DO YOU HAVE ENOUGH MONEY TO RETIRE?

EmergingWealth Investment Management, Inc.®

Legend Financial Advisors, Inc.®

Presented by:

Diane M. Pearson, CFP®, PPC™, CDFA®

DIANE M. PEARSON, CFP®, PPC™, CDFA®

Diane M. Pearson, CFP®, PPC™, CDFA® is a Wealth Advisor and Shareholder with Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc. ®

Diane has been selected three times by *Worth* magazine as one of "The Top 250 Wealth Advisors" in the country.

Diane has been selected seven consecutive times by *Medical Economics* magazine as one of "The 150 Best Financial Advisors for Doctors in America."

She has also been selected five times by *Dental Products Report* as one of "The Best Financial Advisors for Dentists in America."

Diane has also been previously selected by *Pittsburgh Magazine* three times as one of the Pittsburgh area's FIVE STAR Wealth Managers, a list that represents the most elite financial advisors in Pittsburgh.

With over 25 years of experience, Diane assists all types of clients with their financial planning and investment needs. Diane specialized expertise includes working with widowed, divorced and retirement-focused individuals.

She is also a managing member of the Smart Divorce Institute, LLC which provides professional, expert guidance, through educational workshops for men and women contemplating, experiencing, and/or emerging from divorce.

Diane has been awarded the Certified Divorce Financial Analyst® (CDFA®) professional designation. As a CDFA®, she is qualified to serve as a financial expert on divorce cases, present data to support an argument, and educate clients on the short- and long-term financial implications of different divorce settlement proposals.

Diane is one of the first financial advisors in the country to earn the Professional Plan Consultants™ (PPC™) designation, recognizing her commitment to education and service excellence in the qualified retirement planning industry.

Ms. Pearson is also a member of the second Pittsburgh chapter of the Women's Presidents Organization (WPO).

Diane has also previously been selected as one of "Pennsylvania's Best 50 Women in Business" by The Pennsylvania Department of Community and Economic Development.

With People Living Longer, We'll Have to Work Longer

ONLINE RETIREMENT CALCULATORS

Current Age

Current Income

Spouse’s Income

Current Savings

Expected Inflation

Retirement Age

Income replacement at retirement

Pre-retirement investment return

Post-retirement investment return

Other Sources of Income:

- Social Security
- Pension
- Annuity

Marital status

WHAT YOU NEED TO CONSIDER

1. What Does Retirement Look Like?
2. Saving
3. Investing And Evaluating Regularly
4. Sources Of Income
5. Expenses

WHERE TO START

1. Emergency Reserve Account
2. Disability Insurance
3. Retirement Plan savings

SAVINGS GUIDELINES FOR 80% OF PRE-RETIREMENT INCOME

In your 20s: Save 10-15 percent of income

In your 30s: Save 15-25 percent of income

In your early 40s: Save 25-35 percent of income

If age 45 or older: Save 40 percent of income

Over age 50: Save 60 percent of income

RETIREMENT SAVINGS OPTIONS

Traditional IRA

Roth IRA

Self-Employed Plans

- SEP IRA
- SIMPLE IRA
- Solo 401(k) Plan – Traditional and Roth

Employer Sponsored Plans

- Defined Contribution – 401(k), 403(b) or 457 Plans
- Defined Benefit – Employer contributions only

Individual Retirement Accounts (IRA)

	Traditional IRA	Roth IRA
Contribution Limits	\$6,000.00, if age 50+ \$7,000.00	\$6,000.00, if age 50+ \$7,000.00
Deductibility	If eligible, the amount the employee contributed may be deductible	Roth IRAs are never deductible
Age Limitations	Cannot make contribution after and including the year when participant reaches age 70½	There is no age limit
Income Limitations	No income limits that will prevent taxpayers from contributing	Income limits may prevent taxpayers from contributing
Required Minimum Distributions	Must begin taking required minimum distributions by April 1 of the year following the year turned age 70½	There are no required minimum distributions
Taxability of Distributions	Generally treated as ordinary income and may be subject to income taxes; furthermore, the distributed amount may be subjected to early distribution penalties if the amount is withdrawn while the taxpayer is under the age of 59½	Distributions are qualified if both requirements are met: 1. Taken no earlier than five years after the taxpayer funds his/her first Roth IRA and 2. The distribution is taken because of: a) Reaching age 59½ b) Disabled c) Death d) Purchasing first home

