

Winter
2018
Edition



What You'll Find Inside This Issue:

- 2** Gregg Lipsitz, 1959-2017
Glossary
Financial Facts
Winter 2018 Quiz

- 3** Recipe for Success
5 Great Money Habits to Adopt in 2018

- 4** L&M in the Community
Resources to Help You

L&M Profile



L&M "We Show Up!"

L&M Financial representatives have been providing benefit programs and financial services to individuals, families, and small businesses since 1972, and through their affiliation with Securities America, Inc. since 2007. But we're not simply a team of financial planners managing money. We are trusted advisors, life coaches, and loyal partners. We truly care about our clients' well being. And we strive to build long-term relationships with each and every one of them. In other words, "we show up." By showing up, we help our clients make smart financial decisions – so they can enjoy life and focus on what matters most.

Through our offices in Buffalo, Rochester, and Binghamton, our nearly 100 employees and representatives, and the latest in technology, we offer our clients guidance that is consistent with their goals for the future. For more information, contact us at 716-839-1234 or 800-326-8410, or visit us online at www.lmfs.net.

6 Financial New Year's Resolutions for 2018

It's the beginning of the New Year so it's a good time to evaluate where you've been and where you want to go. When it comes to your finances, it's also the perfect time to get them on track, so you can put your money to work for you. If you're not sure where to begin, here are some financial resolutions to consider that can help you achieve your money goals in 2018 and beyond:

Resolution #1: Know your numbers.

In other words, how much do you spend on things like your mortgage, utilities, groceries and living expenses each month? What about on haircuts, Starbucks and eating out?

Most people have no idea where all their money goes. That's why the first step of taking charge of your finances should always involve knowing the ins and outs of what you're spending each month and creating a realistic budget going forward.

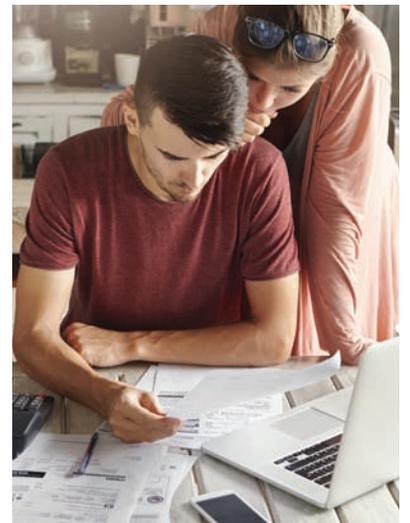
Resolution #2: Give bad money habits the boot.

Once you know where your money is going, it's easy to identify bad money habits. These include everything from living paycheck to paycheck to impulse purchases every time you run to the drug store to splurging at the mall too often.

To achieve this goal, focus on one bad money habit at a time and create a plan for getting rid of it. Tell your spouse or friends about it, too, so they can hold you accountable. (Read the article on the inside of this newsletter for some more good money habits to adopt in 2018.)

Resolution #3: Crush credit card debt.

Paying 19% interest on credit card debt doesn't make good financial sense for anyone. That's why paying down – and eventually off – your credit cards



is always a savvy money move.

If you're pretty far into debt, this might take a while. The best course of action is to identify the card with the highest interest rate and start paying as much as you can toward it each month. Once that card is paid off, move on to the one with the next highest interest rate.

For more information about L&M's services or to schedule an annual review, just fill out the enclosed, prepaid reply card.



continued on back cover

Glossary

Compound interest

Interest calculated on the initial principal and also on the accumulated interest of previous periods of a deposit or loan.

Credit score

A number assigned to an individual that indicates to lenders their ability to repay a loan.

Emergency fund

An account used to set aside funds needed in the event of a personal financial dilemma, such as the loss of a job, a debilitating illness or a major expense.

Employee Benefit Research Institute

A non-partisan, non-profit research institute based in Washington, DC, that produces research on health, savings, retirement, and economic security issues, including 401(k) and retirement plan coverage data.

FICO

The name of the company formerly known as Fair Isaac Corporation, which developed the FICO credit scoring model. The FICO score is just one version of the many credit scores used by lenders today.

401(k)

A qualified employer-established plan to which eligible employees may make salary deferral (salary reduction) contributions on a post-tax and/or pre-tax basis.



Gregg Lipsitz 1959-2017

On September 26, 2017 the L&M family lost our longtime leader, Gregg Lipsitz.

