



# Accumulating Interest

APRIL 2018 | VOLUME 7 | ISSUE 1

## A Letter from Our Founders

Dear Valued Client;

Our mission, since we founded B&C Financial Advisors in 1995, has been to provide our clients with competent financial advice, disciplined asset management, and unmatched customer service throughout our clients', and their families', lifetime.

Over the past 23 years we have focused on developing and implementing a proven investment model, strict policies and procedures, and creating a well qualified team who understand the importance of our mission and who have the ability to continue to provide “a good night’s sleep.”

Although we are several years away from retirement, we understand the importance of implementing a succession plan to continue what we have been providing our clients and to ensure that your financial goals continue to be met.

We are excited to announce we have begun laying the groundwork to successfully one day pass the torch. Our succession plan has begun its first phase by inviting key employees to become fellow shareholders and members of the board. Jacqueline Bos, CCO, COO, who has been with the firm since its inception, Thomas Ellis, Wealth Advisor since 2009, and Sean Guldi, CFP®, Chief Investment Officer, with the firm since 2013, are now shareholders and board members.

Our focus over the years to come is for the additional shareholders to deepen and further their relationship with you to ensure continued success for your financial goals and future.

Please feel free to set up your next meeting with Jacque, Thomas or Sean. If you wish to set up a telemeeting or have a meeting in our office, please call us at (904) 273-9850.

Thank you for your continued trust and confidence you place in us and our staff.

Sincerely,

*Jan Butensky*  
Jan Butensky, President

*Allan Cohen*  
Allan Cohen, CEO

## INSIDE THIS ISSUE:

- PLANNING FOR INCAPACITY
- TAX LOSS CARRYFORWARDS
- HOW DO PEOPLE GET "RICH"?
- CLIENT FOR A CAUSE: KATHERINE MUNSON & THE JACKSONVILLE SCHOOL OF BRIDGE
- ZOO EVENT
- KEEPING UP WITH B&C

### THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

Memorial Day  
May 28

## CONTACT US

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110 PROFESSIONAL DRIVE  
PONTE VEDRA BEACH, FL 32082

#### Office Hours:

Mon-Thurs 8:30am - 5:00pm  
Friday 8:30am - 4:00pm  
Sat-Sun CLOSED



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Follow our company on LinkedIn

Is there a specific topic you would like for us to discuss? Don't be shy.

#### Contact us:

[info@bandcfinancial.com](mailto:info@bandcfinancial.com)

## Planning for Incapacity

by Sean Guldi, CFP®

Many of us have witnessed cognitive decline first-hand through our parents, grandparents, and other family members.

As the baby boomer generation continues to age, the size of the population impacted by these issues continues to grow. Cognitive decline can lead to a negative impact on people's health, relationships, and finances. As a trusted advisor, B&C Financial Advisors is aware of this type of decline, and our experience with clients and their families impacted by these issues gives us an opportunity to ensure our clients are ready to tackle these issues head on.



One way we do this is by developing deep relationships with our clients, leveraging the breadth of our firm's experience to work with and monitor clients' situations on a regular basis. We proactively work with clients on estate planning and incapacity planning. Another way we help is to ensure appropriate policies and procedures are in place to monitor for situations of fraud or abuse. We ensure all third party withdrawals are verified verbally. We build relationships with clients' family members to ensure continuity of service in the event of incapacity. In addition, we partner with our clients' other professionals – lawyers and tax advisors – to ensure we are working as a team to serve the clients' needs.

It is vital that you think through your future care needs so you have a plan in place prior to the onset of these cognitive issues. If you would like to discuss further, please reach out to our office via phone at **(904) 273-9850** or e-mail at [info@bandcfinancial.com](mailto:info@bandcfinancial.com).

# Tax Loss Carryforwards

by Sean Guldi, CFP®

This time of year most everyone is busy preparing and filing their tax returns. While this is a painful process for some people, B&C Financial Advisors does our best to manage taxable gains in our clients' portfolios. When you invest money wisely you are likely to create capital gains and income. Capital gains and income will increase your tax liability, but there are things you can do to limit the amount of taxes you pay.

**First** —» be aware of the amount of capital gains you've realized.

**Second** —» be aware of any capital loss you have incurred.

**Third** —» monitor your interest or dividend income.



It is important to note that gains are realized once assets are actually sold for a profit and not before. And remember that losses can be carried over from one year to the next depending on the amount of losses you have. Make sure whoever takes care of your money is aware of any capital losses carried over from a previous tax year and any gains or losses you might have for the current taxable year.

As for income, whether it is interest income or dividend income, it is taxable in the year it is paid.

## Timing is critical

Managing gains, losses and income will help you lower your tax bill, but timing is important. Gains or losses must be realized in the current taxable year. While some things can be left until April 15th, the taking of gains or losses must be done in the tax year for which you are filing.