Simplified Employee Pension (SEP IRA)
Savings Incentive Match Plan for Employees (SIMPLE)

	SEP IRA	SIMPLE IRA
Employer Contributions	Required uniform % of each employee's pay (0-25%)	Employer is required to make either an annual matching contribution between 1% and 3% or an annual non-elective contribution of 2% of compensation up to $280,000.00
Minimum Coverage Requirements	Plan must cover all employees who earn at least $600, are at least 21 and have worked for employer in 3 of the last 5 years	Plan must cover all employees who earn at least $5,000.00 during any 2 preceding years and expect to earn $5,000.00 for the current year
Employee Contributions	Not permitted	Permitted up to $13,000.00 pre-tax, if age 50+ $16,000.00 pre-tax
Maximum Total Annual Contributions	25% up to $56,000.00	Maximum employee contribution of $13,000.00, if age 50+ $16,000.00 pre-tax Employer matches up to 3% of compensation up to $280,000.00
Maximum Deductions	25% of all participant's compensation excluding SEP contributions (after 2002)	Same as maximum contribution
Vesting Schedule for Employer Contributions	All contributions 100% vested	All contributions 100% vested
Withdrawals/Distributions	Permitted subject to tax and, if under 59½, potential 10% penalty	Permitted, however, if under age 59½, potential 10% penalty. (25% penalty if account is less than 2 years)
Deadline for Establishment of Plan	Any time up to date of filing the employer's return (including extensions)	Any time between 1/1 and 10/1 of the calendar year. For a new employer coming in to existence after 10/1, as soon as administratively feasible. Entries established during the year have until 12/31
Deadline for Contribution	Any time up to date of filing the employer's return (including extensions)	Employee contributions: 30 days following the end of the month with respect to which the contributions are made. (12/31) Employer matching contributions or non-elective contributions: Due date of employer's return

Defined Contribution Plans
Defined Benefit Plans

Defined Benefit Plan

Examples: Pension Plans, Cash Balance Plans

An employer-sponsored retirement plan for which retirement benefits are based on a formula indicating the exact benefit that one can expect upon retiring. Investment risk and portfolio management are entirely under the control of the company. There are restrictions on when and how monies can be withdrawn from these funds without penalties.

Defined Contribution Plan

Examples: Solo 401(k) Plans, 401(k) Plans, 403(b) Plans

A employer-sponsored retirement plan wherein a certain amount or percentage of money is set aside each year for the benefit of the employee. Employees can contribute funds as well. There are restrictions as to when and how monies can be withdrawn from these funds without penalties.

Defined Contribution Plans
Defined Benefit Plans

	Defined Benefit	Defined Contribution
Employees Attracted/Benefited	Longer tenure and/or older employees	Shorter tenure and/or younger employees
Cost Variability/Risk	Employer assumes investment and possibly pre-retirement inflation risk, and therefore, annual plan costs are less predictable	Employer assumes none of the investment risk on retirement fund assets. As a result, annual costs are more predictable although the employer cannot take advantage of high stock market or other investment returns on retirement plans assets
Annual Funding Flexibility	There tends to be more flexibility as to when an employer may meet these costs contributions in defined benefit plans	Money purchase and some types of profit sharing plans have less flexibility in when those costs are to be paid. In addition, defined contribution accounts can be designed to entail no employer contributions at all, unlike defined benefit plans
Income Tax Advantages	Only employer contributions are given tax-favored status	Both employer and employee contributions may be given tax-favored status
Administrative Costs	Managing a large pool of funds is less expensive than managing individual accounts, but may be more expensive because of the provision of annuities	Generally, less expensive to administer, especially for smaller employers
Benefit Provided At Retirement	Usually paid in the form of annuities	Usually paid in the form of lump-sum distributions, with which the employee may spend as they wish
Employee Contributions	Not permitted	$19,000.00 and $25,000.00 permitted up to the maximum of $56,000.00