Gregg joined L&M in 1980, 8 years after his father, Russ, founded the organization. Working alongside his partner, the late great Gerry Gentner, Gregg continued Russ's work instilling the values that have shaped L&M: always putting clients first and treating people well.

Gregg was a man of great integrity and intelligence. He identified with Warren Buffett's guidance to always act in a way that he'd be proud to see on the front page of tomorrow's newspaper. A formidable Jeopardy player, he was one of the smartest people anywhere in the financial advisory industry and a wonderful boss and mentor to so many of us at L&M.

During his sickness, Gregg adopted the motto "glad to be here." He was always focused on the most important things in his life: his commitment to his family, his clients, and doing his part to make the world a better place.

Gregg was only 58 when he passed, but his life exemplifies a life well-lived. He was a brilliant businessman and an excellent golfer. He enjoyed cooking, playing cards and cribbage, and most of all he enjoyed spending time with his loving wife, Ruth, and their three sons. He was so grateful to outlive his prognosis and to have the time to meet and love his four grandchildren.

We wish Gregg could be here to carry on the work he loved with all of us at L&M. We will honor his legacy by acting to make him proud of us and continuing his good work on behalf of our clients. As Russ says, "he will be well remembered."

The Financial facts

According to an Employee Benefit Research Institute survey:

- Only 14% of American workers say that they are "very confident" that they will have enough money to live comfortably in retirement;
- 30% of workers said they have less than \$1,000 in savings and investments;
- And 56% of workers have never even attempted to calculate how much they will need to save for a comfortable retirement.

Source: aarp.org

Winter 2018 Quiz

Answer all three questions correctly and you'll be entered to win a certified kosher, cinnamon walnut *My Grandma's of New England* coffee cake delivered right to your door. Email your answers to quiz@lms.net or print them on the enclosed reply card and submit by February 14th to be eligible.

1. Who is known as the "father of the 401(k)?"
2. What are the five core factors that determine your credit score?
3. How much credit card debt does the average American household carry: a) \$16,883; b) \$7,242; c) \$28,920?

Fall Quiz Answers:

1. 12
2. "Vivian Grey" by Benjamin Disraeli
3. Amancio Ortega – Spain

Winner: Robert Derrett
Agent: Julie Murphy

Recipe for Success

Big, Fat, Chewy Chocolate Chip Cookies



Ingredients

2 cups all-purpose flour
1/2 teaspoon baking soda
1/2 teaspoon salt
3/4 cup unsalted butter, melted
1 cup packed brown sugar
1/2 cup white sugar
1 tablespoon vanilla extract
1 egg
1 egg yolk
2 cups semisweet chocolate chips

Directions

Preheat the oven to 325 degrees F. Grease cookie sheets or line with parchment paper.

Sift flour, baking soda and salt together; set aside.

In a medium bowl, cream together the melted butter, brown sugar and white sugar until well blended. Beat in vanilla, egg, and egg yolk until light and creamy. Mix in sifted ingredients until just blended. Stir in chocolate chips by hand using a wooden spoon.

Drop cookie dough 1/4 cup at a time, 3 inches apart, onto the cookie sheets. Bake for 15 to 17 minutes, or until the edges are lightly toasted. Cool on baking sheets.

5 Great Money Habits to Adopt in 2018

From working out to going to bed early, you probably practice a variety of healthy habits during your everyday life. But what about when it comes to your money?

If you're not satisfied with where you are financially, it could be because you have bad money habits. To help you maximize your income and create a better life for yourself, here are a few smart money habits to adopt in the year ahead.

Work toward specific goals.

If you don't know where you're going, it's hard to make any progress when it comes to adopting good financial habits. That's why you need to figure out what matters to you right now (e.g. saving up for a new car or investing more in retirement); set a clear and attainable goal around that; and then outline specific steps for achieving it. Write everything down and don't be afraid to challenge yourself.

Create your own financial rules.

If you know you're a spender and not a saver, it's easy to get into a load of credit card debt. But you can avoid this by setting specific rules for how you spend money. For instance, don't allow yourself to spend more than \$150 on a single item that isn't essential (and no, those designer shoes don't count.)

You can also set rules such as you won't spend more than \$15 a week at the local coffee shop in the morning. That way, you can still indulge in things you enjoy, but in ways that makes more economic sense.

Pay in cash.

