

STATS AND STUFF

TAX CUTS AND JOBS ACTS – OPPORTUNITIES

We have five information pieces on the TCJA that may be of interest. The omnibus piece is a comparison of prior tax law (2017) with the new law. We have also sliced and diced the information into five Opportunity Pieces. They are Business Owner, Charitable Planning, Corporate Executive, Education, and Income and Retirement.

WIDOWHOOD

70% of all baby boomer wives will experience widowhood. The median age for widowhood is 59.8. Poverty rates of widow decline initially, up to about the age of 65, most likely because of the receipt of Social Security benefits. Poverty rates then begin to increase as widows age, with poverty rates over 20% once they reach age 80. Life insurance payable for the benefit of the surviving spouse can help alleviate this disturbing trend. Big responsibility.

Source: U.S. Census Department; Ed Slott and Company, LLC

STANDARD DEDUCTION

“Only” 19.3 million U.S. taxpayers are expected to file itemized income tax returns for tax year 2018, down from an estimated 46.5 million in 2017. Reductions in deductions and the doubling of the standard deduction are driving the move to “simplification.” A planning idea may be to “front load” charitable deductions with other deductible items into one year and itemize. In other years, use the standard deduction.

Source: Tax Policy Center

BIG BANKS AND BIG MONEY

Just 2.2% (125) of the banks and savings institutions in the U.S. held 83% of the deposits in FDIC institutions nationwide as of 12/31/2017. There were 5,670 banks and savings institutions holding \$17.4 trillion of deposits at the end of last year.

Source: FDIC

YOUR GOVERNMENT AT WORK

Over the next decade it is estimated that federal government spending will be approximately \$50 trillion. 72% of this is mandatory spending, not discretionary spending. When politicians discuss “cutting the budget,” they mean less than 30% of overall government spending.

Source: Office of Management and Budget

MILLENNIAL MOVEMENT

66% of working millennials expect to change jobs in the next five years. Millennials are those born between 1981 and 1997. Look to a qualified plan/IRA rollover education discussion with your financial advisor soon should you fall into this category.

Source: Deloitte Millennial Survey

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