



VITUCCI  
INTEGRATED  
PLANNING

WEALTH MANAGEMENT • TAX PLANNING • INVESTMENT STRATEGIES

## Directions Newsletter



# Directions: Autumn 2022 Edition

## What's New at Our Practice

### ***Replay of 4th Quarter Economic Update Available***

We hosted our 4th Quarter Economic Update with Dr. Randy Anderson of Apollo. He provided a broad view of the current state of the economy with a unique commentary on the real estate asset class.

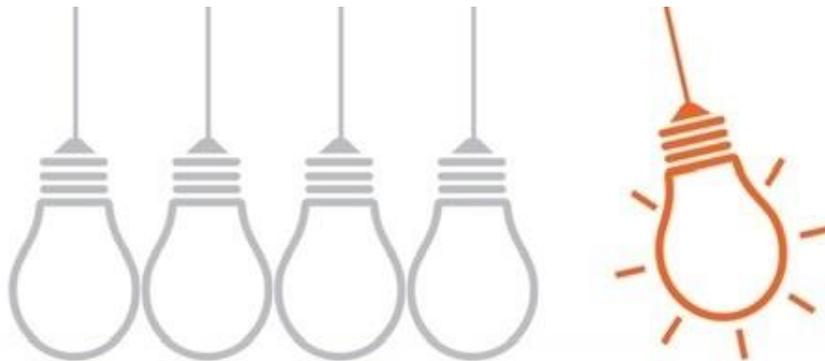
You can access a replay of the update on our website. Please feel free to forward to friends, colleagues, or family members who may have interest. [ACCESS THE REPLAY](#)

### ***Janelle Gilman has Joined our Practice***

Janelle Gilman joined our team in August as a Client Service Associate. Her experience ranges in working at large financial institutions and regional advisory practices in service and support roles. She has earned her Financial Paraplanner Qualified Professional (FPQP) designation from the College for Financial Planning. Clients will enjoy Janelle's calming & positive personality.

### ***Two Educational Events for 4th Quarter***

Look for information soon on two upcoming educational opportunities. Later in October we will host our Year-End Planning Considerations webinar. We will also host a Post-Election Update in November. Look for dates and more information very soon.



## **Food For Thought**

### ***Taxes: Time for Tax Planning - Send us your 2021 tax return***

Part of what makes our planning work for your unique circumstance is our ability to bring a lens of tax consideration. This is often referenced in our reviews with you. However, providing us with a copy of your tax return can help us deepen the tax planning conversation, and we may be able to draw deeper analysis from this as it relates to your financial plan.

If you have not provided us with a copy of your most recent tax return, our staff can help you with getting us a copy as securely as possible. Contact us to help you with this. Let's tax plan!

\*Tax services not affiliated with First Allied.

***Economy: Listen to Economic Update Replay; Read our Blog***

It is not uncommon for there to be an element of uncertainty or worry in any given year regarding the economy, that may cause some "indigestion" for investment markets. It is often reflected in the volatility of trading on markets.

Right now investment markets are facing about five areas of uncertainty (four of which are directly related to inflation). Mid-term election years tend to be more volatile than others (typically abating post-election). 40-year high CPI measurements at more than 8% year over year inflation. War in Ukraine has caused geopolitical uncertainty, and had a direct impact on increased commodity prices like oil. Interest rates are rising rapidly due to actions by the Federal Reserve to try to fight inflation. All of this with a backdrop of a waning COVID-19 pandemic--with different parts of the world taking different approaches.

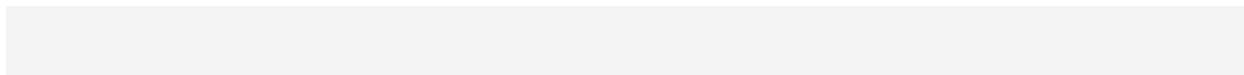
Listen to our recent [Economic Update](#) or catch up with the [Online Office Hours](#) we hosted throughout the 3rd quarter.

### ***Financial Planning: Understand Your Cash-Flow***

We believe a good understanding of your cash-flow is the "engine" of your financial plan. This was a focus topic for one of our recent Online Office Hours webinars. The discussion is illustrative of the importance cash-flow plays in the long-term success of your retirement.

Updating your cash-flow in your annual review can provide you with renewed confidence in your plan during a difficult economic environment.

You can access a replay of this discussion [HERE](#).





## **Featured Wealth Management Thought**

### **Holistic Help for Caregivers of Aging Parents**

An integrative caregiving plan can help you contain costs and take advantage of the various planning and health care resources available.

The wild card in any financial plan is the length and severity of the aging process. Longevity coupled with potential incapacity can possibly decimate a family's resources, sometimes causing adult children to not only forego an inheritance but also contribute to their parents' support to the extent that their own retirement security may be in jeopardy.

Long-term care insurance can help mitigate some of the risks associated with aging, but not until the insured is unable to perform two of six specific activities of daily living— bathing, dressing, eating, transferring from bed to chair, toileting, and continence—or has sufficient cognitive impairment that it affects the person’s health and safety.

