's benchmark moderate-risk portfolio rose 19%, recouping its -7% loss in 4Q18.

Asset	YTD
Large companies	+31%
Small companies	+26%
Bonds	+ 9%
International stocks	+22%

In the 4th quarter the Federal Reserve Bank clipped interest rates back a third time to 1.5% citing trade concerns and lack of inflation. Due to liquidity problems in the overnight repo market, the Fed injected more cash, reversing the trend in former operations. The impact of stopping this infusion of liquidity is not yet really known.

Estimates for corporate earnings for 4th quarter range from +1% to (3%). We'll see if signing the Phase 1 trade deal with China reverses that trend. Businesses need more certainty. For all of 2019 earnings are projected to come in at 1%. In 2020 earnings are expected to grow 4-5%.

What's ahead? Most expect status quo. Few expect a recession. A few expect a good year of market returns. Absent a soothsayer it's best to diversify, avoid large bets, stay invested and focus on solid companies in healthy countries.

Last Minute Tax Ideas

T: If your medical policy qualifies as a high-deductible health plan, transfer \$3500(single) or \$7000 (married) to a Health Savings Account. Itemizing doesn't matter; the deduction is above-the-line. Until 4.15.20.

T: If you have a side gig such as consulting or are an independent contractor, setup a SEP pension, a 1-page form IRS 5305. Move 20% of your net income into your new SEP-IRA account, to avoid paying tax. Until 4.15.20.

T: See if you can use the home office deduction [here](#). Until 3.15.

T: Do you have a 2nd home and a business? Consider renting the space to your business for meetings, up to 14 days. Your business pays the going rate and deducts it. Details [here](#).

on KCUR Up-To-Date radio



Planning For A Major Purchase
Want to live a little now, and not save every dime for retirement?
[Listen](#) to tips from me and others to make that happen.

Resource Tip:

Q: Want to get organized for your loved ones, in case the worst happens?

A: I run two [estate planning workshops](#) every January at Shawnee Mission Unitarian Church. Learn to set up your plan without high fees [here](#). The public is welcome.

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Check out our new website for WeaverFinancialPlanning.com.