HOW TO INVEST FOR RETIREMENT

SECULAR BEAR MARKET WATCH

April 1, 2000 to March 31, 2019
(19 years and 0 months)

	Annual Compound Return	Total Return
Consumer Price Index (Inflation)	2.10%	48.48%
90-Day Treasury Bills Index-Total Return	1.58%	34.69%
Bloomberg Intermediate Term Corporate Bond Index	5.34%	168.88%
Barclays Aggregate Bond Index-Total Return	4.88%	147.24%
High Yield Corporate Bond Index – Total Return	8.64%	383.46%
S&P Leveraged Loan Index – Total Return	4.84%	145.51%
S&P 500 Index (U.S. Stock Market)	5.44%	173.77%
Russell 2000 Index (Small-Caps)	7.08%	266.93%
MSCI EAFE Index (Developed Foreign Equities)	3.49%	91.94%
MSCI Emerging Market Index (Equities)	6.79%	248.71%
Newedge CTA Index (Managed Futures)	4.12%	115.29%
HFRX Global Hedge Fund Index	2.15%	49.73%
Dow Jones–UBS Commodity Index-Total Return (USD)**	-1.02%	-17.70%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	10.64%	583.29%
Gold Bullion	8.42%	364.44%

As of: March 31, 2019

Compound and Total Returns include reinvested dividends. MSCI Indexes do not include dividends prior to 2002. Newedge Index is equally-weighted.

SECULAR BEAR MARKET WATCH (CONTINUED)

April 1, 2000 to March 31, 2019
(19 years and 0 months)

Note: During Secular Bear markets U.S. Stocks have historically returned a little more than inflation or a little less than inflation—plus or minus 1.50%—and generally last between 15 to 25 years. The last Secular Bear market (1966 to 1982) lasted 17 years and underperformed inflation by approximately one-half of one percent per year. The other Secular Bear markets since 1900 were 1901 to 1920 and 1929 to 1949. In both cases, the U.S. Stock market outperformed inflation by approximately 1.50% per year. All of the aforementioned performance numbers are pre-tax.

The performance of the U.S. Stock market so far in the current period (April 1, 2000 to the present) certainly appears to indicate that we are in a Secular Bear market. Long-term returns (over the next 10 years) for the S&P 500 will probably be slightly worse than the last 19 years and 0 months. Current 10 year normalized P/Es (long-term valuations) indicate approximate annual compound returns of slightly less than 3.00% over the next 10 years. Of course during the next 10 years, returns during various periods will be significantly higher and lower than the expected return. For example, the more the stock market rises in the near term, the less returns after that period will be and vice versa.

