



Financial Concepts Inc.

"Wealth Management"

355 W. Mesquite Blvd., Ste. C-80
Mesquite, Nevada 89027

(702) 346-1335

www.FinancialConceptsMesquite.com



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Jeffrey Bird-RICP®



Financial Focus

A Monthly Insight Into Your Finances
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Signs That You're Ready to Retire

Deciding when the time is right to retire can be difficult, but thankfully there are some common benchmarks and indicators that can help you determine that yes, you're finally ready for post-work life.

An *Investopedia* article, 6 Signs That You're Really Ready to Retire presents some helpful details.

Your Full Retirement Age

There are six signs that you're ready to head into retirement, the first of which is that you've reached your full retirement age. If you were born between 1943 and 1954, your full Social Security retirement age is 66. If you were born after 1959, you must wait until you're 67 to reach your full retirement age.

Between those dates, your full retirement age is 66 and some months.

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Candy Corn and M&Ms are Some of the Top Selling Candies

Love it or hate it, October is always candy corn's time to shine. M&Ms are a close second, selling \$673.2 million of these chocolate morsels every year. That's about 20 million pounds! Candy corn also has been around a long time – even longer than M&Ms. In Philadelphia in the 1880s, George Renninger of Wunderlee Candy Company created these multi-colored treats.

Pumpkin Bars



Ingredients

- 4 large eggs, rooms temperature
- 1 2/3 c. sugar
- 1 c. canola oil
- 1 can (15 oz.) pumpkin
- 2 c. all-purpose flour
- 2 tsp ground cinnamon
- 2 tsp baking powder
- 1 tsp baking soda
- 1 tsp salt

Icing

- 6 oz. cream cheese, softened.
- 2 c. confectioners' sugar
- 1/4 c. butter softened
- 1 tsp vanilla extract
- 1 to 2 tbs 2% milk

Directions

1. In a bowl, beat the eggs, sugar, oil and pumpkin until well blended. Combine the flour, cinnamon, baking powder, baking soda and salt; gradually add to pumpkin mixture and mix well. Pour into an ungreased 15x10x1-in baking pan. Bake at 350° for 25-30 minutes or until set. Cool completely.
2. For icing, beat the cream cheese, confectioners' sugar, butter and vanilla in a small bowl. Add enough milk to achieve spreading consistency. Spread icing over bars. Store in the refrigerator.

<https://www.tasteofhome.com/recipes/pumpkin-bars/>

<https://www.candystore.com/blogs/facts-trivia/candy-facts-infographic>

SIGNS THAT YOU'RE...

Also bear in mind that while you can begin receiving Social Security as soon as age 62, if you do so, you may be missing out on a significant amount of money because your monthly payment is markedly higher if you wait until you reach your full retirement age.

How big is that difference? If you begin receiving Social Security at age 62, your monthly payment is permanently reduced by 25 percent.

While we just discussed that you may begin receiving Social Security before your full retirement age, the fact is you can also work beyond your full retirement age and then receive a bigger future monthly benefit for your efforts. Social Security permits you to delay filing until you're 70 and by waiting until that momentous birthday, you'll receive as much as 132 percent of the monthly benefit you would have received at your full retirement age.

The Impact of Debt

Being debt free may be yet another indicator that you're ready to call it a career. If you no longer have a mortgage on the house and don't have any high interest credit card debt nipping at your heels, you've put yourself on solid financial ground.

Conversely, if you have outstanding balances on a home or vehicle, or you have a lot of credit card debt, you may want to consider moving your retirement date ahead a bit into the future to give yourself a longer runway to get out from under that debt.

Taking Care of Yourself First

No longer supporting your parents or your children is another sign that you may be ready for retirement. After all, if your kids have reached adulthood and are out in the world earning incomes of their own, it will likely make your financial path during retirement a little smoother.

But if you're still offering financial support to your kids or parents, even if it's a modest amount of money on an irregular basis, you may need to postpone your retirement until you're confident that you'll no longer have to provide them financial support.

Carefully assess your financial obligations to family members and be honest about who may need your financial help in the coming years.