At B&C Financial Advisors, we review all our taxable accounts at the end of each year to take gains or losses, whichever is appropriate for the client. This time of year, as clients finalize their income tax returns, we ask them if they have carried losses over from the previous tax year or if there is any other event that may affect their tax situation. Maintain a dialogue with your advisor and your tax advisor, and tax time will run much smoother. As with any relationship, the better the communication, the better the outcome tends to be.

If you are an existing client and have a tax loss carryforward please call us at the office or reach out to us via e-mail to [taxes@bandcfinancial.com](mailto:taxes@bandcfinancial.com) with the subject "Tax-Loss Carryforward" to let us know what your carryforwards for the year are.

If you are not a client we would love to help educate you on our process and how we might be able to help you. Please call us at 904-273-9850.

# How Do People Get "Rich"?

by Adam Oerther, CFP®

While the definition of “rich” is different for everyone, just about all lifestyles require money. Being able to sustain these lifestyles without having a recurring income (i.e. a salary), particularly during your retirement years, requires an accumulation of resources from which you can fund the activities you need and want to do. This may seem like an obvious connection, yet the reality is, despite knowing what it takes to fund our lifestyles, the method of accumulating these resources isn’t always so clear. In a 2017 Retirement Confidence Survey, conducted by the Employee Benefit Research Institute, nearly 25% of respondents reported having less than \$1,000 in savings and investments, and 47% reported having less than \$25,000 (excluding the value of a primary residence). So, then, what are some of the ways we can overcome these personal financial obstacles and steer ourselves onto the path towards our American Dream? We explore some wealth accumulation methods below, ordered from least to most common.

## 1. Luck

As a semi-regular golfer, and even as water seems to defy physics and become magnetic when I play, I haven’t bought a sleeve of golf balls in about two years. That’s because two years ago I was playing a round and had a random guy come up and give me a bag of about 300 balls, completely free with no strings attached. That doesn’t happen every day. Similarly, neither does winning the lottery or having someone walk up and hand you \$1 million. These kinds of things do happen, but they are obviously not reliable ways of accumulating wealth.

## 2. Inheritance

A common myth associated with millionaires is they simply inherited their wealth from their parents, grandparents, or other family members. However, as Dr. Tom Stanley found in his research for his popular personal finance book [The Millionaire Next Door](#), only about 20% of millionaires become millionaires through inheritance. The other 80% are self-made.

At B&C Financial Advisors, we work with our clients to establish a plan. Everyone’s plan is different—some want to leave as much as possible to their heirs, and others want to enjoy the fruits of their labor and savings, choosing to only leave an inheritance if they pass away before they are able to spend down the reserves themselves. Thus, while inheritance does happen every day, you should generally not plan your personal finances around receiving a “certain” inheritance.

## 3. Entrepreneurship

Starting a business, or working for a company in its early stages, is not for everyone. Since the business is too young to have an established, respected presence in the industry, there is a large burden on its founders and early employees to execute their ideas efficiently, and many of those employees end up “wearing many hats,” as funding is typically more limited than in a large organization with access to an abundance of capital. However, while the risks associated with founding, or working for, a startup are higher, the potential payoffs can also be higher—just ask the early employees of Facebook, Microsoft, or Google! Obviously, only a few companies obtain the same status as these companies, and we caution not to have too much of your net worth exposed to any one company, but there are countless examples where this entrepreneurial spirit has allowed those with such drive to acquire enough wealth to fund the lifestyles they desire. We have worked with many clients over the years to plan for the disposition of closely held businesses, such as a family office, and manage concentrated positions of company stock, such as Apple, Intel, or Alphabet (Google).

## 4. Savings Over Time

Booorrrggg. That’s right, this is the least “exciting” way to acquire wealth—it’s nothing like winning the lottery or hitting it big with cryptocurrencies. However, despite its lackluster appeal when compared to “get rich quick” proposals, it’s the most common—and, for many people, the most effective—way to accumulate wealth. We go to our jobs each week, collect our paychecks, put a certain percentage away towards savings, and invest those savings in order to provide ourselves a nest egg for retirement. This is how many of the baby boomers are currently funding their retirements, and it’s what your grandfather has been telling you to do since you got your first job. In fact, despite the bad reputation they have about their personal financial habits, it’s how millennials are building their own wealth!

Thus, while money may not literally make the world go ‘round—we’ll let gravity do its thing—it can make a world of difference in your life, and it’s important to understand where it comes from and what you can do personally to ensure you have the best chance to accumulate enough to be truly financially independent. Luckily, we have all inherited a vast amount of information and resources we can use to pursue our own entrepreneurial endeavors or contribute to a larger organization and gather wealth gradually in pursuit of our own American Dream.

## Client for a Cause

### KATHERINE MUNSON | JACKSONVILLE SCHOOL OF BRIDGE

For some, bridge is just a fun card game and a great way to pass time. For others, bridge is much more. B&C client Katherine Munson has found that playing bridge at the Jacksonville School of Bridge has given her a way to stay active, mentally sharp, enjoy fellowship with other bridge players and to pass down a skill to the next generation.