As of: March 31, 2019

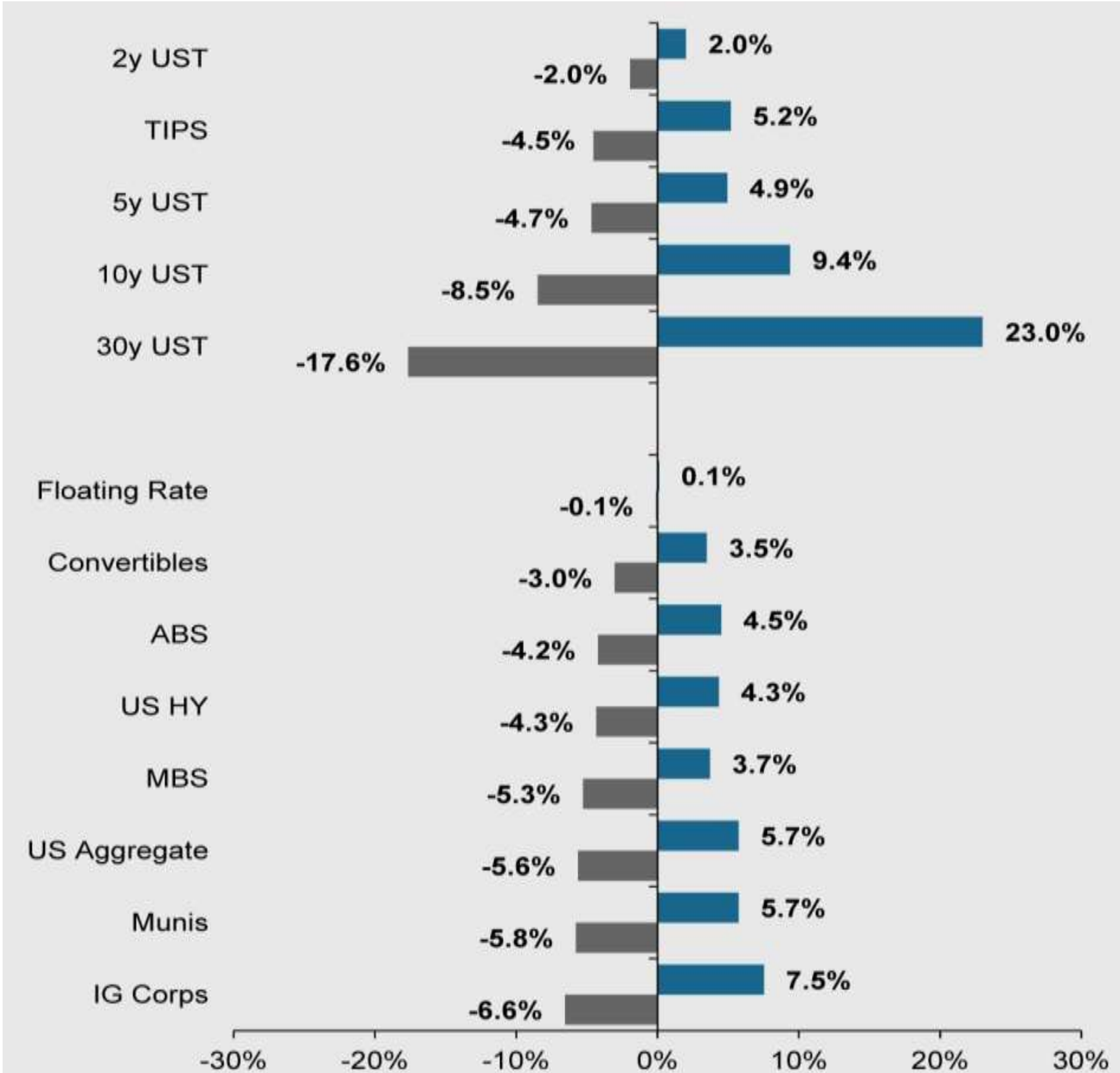
INTEREST GENERATING SECURITIES ANALYSIS

Index	Coupon (%)	Price ($)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)
	Averages					
Bloomberg Barclays U.S. Aggregate Index	3.23	102.3	2.93	44	8.1	5.8
U.S. Treasury	2.41	101.4	**2.38**	-	7.8	6.2
U.S. Agency	2.82	104.5	**2.50**	13	5.3	4.1
U.S. Mortgage Backed Securities	3.62	102.3	**3.08**	35	6.1	4.0
U.S. Asset Backed Securities	2.76	100.6	**2.70**	39	2.3	2.2
U.S. Commercial Mortgage Backed Securities	3.43	102.3	**3.01**	69	6.0	5.3
U.S. Corp. Investment Grade	4.04	103.3	**3.63**	119	11.0	7.4
Bloomberg Barclays Municipal Bond Index	4.66	109.2	**2.32**	-	13.1	5.8
Bloomberg Barclays Taxable Municipal Bond	5.27	113.6	3.54	-	16.9	9.0
ICE BofAML US Inflation-Linked Treasury Index	0.86	103.4	0.52	-	8.6	5.3
ICE BofAML Preferred Index (Fixed Rate)	5.75	102.0	3.68	83	-	4.6
ICE BofAML US High Yield Index	6.36	97.7	**6.48**	405	5.8	3.7
S&P / LSTA Leveraged Loan Index	L+3.39	96.4	**6.85**	463	5.1	-
J.P. Morgan EM Bond Index (EMBI) Global Diversified	5.94	100.7	**5.98**	350	-	7.0
J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified	5.35	100.8	**5.35**	298	-	4.6
J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified	6.20	-	**6.16**	-	-	5.2
Bloomberg Barclays Global Aggregate Ex-U.S. Index	2.13	110.9	0.74	44	9.5	8.1

