



New Year, New Numbers

By Tracy Wells, Investment Advisor Representative

Happy New Year! As we enter this new year, we would like to highlight some figures that will be helpful in your financial and retirement planning.

2018 Contribution Limits

Retirement Account	Age 49 & younger	Age 50 & older*
Traditional or Roth IRAs	\$5,500	\$6,500
Simple IRAs	\$12,500	\$15,500
401(k) or 403(b)	\$18,500	\$24,500

*The Catch-Up amount applies the year you turn 50 and all future years.

2019 Contribution Limits

Retirement Account	Age 49 & younger	Age 50 & older*
Traditional or Roth IRAs	\$6,000	\$7,000
Simple IRAs	\$13,000	\$16,000
401(k) or 403(b)	\$19,000	\$25,000

*The Catch-Up amount applies the year you turn 50 and all future years.

The deadline to make a 2018 contribution to your Traditional or Roth IRA is April 15, 2019.

Social Security Benefits

For those still working, all earned income up to \$132,900 is subject to Social Security payroll tax.

Those receiving benefits should see an increase of 2.8% with the 2019 Cost of Living Adjustment (COLA), the biggest in seven years.

This year the maximum earned income (wages) before Social Security Benefits are reduced (prior to full retirement age) is \$17,640.

The standard monthly premium for Medicare Part B enrollees will be \$135.50 for 2019. Income-related surcharges could be added based on your 2017 Adjusted Gross Income above \$85,000 for individual returns or \$170,000 for joint returns.

If you would like help with retirement planning or estate planning, please do not hesitate to give us a call.

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Market Update

By Aaron Bates, CFP®, Principal
Investment Advisor Representative

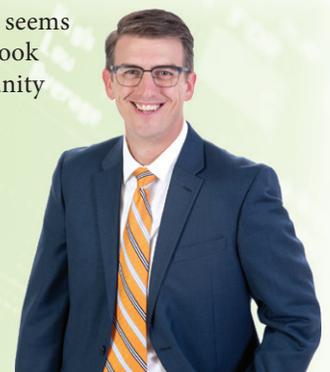
The stock market finished a turbulent quarter with the S&P 500 -13.52% in the fourth quarter and -4.38% year to date. Meanwhile U.S. small companies, per the Russell 2000 index, were -20.20% for the quarter and -11.01% YTD. International stocks were trending the same way: -12.78% for the quarter, and -14.09% YTD. The US Bond Aggregate was the only bright spot, up 1.64% in the quarter but barely positive 0.01% YTD.

Since September, there have been several changes in the market and some old foes that continue to linger. Most recently, the Federal Reserve Bank raised the federal funds rate another 0.25% on December 19th, making it the fourth 0.25% increase this year. The Fed believes the economy is solid and, by most measures, it is. The labor market and the consumer are strong. Company earnings have been solid and growing. However, the market is always looking toward the future and it is currently wrestling with the idea that this may be the “high tide” in this market cycle since 2008-2009. The economy, like the ocean tide, ebbs and flows. While it may go down for a time, both the tide and the economy always come back up. We could see some rough spots in the next year or so, but we invest for the long-term and have been positioning defensively, anticipating this part of the market cycle. For many, it’s been a long time since we’ve witnessed this kind of market fluctuation for any extended period of time, and we are also starting to see investor sentiment decline for the first time since Donald Trump was elected President of the U.S.

Other factors that contributed to recent market performance are old foes: the political dramas of 2018. The market has fluctuated all year depending on the mood of the day, from tweets and headlines related to the trade tensions between the U.S. and China. The British departure of the Eurozone (Brexit) continues to muddy the waters in Europe like an ugly divorce. And in emerging markets, the U.S. dollar’s strength continues to keep these parts of the world somewhat bound up from the rest.

Despite recent performance, we are optimistic because the world always seems to work through challenges. As we look forward to 2019, we believe opportunity awaits amid all these things and the power of the people prevails. We wish you a wonderful new year, and all the best for a prosperous 2019!

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5 New Year's Tips for People Approaching Retirement

By Tim Hilterman, CFP®, CAP®
Investment Advisor Representative

Another year has passed, and you are another year closer to retirement. Some people put retirement planning on their To Do List right under “Stain the deck.” Others are paralyzed by worry when it comes to retiring and just keep putting it off. Either way, this simple list can help get you on track.

1. **Take stock:** Creating a financial snapshot is a good place to start your planning process. First, calculate your net worth: what you OWN minus what you OWE. Take out a notepad or start a spreadsheet. List all of your assets including retirement accounts, checking, savings, your house, and anything else that you would consider an asset. Next, list out your debts including your mortgage, home equity loan, personal loans and any other liabilities. Subtract your total debts from your total assets and you've successfully identified where you are as of today.
2. **Identify your retirement goals:** The next step is to decide what you want your retirement to look like. Do you want to spend about the same amount of money in retirement as you do now? When do you want to retire? How much would you like to travel and how much do you want to spoil your grandkids? Would you like to leave anything to your kids or favorite charity? Without knowing your destination, it is impossible to recognize whether you're on track for retirement.