Build a Budget

Another good sign that your retirement has finally arrived is crafting a complete and thorough budget. A budget should be built around the monthly expenses that you know will exist month-to-month: housing, groceries, utilities, and gas. After that, you can add in some of your wants, which often include items like travel, entertainment, shopping, and dining out. Once those monthly needs and wants have both been calculated, you can determine how much income you'll need to cover everything.

A Shared Vision

If you and your spouse share similar retirement goals, it may be yet another indicator that you're ready to enter the next stage of your lives. Retiring as a team requires frank conversations, careful planning, and plenty of compromise. Do you both agree that your financial picture is solid? Do you both feel prepared to manage the social and emotional changes that come with retirement?

If one spouse retires while the other one is still working, the retiring spouse needs to be prepared for a retirement that will initially be a solo adventure. Hobbies and a solid social circle may be essential.

SOURCES

<https://www.investopedia.com/articles/personal-finance/011916/6-signs-you-are-ok-retire.asp>

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ALL EYES ON THE EARNINGS PICTURE

Publicly traded companies are required to disclose their financial performance to regulators and shareholders on a quarterly basis. News organizations and investors pay close attention to these reports because they tend to impact stock prices, with strong earnings driving share prices up, and vice versa.

In the first quarter of 2023, the earnings of companies in the S&P 500 Index declined 2.2%. This was a much stronger showing than Wall Street analysts expected after profits fell 4.6% in the previous quarter. On a positive note, revenues grew 2.9% in Q1 as consumer spending faced down inflation.¹⁻²

Earnings season can be a volatile six-week period for stocks. As investors digest and respond to new data, the marketplace rewards some companies and punishes others.

Hindsight Offers Perspective

Stock prices tend to be forward looking, which is one reason they don't always move in the same direction as earnings. For example, the S&P 500 Price Index returned nearly 29% in 2019 and more than 16% in 2020, even though earnings growth was negative in six of those eight quarters.

Measuring Performance

A quarterly report typically includes unaudited financial statements, a discussion of the business conditions that affected financial results, and some guidance about how the company expects to perform in the following quarters. Financial statements reveal the quarter's profit, or net income, which must be calculated according to generally accepted accounting principles (GAAP). This typically involves subtracting operating expenses (including depreciation, taxes, and other expenses) from gross income.

Pro-forma (or adjusted) earnings may present an alternative view of financial performance by excluding nonrecurring expenses such as restructuring costs, interest payments, taxes, and other unique events. Although the Securities and Exchange Commission has rules governing pro-forma financial statements, companies still have a great deal of leeway to highlight the positive and minimize the negative in these reports. There may be a vast difference between pro-forma and GAAP earnings.

Earnings per share (EPS) represents the portion of total profit that applies to each outstanding share of company stock. EPS is often the figure that makes headlines, and the financial media tends to focus on whether companies meet, beat, or fall short of the consensus estimate of Wall Street analysts. A company can see its stock price surge by losing less money than expected or can log billions in profits and still disappoint investors who were counting on more.

Shaping Perception

Due to the potential effect on stock prices, companies often take steps to avoid big surprises, mostly by managing the market's expectations. This may involve issuing profit warnings or positive revisions to previous forecasts, which may cause analysts to adjust their estimates accordingly. Companies may also be able to time certain business moves to help meet quarterly earnings targets.

In addition to filing regulatory paperwork, many companies announce their results through press releases, conference calls, and/or webinars so they can try to influence how the information is judged by analysts, the financial media, and investors.

Diving Deeper

Investors who look beyond the headline performance metrics may find other meaningful details in a company's quarterly report. Expansion plans, research and development, new products, consumer trends, government policies, and shifts in domestic or global economic conditions can all affect a company's financial results, either immediately or in the future.

Bear in mind that reported earnings generally reflect the company's recent performance, which in some cases may have little to do with its longer-term prospects. Moreover, some companies and/or industry sectors are likely in a better position to withstand economic challenges than others.

The return and principal value of stocks fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. The S&P 500 Index is an unmanaged group of securities considered to be representative of the U.S. stock market in general. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Past performance is no guarantee of future results. Actual results will vary.

1) FactSet, 2023

2) The Wall Street Journal, April 30, 2023

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