As of: March 31, 2019

Source: Barclays Capital, JP Morgan, BofA Merrill Lynch and Standard & Poor's via *Eaton Vance Monthly Market Monitor*, www.eatonvance.com

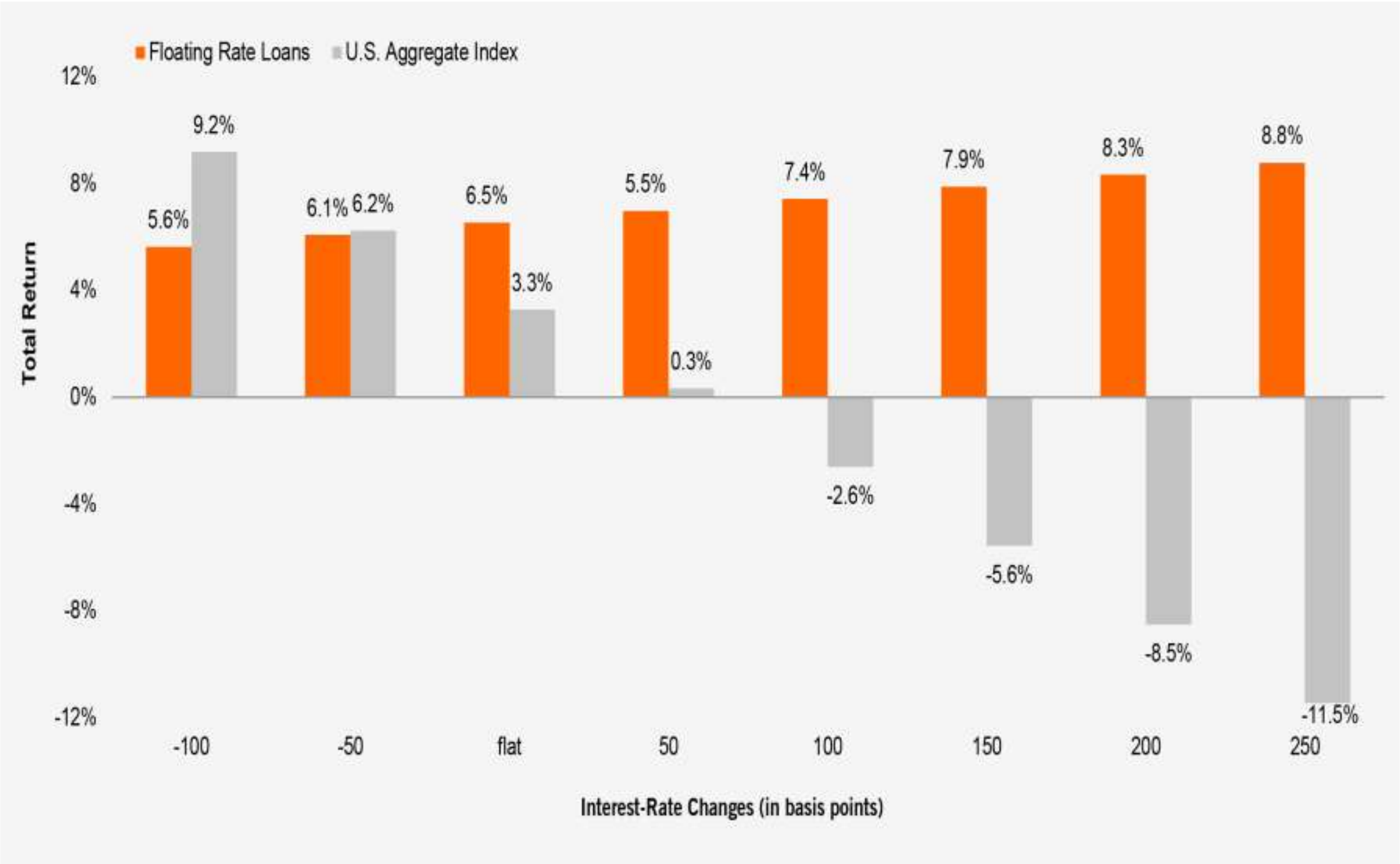
PRICE IMPACT OF A 1% RISE/FALL IN INTEREST RATES