3. **Understand the sources of retirement income:** Most of us will have Social Security in retirement and you may think you don't need to learn about Social Security until you retire. Wrong! A little planning can save you from possibly missing out on thousands in benefits. If you are entitled to a pension, get a refresher on the terms and ask about health care coverage in retirement.
4. **Figure out if you're on track:** Find purpose in 2019 through a plan. Learn how much you need to accumulate by retirement, if you're on track to meet that goal, and start making changes that will give you more confidence in being able to retire well. It's generally easier to adjust something sooner rather than later.
5. **Don't forget other essentials:** Resolve to make sure these important pieces of your plan get attention.
 - Is your will updated?
 - Do you have a health care power of attorney?
 - Are your beneficiaries updated?
 - Does your life insurance need to be reviewed?

Taking care of these things will take stress off your life, give you confidence in your future, and take care of the ones you love. Remember that we are here to help in this process, so you can have peace of mind.

5 New Year's Tips for Young Professionals

By Chris Nadler, CFP®, CTFP®
Investment Advisor Representative

A lot can happen in a year's time, especially when you are a young professional. Perhaps you got married, had a child, bought a home, or started a business. Here are our top five tips to consider for 2019.

1. **Review your life insurance:** Do you currently have life insurance? Do you have **enough** life insurance? Perhaps you got a policy some time ago, before a spouse, a family, or a mortgage came into your life. If you have gone through a life-changing event like this recently, it's good idea to review your current policy to make sure its adequate to take care of those you care about most. Ten times your current annual salary is generally considered a good starting point.
2. **Update your estate plan:** If you got married, had a child, or started your own business, this would be a great time to update your overall estate plan. Reviewing beneficiary designations on things such as life insurance policies, retirement accounts, and bank accounts is highly recommended. Reviewing your will or trust documents is also a good idea. If you do not currently have any of these in place, consider doing so to ensure that your wishes can be carried out.
3. **Debt management and budgets:** Trying pay off your college loans, car, or credit card bill? It may be wise to sit down and write out a budget to hold yourself accountable. You may also want to consider paying down your highest interest rate first or start

a “debt snowball” to take care of the smallest debt first while paying the minimum payments on your other debt obligations, then following that same path until they are gone.

4. **Contributions towards retirement:** If you are currently participating in a company retirement plan, consider increasing your contributions, even by a percent or two. If you are not currently participating, you may want to consider joining in 2019, especially if your company provides a matching contribution. Not sure how much to contribute? If you are able to do 10%-15% that is a great start. If not, consider at least contributing up to the max your company is willing to match. Looking to fund outside of your company's plan? Explore funding a Roth IRA for tax free growth and tax-free income in retirement. Remember, the only thing you can't make up is time! Start saving today!
5. **Saving for educational expenses:** If you want to begin contributing towards your child's educational expenses, here are some options: 529 college savings plan, custodial account, taxable investment account, or a savings account. Every little bit helps.

If you have questions on any of these items or would like to sit down to review your personal plan, please let us know. We would be more than happy to guide you through these plans.



5 New Year's Tips for Business Owners

By Neil Hinkle, CPA, Principal

One of the most common elements among successful business owners is using a Strategic Plan as a tool for reaching their goals. If you find the pressures of being a business owner often distract you from staying focused, you aren't alone. We are here to help. Here are five simple steps to help keep your business on track in the new year!

1. **Imagine the future:** Picture your life and business in the future and ask yourself pertinent questions such as: What does a typical day look like? What do I want my finances to look like? What relationships will be important to me? What do I want to accomplish? It's best to look ahead far enough to picture something new, but not so far that you can't determine how to get there. This process will help you develop a Strategic Plan, detailing where your business is headed and what you should do to get there.
2. **Determine the changes needed:** What changes does your business need to make to get to the future you've imagined? Maybe you need to change your position in the market, meet the new needs of your customers, foster relationships with your suppliers, alter your internal processes, or improve your financial health. You will likely need to involve others in these discussions and evaluate the market and historical data about your business as well. Once you have documented the changes that you need to make, you can set goals around those changes.
3. **Set goals with dates:** Setting goals is very important but many of us tend to be too vague, never really defining the steps needed to accomplish them. Be sure to make your goals measurable and give them a due date. If your business doesn't have an annual budget, this simple goal is a great place to start. Next, you should set shorter-term goals, monthly or quarterly, as they are helpful in maintaining focus and excitement. Document any goals you set and review them on a regular basis.
4. **Track the progress:** When you have a measurable goal, you can easily track how your progress. Be sure to look at the measurement before the deadline. Check on your progress with Key Performance Indicators (KPIs): daily, weekly, or monthly sub-goals. Tracking KPIs will give you the opportunity to make changes early if you aren't making enough progress toward the goal and also provide you with the data to evaluate the results objectively.
5. **Evaluate the results:** Data collected from the KPIs can be used to determine the reasons for meeting, or failing to meet, a goal. This data also can be used as a tool to start this 5 step process over again. As you set new goals, you will be able to look back at the past data and make attainable goals based on the historical performance of your business.