In today's world, it's so easy to buy now and pay – often with regret –

later. But when you start using cash, instead, you literally watch your money disappear, which makes it harder to spend. You can start small; for instance, just carrying around \$50 with you and seeing how far that goes. In the process, though, you might be surprised at how quickly you spend it.

Invest, don't spend, unexpected money.

When you get that tax refund or big birthday check from an elderly relative – or simply find a \$20 in your coat pocket – it's tempting to go out and spend it. But consider saving it instead and applying it toward a credit card or car loan payment. These seemingly small acts will start to add up over time. Not only that, but you'll start learning the art of self-discipline when it comes to your money.



Read more.

Studies show that the one common past-time wealthy and successful individuals have is reading. In fact, when Warren Buffett was once asked about how he became so successful, he pointed to some nearby books and said, "Read 500 pages like this every day. That's how knowledge works. It builds up, like compound interest."

So, whether it's works about saving, retirement, or being more successful in your career, invest in yourself and aim to read at least one educational book each month.

L&M by any other name...

Many companies offer insurance, financial planning, or advice on investing in the stock market. But representatives of L&M are experienced not only in these three areas, but in many more as well. L&M Financial representatives have been providing a broad range of financial planning and benefits programs to many people across New York State since 1972.

Available products and services are:

- Financial and estate planning
- Long-term care planning
- Pre- and post-retirement counseling
- Tax-favored investments
- Mutual funds
- Equities
- Life insurance
- Disability insurance
- Group insurance
- Funding for education
- 401(k)
- 403(b) Tax Sheltered Annuities
- 457(a) Deferred Compensation
- Individual Retirement Accounts
- Third party administration/ payroll deduction services

L&M representatives offer workshops, seminars and, of course, individual meetings in an effort to educate you about effective ways to help establish a secure financial future.

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Resources to Help You

Want to get on better financial footing in 2018 – and in the years ahead? L&M offers a variety of online resources that can lend the helping hand you need. For instance, go to lmfs.net/resources and click on Calculators in the left-side navigation so you can calculate your:

- 401(k) Savings
- Credit Card Pay Off
- Lease vs. Buy Options
- Mortgage Pay Off
- Retirement Savings

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L&M in the Community



L&M was one of the top fundraising teams at the The Leukemia and Lymphoma Society's September "Light The Night Walk" for research for blood cancer cures. The event raised more than \$450,000.

L&M team members who participated included (front row) Karen Allen, Cathy LaPenna, and Wendy Mednick; and (back row) Jennifer Klein, Leah Palumbo, Richard Kohl, and Jacob Cosmas.

Clients and friends who came to L&M's September Goodwill and Shred-it Event donated almost 2,000 lbs. of items to Goodwill and shredded more than 4 tons of paper.



Above: L&M employees included Leah Palumbo, Cathy LaPenna, Joseph Lipsitz, Jenny Carlson, Beth Rosen, Jacob Cosmas, and Jake Rosen.

6 Financial New Year's Resolutions for 2018

Continued from Cover

Resolution #4: Build up that emergency fund.

Most experts agree that you should have an emergency fund of around six months' worth of expenses. If, however, that's not attainable for you, then set a goal that you can actually achieve, such as saving \$5,000 or \$10,000 over the course of the year for unexpected expenses.

That way, you have somewhat of a cushion in the case of an emergency and won't have to borrow money. Add to it little by little each year and soon you'll have a rock-solid emergency fund.

Resolution #5: Boost your credit score.

Part of your financial health

includes your credit score. Knowing your score is especially important if you're planning a major purchase, such as a home, anytime soon. You can get a free copy once a year by going to www.annualcreditreport.com. Here's where you stand, according to FICO (see glossary):

300-619 = Bad credit

620-689 = Average credit

690-719 = Good credit

720-850 = Excellent credit

If you have bad or only average credit, then paying off debt is certainly a perfect place to start to improve your score. Beyond that, don't apply for any new credit cards because too many inquiries will also lower your score.

Resolution #6: Invest in yourself – and your golden years.

Once you have credit card debt paid off, commit to investing more in your retirement accounts. Boost your 401(k) contributions or open an IRA and max it out each year. Also, work with your financial advisor to schedule a retirement planning check-up annually. This should entail asking the hard questions like "Where are you now?" "Where do you want to be in the future?" and "Are you on track toward getting there?"

Need more support making or keeping your financial New Year's resolutions? We're here to help. Contact your L&M advisor and schedule a meeting.

Visit the L&M website at:

www.lmfs.net