As of: June 30, 2016

Source: U.S. Treasury, Barclays Capital, FactSet, J.P. Morgan Asset Management

LOANS VS. BONDS: HYPOTHETICAL RETURNS IN VARIOUS RATE SCENARIOS



As of: December 31, 2018
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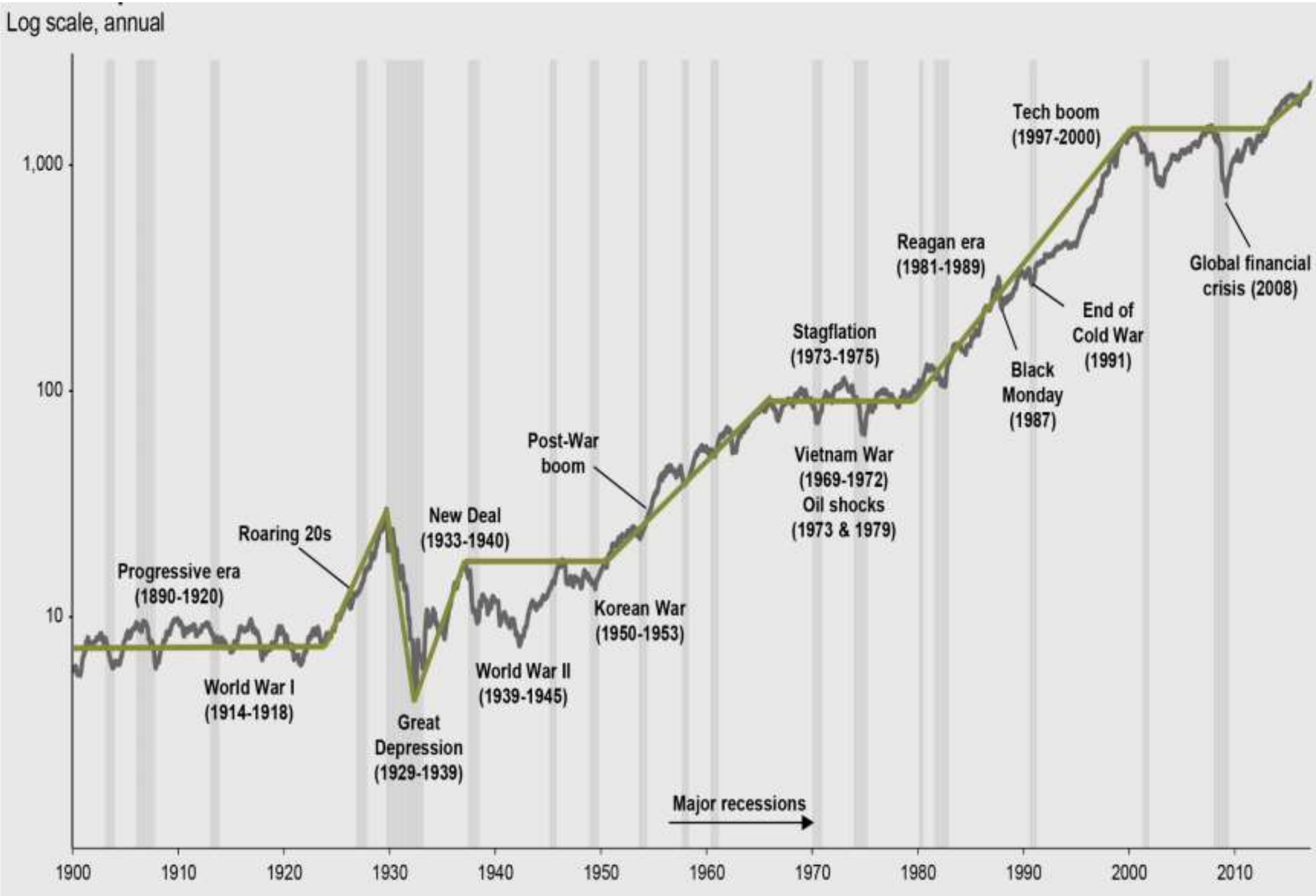
Source: Eaton Vance
Floating-Rate Loan Chart Book Q4 2018, www.eatonvance.com

S&P COMPOSITE INDEX



As of: December 31, 2018

Source: FactSet, NBER, Robert Shiller, J.P. Morgan Asset Management
Data shown in log scale to best illustrate long-term index patterns.