As a business owner, we know that you are already thinking about the year ahead and that the demands on your time will be significant. The urgencies of running a business could distract you from your plans, but following these five simple steps can help you reach your goals in 2019. If you would like to discuss any of these steps in more detail or would like help in setting goals or developing KPIs for your business, please feel free reach out to us.

Whitcomb & Hess Adds an Owner

By Jordan Kvochick

Whitcomb & Hess is pleased to announce that we have chosen **Neil Hinkle, CPA**, to join our owner group. Neil has been with the firm since 2006 and is an Accounting Manager and a QuickBooks ProAdvisor. Neil specializes in working with businesses and individuals on their accounting and tax matters.

When asked what this selection meant to him, Neil said, "The opportunity to join the owner group at Whitcomb & Hess is truly an honor. It is a joy to be part of a team that has such deep core values and believes so strongly in serving clients with integrity and excellence. It is a blessing to be in a position to help our clients navigate their financial concerns and discover solutions that enrich their lives. I am looking forward to continuing to serve both our clients and the community in this way, and I am grateful to embark on the journey of owning a small business."

Outside the office, Neil enjoys learning new things and spending time with his family. He serves as treasurer on the boards for the Brethren Care Village and the Ashland YMCA. He has been married to his wife Susan for fifteen years and they have seven children: Taylor, Andrea, Elaine, Allison, Evan, Angela, and Eleanor.

Disclosure Statement

Please contact Whitcomb & Hess, Inc. if there are any changes in your financial situation or investment objectives, or if you wish to impose, add, or modify any reasonable restrictions to the management of your account. Also, as required by the United States Securities and Exchange Commission, a copy of our Form ADV2A and Form ADV2B: Firm Brochure, which provides information about the qualifications and business practices of Whitcomb & Hess, is available upon request. To request a copy, contact one of our customer service specialists at info@whitcomb.com.

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UPDATE as of December 31, 2018

DOW JONES INDUSTRIAL AVERAGE (Total Return)			
4TH QTR -11.31%	2018 YTD -3.48%	5 YR AVG 9.70%	10 YR AVG 13.16%
S&P 500 COMPOSITE (Total Return)			
4TH QTR -13.52%	2018 YTD -4.38%	5 YR AVG 8.49%	10 YR AVG 13.12%
RUSSELL 2000 (Total Return)			
4TH QTR -20.20%	2018 YTD -11.01%	5 YR AVG 4.41%	10 YR AVG 11.97%
MSCI WORLD EX - U.S. (Total Return)			
4TH QTR -12.78%	2018 YTD -14.09%	5 YR AVG 0.34%	10 YR AVG 6.24%
BARCLAYS US AGGREGATE BOND (Total Return)			
4TH QTR 1.64%	2018 YTD 0.01%	5 YR AVG 2.52%	10 YR AVG 3.48%

INFORM

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Chris Nadler Earns CFP®

By Jordan Kvochick, Administrative Professional

Whitcomb & Hess is pleased to announce that **Chris Nadler, Investment Advisor Representative**, has passed the exam to become a CERTIFIED FINANCIAL PLANNER™. The CFP® certification is the highest standard in personal financial planning. To earn this designation, they must have multiple years of experience, complete rigorous training requirements, and are held to the highest ethical standards in the industry for the duration of their careers.

Prior to sitting for the exam in November, Chris spent over a year studying professional regulations, financial planning principles, education planning, risk management, insurance, investments, tax planning, retirement planning, and estate planning. There are fewer than 76,000 CFP® professionals in the United States, and less than 3,000 in Ohio.

Chris explains why he chose to take on this challenge, “I pursued this designation for the excellence it represents in our industry. I have more ‘tools in my toolbox’ now and I’d like to use what I’ve learned to help our clients as much as possible.”

Chris earned his Bachelor’s Degree in Business Administration, specializing in Finance, from The Ohio State University in 2011. He now has over six years of investment advisory and financial planning experience, having previously worked at Edward Jones and Richland Bank in Mansfield before joining Whitcomb & Hess in 2016. Chris and his wife, Beth, live in Lexington with their two young children, Harper and Noah.

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We work with people just like you
every day and would be happy to help.

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