

Teach Your Kids How to Set Sail with Finances

By Tim Hilterman, CFP®, CAP®

Do you feel like you've missed the boat when it comes to educating your kids about finances? It's not too late to teach them these four basic principles.

1. You can't turn a ship that isn't moving

Teach your child how to create movement with their finances. In other words, how do they get money? Money comes from working, so help your child think of a way to turn their skills or passions into a service or product that can earn money. Working around the house, serving as a babysitter, or raking leaves for neighbors are all simple options for kids. Remember the adage, "Teach a man to fish, and you've fed him for a lifetime."



2. Let the wind do the work

How can kids make their money work for them? Teach your child to always, always save a portion of what they earn, and to put those dollars to work earning a return. Like sails on a ship, this moves the boat without needing to row. Start with a simple savings account at the bank. Later, you can teach them about investing by purchasing one share of a mutual fund or exchange-traded fund, and eventually they could open their own ROTH IRA. After all, the greatest advantage a child has with investing is time. If they saved \$50 a month in a ROTH IRA that earned 10% annually, after 50 years they would have almost \$700,000 of tax-free money!

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Estate Planning for Today's Young Professional

By Aaron Bates, CFP®

As young professionals get married, have children, buy a house, and perhaps grow a business, not many people in their 30s and 40s have "estate planning" near the top of the to-do list. Unfortunately, tragedies happen. Preparing for the worst isn't easy to think about, but here are four critical things you can do to protect your family.

1. Make sure you have adequate life insurance in place.

When a tragedy strikes, not only do you lose your loved one, you also lose their income and/or their support for you to earn an income. Make sure your life insurance has a death benefit that is adequate and affordable.

- Ten years of income replacement (wages x 10) is a good place to start for death benefit amount. Fixed-term insurance is generally the most affordable.
- Get a fixed rate for 20 or 30 years if you have a growing family, own a business, or have debt to manage.
- If a spouse is not earning income, get at least half of the death benefit of the earning spouse, if not the same amount. The support a stay-at-home spouse provides is priceless!

2. Have a Last Will and Testament in place.

If there was an accident, who would become guardian of your children? Having a Will ensures that you make that decision. Name the people you trust, who you think will be best for your kids, and have agreed to take on this responsibility.

3. Make sure beneficiaries are current.

We often begin accumulating assets before starting a family. In some cases, people forget to update beneficiaries to their new spouse or

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First Quarter Market Recap

By Ryan Gilmer, CFA®, CMT®

After a dramatic and emotional year for financial markets in 2020, stocks and bonds have taken divergent paths to begin 2021. Stocks have continued to climb higher, while the price of bonds has declined. This is a result of higher economic growth expectations, which leads to higher bond yields.

Here is a chart of the yield on a 10-year US government bond over the past year:



Government bond yields crashed during the first quarter of 2020, as markets realized the economic implications of the COVID-19 pandemic. Yields bottomed in August 2020, but they have accelerated higher this quarter. At the end of the year, the 10-year treasury yielded 0.92%. As of March 31st, it yielded 1.75% – basically back to pre-COVID levels.

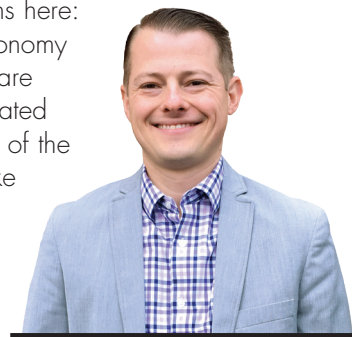
This increase in yields affects bonds differently depending on when they mature. Blackrock has exchange-traded funds (ETFs) that span the spectrum of maturity dates. As you can see from the

following table, shorter-term bonds are much less affected than longer-term bonds:

| Fund Name (ETF) | Ticker | YTD Returns |
|-----------------------------|--------|-------------|
| iShares 1-3 Year Treasury | SHY | -0.09% |
| iShares 3-7 Year Treasury | IEI | -2.20% |
| iShares 7-10 Year Treasury | IEF | -5.73% |
| iShares 10-20 Year Treasury | TLH | -11.79% |
| iShares 20+ Year Treasury | TLT | -13.92% |

As advisors, it's our job to build portfolios comprised of different investments that all work together to optimize risk and returns for clients. Markets are dynamic and ever-changing. In a diversified portfolio, there will always be a best performer and a worst performer. Managing individual funds well through different markets takes thoughtful reflection and an open mindedness about what the next market environment might look like. In the current environment, treasury bonds have obviously struggled, but during the first quarter of 2020, TLT (iShares 20+ Year Treasury ETF) was up over 22% while stocks significantly declined.

There are also economic implications here: markets are recognizing that the economy is continuing to heal. More people are vaccinated, reducing the risk associated with COVID-19 and allowing many of the hardest-hit areas of the economy, like restaurants and travel, to rebound. The weather is turning from winter to spring, and it's looking like our year-long economic winter is ending too.



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3. Don't let anchors drag you down

Another principal kids should learn – and this is a big one – is to not get bogged down with expenses that can hinder their financial progress. Make sure they are careful to never spend more than they earn and warn them about the dangers of debt, especially high-interest-rate credit card debt. Help them see where financial progress can take them and understand how quickly unwise decisions around spending and debt can throw them off course.