MARKET FLUCTUATIONS
What Past Market Declines Can Teach Us

A History Of Declines (January 1, 1900 – February 28, 2019)

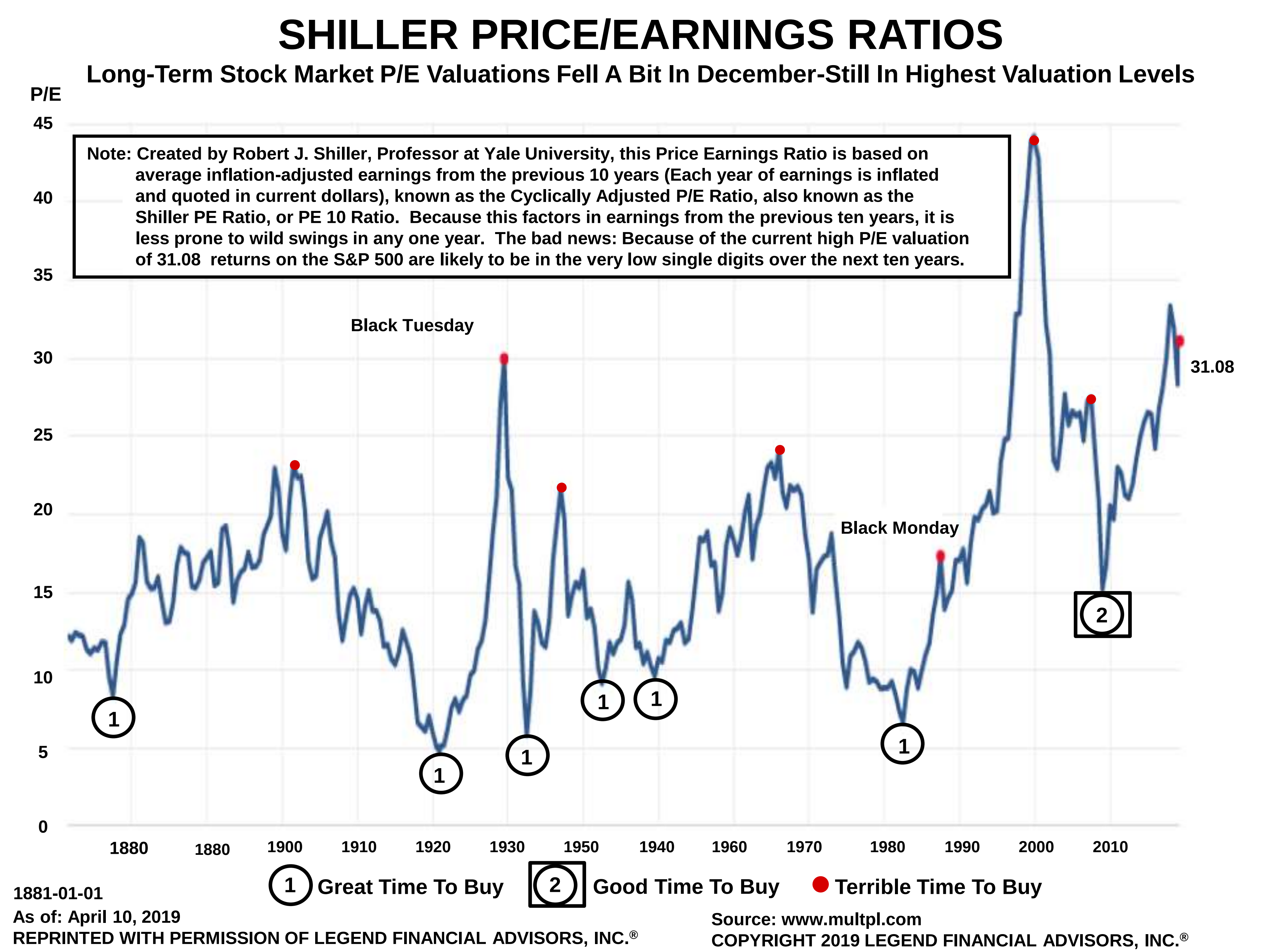
Type of Decline	Percentage Decline	Number of Declines	Average Frequency	Average Length
Dip	-5.0% to -10.0%	389	About 3 times a year	46 days
Correction	-10.0% to -15.0%	127	About once a year	115 days
Severe Correction	-15.0% to -20.0%	Included in corrections total	About once every 2 years	216 days
Bear Market*	-20.0% to -30.0%	17	About once every 6.25 years	11 months
Severe Bear Market*	-30.0% or more	14	About once every 8.25 years	22.8 months