Older people who simply need help getting to doctors’ appointments, remembering to take medications, fixing meals, shopping, cleaning and maintaining the house, paying bills, opening jars, and myriad other daily challenges do not qualify for benefits under a long-term care insurance policy. But their needs are no less real.

When aging parents become dependent on adult children, financial planning becomes more entwined.

The goal in any integrative financial plan—providing all family members agree—is to dissolve the boundaries between what belongs to the parents and what belongs to the children and consider strategies that build and conserve resources for all.

### **Assemble resources**

According to a landmark national study, family caregivers often suffer an impact of their obligations on their work. Six in ten are employed while caregiving, and as they take on more and more responsibility, they incur significant losses in career development, salary and retirement income, and substantial out-of-pocket expenses.

This is why it is important to address the whole family’s needs whenever a caregiving situation arises.

Ideally, you’ll want to begin thinking about this while everyone is still active and healthy so you can emphasize the importance of planning ahead. It is never too soon to start assembling resources and gaining a knowledge of finances, so you will be ready to help your parents when the time comes.

## **Planning ahead**

According to a USA Today/ABC News/Gallup Poll, 41% of baby boomers who have a living parent are providing personal care, financial assistance, or both. Of those boomers who are not providing care for parents now, 37% think they will someday. And about half of them say they are concerned about their ability to do so.

Boomers who are still putting kids through college and saving for their own retirement may have to sort out their priorities. How much help can they realistically provide to their parents? How much do they know about their parents' finances and the resources available? What changes are they willing to make in their lives to help their parents? These are all tough questions that should be addressed as early as possible.

## **Living arrangements**

Housing options for older parents who are basically healthy but need help with certain activities due to frailty or forgetfulness include: (1) staying in their own home, (2) living with their children, or (3) moving to an assisted-living facility.

Each family must decide for itself which option is best based on costs and quality of life for all.

## **Providing care**

Regardless of where the parents live, some form of care will usually need to be provided, such as cleaning, cooking, paying bills, shopping, transportation to medical appointments, and so on.

Start by determining the exact needs of the parents and who should provide the needed services, a family member or an outside paid caregiver.

Before making any moves that could threaten your own future financial security, make sure to analyze the long-term

consequences of the various options and try to strike a balance between financial and emotional considerations.

The occasion of a parent needing help gives families of all means an opportunity to come together and integrate their financial and life plans for the benefit of all. You may wish to obtain professional advice to help evaluate everyone's overall resources and determine who will be responsible for what costs and care. A professional can help map out a strategy that makes sense from a tax- and estate-planning standpoint.

As the year begins to wind to a close, please let us know if you are ready for your next review. A fresh look at your plan can remind you of the strength of your financial position.

**Jason**

## KEY PLANNING DEADLINES: Autumn 2022

	FINANCIAL DATES & DEADLINES	SPECIAL OBSERVANCES	
<b>OCTOBER</b> FOCUS: Cybersecurity	<b>October 1.</b> Final deadline for establishing SIMPLE IRA for 2022 <b>October 1.</b> FAFSA 2023-2024 opens <b>October 15.</b> Medicare Advantage and drug plan open enrollment begins <b>October 17.</b> 2021 extended individual tax returns due	Cybersecurity Awareness Month <b>October 16-22.</b> Retirement Security Week <b>October 31.</b> Halloween	<b>Are you scared of being hacked?</b>
<b>NOVEMBER</b> FOCUS: Long-Term Care	<b>November 1.</b> 2022 Health insurance open enrollment starts <b>November 11.</b> Veterans Day (markets open) <b>November 24.</b> Thanksgiving Day (markets closed) <b>November 25.</b> Markets close at 1 p.m. ET	Long-Term Care Planning Month <b>November 6.</b> Daylight Savings Time ends <b>November 8.</b> Election Day <b>November 26.</b> Small Business Saturday <b>November 29.</b> Giving Tuesday	<b>Do you have a long-term care plan?</b>
<b>DECEMBER</b> FOCUS: Year-End Planning	<b>December 7.</b> Medicare Advantage and drug plan open enrollment closes <b>December 25.</b> Christmas Day <b>December 31.</b> Last day to: <ul style="list-style-type: none"> <li>• Establish Keogh, solo 401(k)</li> <li>• Make contributions to 401(k)</li> <li>• Sell stock to realize gains/losses</li> <li>• Take RMDs</li> <li>• Pay expenses for itemized deductions</li> <li>• Make tax-deductible charitable contributions</li> <li>• Make annual tax-free gifts</li> </ul>	<b>December 7.</b> Pearl Harbor Day <b>December 18-26.</b> Hanukkah <b>December 21.</b> Winter Solstice <b>December 26.</b> Kwanza begins <b>December 31.</b> New Year's Eve	<b>Happy holidays! Have a great new year!</b>
<b>IF YOU HAVE ANY QUESTIONS ABOUT THIS OR ANYTHING ELSE, PLEASE CALL US! (925) 370-3750</b>			



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