4. Enjoy the journey, not just the destination

While focusing on finances can be beneficial, the pursuit of money can also become a trap. Teach your kids the importance of building lasting relationships, being generous

with their finances, and how to enjoy life no matter their financial position.

If you're like me, you worry about your kids and want the best possible future for them. You won't always be there once they grow up and leave the nest, but if you give them the right principles, you can rest assured they have what they need for a successful voyage.



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Be Aware: Email Scams on the Rise

By Jerod Daniel

While we've all been focused on the lingering pandemic, or balancing real life with work-from-home life, cybercriminals are taking advantage our distractions with attacks via email and text messages.

"Phishing," the practice of sending fraudulent e-mails with intent to steal personal information or financial data, are on the rise like never before. "Smishing," similar scams sent via text messages (SMS), are prevalent also. Over the last year, some of the most common attacks have been COVID-19 relief payment scams, fraudsters imitating the Centers of Disease Control and Prevention (CDC), and tax-extension deadline scams.

Here's a List of Helpful Tips When In Doubt:

- Be cautious if you receive anything that requests financial or personal information from you.
- Ignore unprompted emails, texts, or even phone calls that demand quick action or an urgent response.
- Check sender email addresses and domains. Hover over links and addresses to verify the legitimacy of the unrecognized sender.
- Pay close attention to spelling, punctuation, and grammatical errors.
- Do not open suspicious attachments or click on odd-looking links in an email, text message, or anything sent to you on social media.

Remember, these cybercriminals will try to force you to make decisions or give them your information very quickly, by creating a sense of urgency or fear. In most cases, it is best not to give out personal information if you're unsure. When in doubt, pause and double check. Don't reply to the email or text directly, research the request by calling the source with the number on their official website. If you have been tricked by any of these scams, contact us for help, or visit the Federal Trade Commission's website for guidance.



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children. If assets aren't titled properly, or beneficiaries aren't updated, your assets may go to someone other than your immediate family and that can cause problems.

- 4. Name a Healthcare Power of Attorney (POA) for your kids.** Do you travel and leave the kids with family? How will those caretakers handle necessary medical care if they are not given adequate permission? A Healthcare Power of Attorney can be a vital document to grant permission to your children's caretakers should an emergency arise.

We are here to discuss these issues and any others that may impact your personal situation. Hopefully we can help your family make the best of difficult situations by being prepared for the unexpected. If you need to take care of any of the above, let's talk.



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New Retirement Planning Software

By Tracy Wells

Last year we embraced many changes, including a new retirement planning software. **RightCapital** is an intuitive program that allows us to pull together all of your investment accounts, including those outside of Charles Schwab. These update automatically, giving us real-time information. We're excited to share our new tool with you, to help create your ideal retirement plan and review various scenarios instantly. If you are interested in your own customized plan, give us a call.

MARKET UPDATE as of March 31, 2021

| | | | | |
|-----------------------------|------------------|-------------------|-------------------|--------------------|
| DOW JONES IND AVG | 1ST QTR 8.29% | 2021 YTD 8.29% | 5 YR AVG 15.99% | 10 YR AVG 13.09% |
| S & P 500 COMP | 1ST QTR 6.17% | 2021 YTD 6.17% | 5 YR AVG 16.29% | 10 YR AVG 13.91% |
| RUSSELL 2000 | 1ST QTR 12.70% | 2021 YTD 12.70% | 5 YR AVG 16.35% | 10 YR AVG 11.68% |
| MSCI WORLD ex US | 1ST QTR 4.04% | 2021 YTD 4.04% | 5 YR AVG 8.92% | 10 YR AVG 5.21% |
| BARCLAYS US AGG BOND | 1ST QTR -3.37% | 2021 YTD -3.37% | 5 YR AVG 3.10% | 10 YR AVG 3.44% |

W&H Team News

By Jordan Kvochick

W&H is excited to welcome a new team member! Our Investment Advisory Services Intern, **Matthew Lefelhoc**, has decided to stay on with us after he graduates from The Ohio State University -



Fisher College of Business in May. Originally hired as a 2020 summer intern, Matthew continued to work with us part-time as he finished his final year at OSU. He will become an Investment Advisor after he passes the FINRA Series 65 exam. We have been very impressed with how Matthew has handled the challenges we have given him over the last year and we're delighted to welcome him aboard (again!).

The W&H family is growing too - On New Year's Day, Accounting Associate **Felicia Amos** received a surprise proposal from her longtime partner, Shane Fortney! They have known each other their whole lives, began dating in 2007,



and are planning to get married this April. (After tax season, of course!) Felicia and Shane will celebrate their marriage with a trip to Gatlinburg, Tennessee.

Another proposal happened in February! George Roth proposed to CPA **Jessica Syme**, by asking her to dance like he had when they first met at a friend's wedding. Naturally, this time she said yes! Jessica and George are excited to be planning an August wedding and their future together. **Congratulations!**



WHITCOMB & HESS

1020 Cleveland Avenue
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Do you have old paperwork? Whether you have a tote bag or a truckload, bring it to our annual Client Appreciation Event:

Document Destruction Day

Friday, May 7th, 2021

9am to 12pm

in the W&H parking lot

We offer this **secure, convenient, document-shredding service** on-site to help protect your family and business from identity theft. Plus, all the shredded paper is recycled, so it's good for the planet too!