* Either a Bear Market or a Severe Bear Market occurs approximately every 3.7 years.

Source: American Funds Distributors, Inc., Bloomberg, Dow Jones, Ned Davis Research, Edward Jones, The Leuthold Group, LLC

RETURNS NEEDED TO REACH BREAK-EVEN POINTS AFTER LOSSES

PERCENTAGE LOSS	PERCENTAGE RETURN NEEDED TO REACH BREAK-EVEN
5.00%	5.26%
10.00%	11.11%
15.00%	17.65%
20.00%	25.00%
25.00%	33.33%
30.00%	42.86%
35.00%	53.85%
40.00%	66.67%
45.00%	81.82%
50.00%	100.00%
55.00%	122.22%
60.00%	150.00%
65.00%	185.71%
70.00%	233.33%
75.00%	300.00%
80.00%	400.00%
85.00%	566.67%
90.00%	900.00%
95.00%	1900.00%


SHILLER PRICE/EARNINGS RATIOS
Long-Term Stock Market P/E Valuations Fell A Bit In December-Still In Highest Valuation Levels
P/E
45
40
35
30
25
20
15
10
5
0
Note: Created by Robert J. Shiller, Professor at Yale University, this Price Earnings Ratio is based on average inflation-adjusted earnings from the previous 10 years (Each year of earnings is inflated and quoted in current dollars), known as the Cyclically Adjusted P/E Ratio, also known as the Shiller PE Ratio, or PE 10 Ratio. Because this factors in earnings from the previous ten years, it is less prone to wild swings in any one year. The bad news: Because of the current high P/E valuation of 31.08 returns on the S&P 500 are likely to be in the very low single digits over the next ten years.
Black Tuesday
Black Monday
31.08
1
1
1
1
1
1
1
2
1880
1880
1900
1910
1920
1930
1950
1940
1960
1970
1980
1990
2000
2010
1 Great Time To Buy
2 Good Time To Buy
Terrible Time To Buy
1881-01-01
As of: April 10, 2019
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U.S. STARTING VALUATIONS HAVE DEMONSTRATED A STRONG IMPACT ON FUTURE RETURNS

Subsequent nominal returns (annualized)*

Starting Shiller P/E	5-Year	10-Year
<10x	15.1%	14.8%
10-15x	9.3%	10.6%
15-20x	6.2%	5.6%
20-25x	4.2%	1.7%
>25x	0.4%	2.6%

Current level: 31.08

*** Median of the annualized subsequent returns calculated at each month end, using Shiller P/E and S&P 500 monthly returns from December 31, 1927 to November 21, 2014**

As of: April 10, 2019

Source: Robert Shiller Online Data; Via PIMCO

SOURCES OF INCOME

- Social Security
- Retirement Accounts - Roth IRAs
- Pensions
- Paid off house
- Railroad Retirement Benefits
- Investments
- Savings accounts and CDs
- Part-time work
- Annuities

EXPENSES

80% Of Your Pre-retirement Income?

Expenses while working

- Taxes, commuting, savings, clothing, liabilities, children's education

Expenses while retired

- Taxes, health-care costs, liabilities
- Dining out, travel, hobbies, entertainment

WHAT TO DO IF YOU DON’T HAVE ENOUGH ASSETS SAVED FOR RETIREMENT

1. Make more retirement plan contributions.
2. Readjust retirement expectations

   or standard of living in retirement.
3. Decrease spending.
4. Work longer.
5. Work part-time.
6. Review your investment strategy.

Retirement does not require winning the lottery, but is does require planning!

Shall We Start Now?

QUESTIONS AND ANSWERS

CONTACT INFORMATION

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