The Jacksonville School of Bridge (JSOB) was founded in 1993 when several local bridge clubs joined together to form a permanent bridge club that was located at 3353 Washburn Avenue in Jacksonville. The JSOB is a sanctioned member of the American Contract Bridge League (ACBL), an organization that teaches duplicate bridge and conducts daily games as well as frequent local and state contests. As a member of the ACBL, the JSOB hosts lessons, tournaments, competitions and games Monday through Saturday. Players of all levels can find the perfect event for them at the JSOB.

Katherine joined the ACBL in 1952 while living in Detroit and continued playing no matter where she lived, eventually ending up in Jacksonville in 1980. She soon became a Life Master, meaning she had earned enough points playing bridge to qualify as an expert in the game.

For Katherine, bridge is a great way to stay mentally stimulated as well as enjoy time together with other bridge players. The JSOB is ensuring the game of bridge is being passed down to future generations as well as providing a social outlet for the older generations of Jacksonville residents. Katherine currently teaches bridge to local senior citizens, which keeps her busy since there are always new retiring couples moving to Florida. Bridge provides these senior citizens with a support group and a fun way to meet new people. As Katherine puts it, "Bridge filled a gap for many and it still does...an important element, of course, is the companionship, interaction, and fun of duplicate bridge."

Are you interested in learning more about the JSOB? Visit their website at [www.bridgewebs.com/jacksonvilleschool](http://www.bridgewebs.com/jacksonvilleschool).

**Do you have a B&C client you'd like to spotlight for "Clients for a Cause"?**  
Email [emma@bandcfinancial.com](mailto:emma@bandcfinancial.com) with your suggestions!



*The Jacksonville School of Bridge*

## Zoo Event

We had such a great time at the Jacksonville Zoo and Gardens last year, we decided to go back! We are inviting our clients and friends to join us for dinner at the Jacksonville Zoo and Gardens on Thursday, May 24th. We welcome clients to bring along friends and family who would benefit from our services. **Seating is limited, so please call us at (904) 273-9850 or email [RSVP@bandcfinancial.com](mailto:RSVP@bandcfinancial.com).**

**Thursday, May 24th**

**6:30 - 10 PM**

**Please join us for dinner, drinks and a wildly good time!**

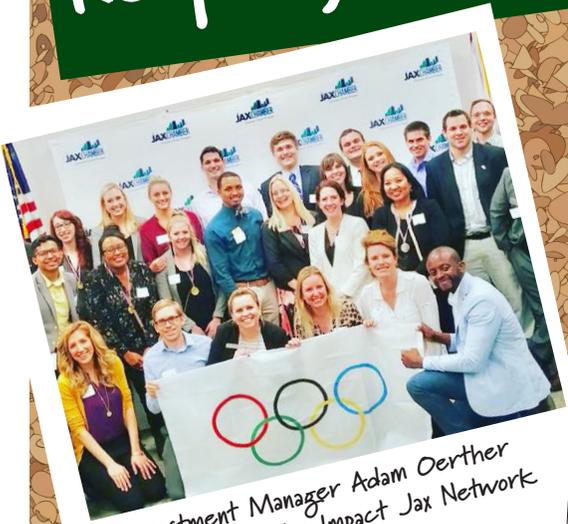


*Guests will get the chance to feed giraffes at cocktail hour.*



*Dinner will be served at the beautiful Range of the Jaguar exhibit and guests will be able to check out the South American animals at the zoo.*

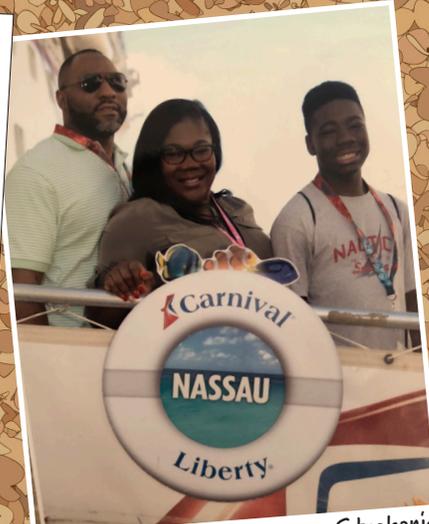
# Keeping up with B&C



Investment Manager Adam Oerther participated in the Impact Jax Network Olympics!



CEO Allan Cohen and his wife Kathy went on a cruise over the holidays with clients Alex and Ellen Polsky.



Client Relationship Manager Stephanie Lyman-Robinson enjoyed a tropical escape on a cruise with her husband Ron and son Anthony.

"Wealth consists not in having great possessions, but in having few wants." -- Epictetus



Client Relationship Manager Stephanie Lyman-Robinson (left) and CEO Jacqueline Bos celebrated their birthdays in February!



Assistant Investment Manager Adam Oerther shows off his catch!



Chief Investment Officer Sean Galdi helped put together the "Chocolate & Beyond" event benefitting the Retired Senior Volunteer Program in St. John's County.



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