
Retirement

Effective Cash Management Strategies

After monthly expenses have been paid you may be left with excess cash in your checking account. Many individuals allow these funds to build up at the bank without a second thought. In this low-interest rate environment, rates offered by many banks aren't keeping pace with inflation. It's important to have a safety net of resources should an emergency arise, but at what point are you sitting on too much cash?

Setting targets for cash balances and having a plan for excess cash will help prevent unnecessary accumulation of resources in low yielding accounts. The following will help you determine if you are "cash heavy" and offer options for any surplus.

Priority 1: Build up a buffer of three to six months of your expenses in a high-interest savings/money market account.

Priority 2: Pay off any existing high-interest rate debt.

Priority 3: Once an adequate emergency fund has been established and you have no high-interest rate debt to worry about, consider investing in a brokerage account.

Power of Attorney Considerations

If you have not already done so, you may want to consider empowering someone to act on your behalf with regard to your assets. Also, you will want to consider the extent and conditions of the authority you may confer. Some things you may want to consider when creating a Power of Attorney document are:

- Some account custodians provide a standardized POA document that may be used in lieu of a custom document created by an attorney.
- If you are using a custom document, it will be subject to the interpretation of the custodian to which it is presented and applicable state statutes.

Note that many states, including North Carolina, have recently revised their laws governing the interpretation and application of Power of Attorney documents. For this and other reasons, if you already have POA documents, it would be a good idea to review them to determine if they need to be updated.

End of Year Deadlines

CCM would like to remind those planning to take a Qualified Charitable Distribution (QCD) from your IRA for tax year 2019 that the distribution check(s) must be processed before year-end.

RMD requests should be completed by early December.

Market News

Market Summary as of 10/31

Index/Market	YTD
S&P 500 Index	23.16%
DJ Industrial Average	18.19%
Russell 3000	22.68%
Russell 2000	17.18%
Nasdaq	26.06%
MSCI EAFE Index	16.86%
Barclays US Agg Bond	8.85%
10-Year U.S. Treasuries (Yield)	1.69%
WTI Crude Oil*	19.80%
LBMA Gold Price	18.14%
CBOE Market Volatility	-47.99%

Index/Market	YTD
Consumer Disc	22.88%
Consumer Staples	23.10%
Energy	3.57%
Financials	22.49%
Health Care	11.04%
Industrials	23.91%
Information Technology	36.48%
Materials	17.16%
Real Estate	29.57%
Telecom Services	25.42%
Utilities	24.44%

Source: Morningstar.com

*WTI Crude Oil as of 9.30.2019

Continued trade tensions created a volatile third quarter for global equity markets. The S&P 500 had three days in which the index closed either higher or lower by 2% and 14 days where it moved 1%, nearly doubling the volatility seen in the previous quarter. However, the month of October started a run of four consecutive weeks of gains leading to record highs for the S&P 500 and NASDAQ.

Cyber Security

Two-Factor Authentication

Since October was National Cyber Security Month, we wanted to take this opportunity to discuss the importance of two-factor authentication (2FA), also commonly called multifactor authentication. This additional step in the account verification process, requiring not only a password but also a unique time-sensitive code normally sent to your email or cellphone, can offer an extra layer of protection to your online account(s). If you are not already using 2FA, consider enabling this feature for online accounts in which your personal and/or financial information may be accessible. 2FA is normally available under your account settings menu.

Keep Your Credit Safe

A credit freeze, also referred to as a security freeze, allows you to restrict access to your credit report. Once a freeze is in place, creditors cannot access your credit score and detailed reports of your credit cannot be released, therefore making it more difficult for identity theft to occur.

[This article](#) was written by consultants we collaborate with in our firm's cybersecurity program. Some of this will not apply to you personally because it applies to us as a firm, but we believe you may find some of the information helpful.

Freezing and unfreezing your credit can easily be done online through the following links, or by calling the institutions listed below and following a teleprompt.

- [TransUnion](#): 1-888-909-8872
- [Equifax](#): 1-800-349-9960
- [Experian](#): 1-888-397-3742
- [Innovis](#): 1-800-540-2505

Some things to be aware of: If you place a freeze through any of these institutions, save all PINs. Experian and Innovis will mail these to you, while Equifax and TransUnion give the option of e-delivery or mailed delivery during online enrollment. These PINs are needed to temporarily or permanently lift any freezes in the future.

In Other News

Personal Records Retention Policies

Good recordkeeping can make your life easier. While record retention policies are often geared towards businesses, your personal files should also be kept safe and well organized. When creating your retention policy, you should consider state and federal statutes of limitations and use individual judgment. Most of us fall into one of two categories:



save everything forever, or securely destroy everything as soon as possible. A better solution requires a well thought out and periodically revisited plan.

*The following are suggested personal record retention policies. Always check with your lawyer and accountant to ensure no special rules apply to your records and plan an annual file cleanout to shred all expired documents.

Shred Immediately:

- Credit Card and Utility Bills
- Sales Receipts not related to taxes
- Expired Warranties

Shred After 1 Year:

- Bank Statements
- Pay Stubs
- Medical Bills

Shred After 7 Years:

- Tax-Related Receipts
- Canceled Checks
- W-2's
- Records for Tax Deductions

Keep Forever:

- Tax Returns
- Birth/Death Certificates
- Social Security Card
- Citizenship Paperwork/Passports
- Marriage/Divorce Papers
- Adoption Papers

How To Protect Personal Records

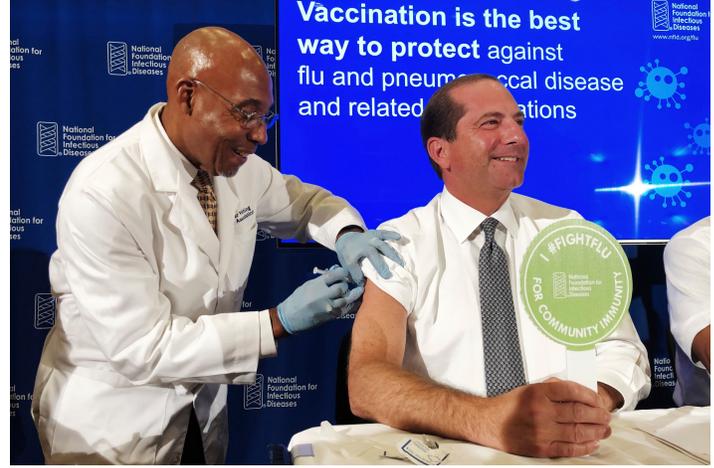
To mitigate the risk of identity theft, protecting your personal data is imperative. Protect yourself by regularly cleaning out old records and securely shredding them in a timely manner.

Unpredictable threats like flooding, hurricanes, break-ins or house fires make keeping a backup of your records imperative. You should maintain physical copies of your important documents in a secondary location, or store digital copies securely online. In the event of an unexpected disaster, having access to your important files will be a powerful lifeline

Get Your Flu Shot Now, Doctors Advise

Australia had an unusually early and severe flu season this year. The southern hemisphere's flu season can sometimes be a good indicator of what the northern hemisphere will experience, [much like in the 2017-2018 season](#). October marked the start of the new flu season and advice from federal health officials is to get your flu vaccine as soon as possible. [Those with chronic health conditions](#) are

particularly at risk for complications of the flu and should be vaccinated yearly.



Before You Travel Next..

Traveling? Want to know about new restaurant openings in your area? Eater.com is a go-to resource for food and restaurant related-news worldwide. Based in the U.S., the food and dining network offers an amalgam of content from industry experts about restaurant recommendations, new and upcoming chefs, travel advice, and other local finds.

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