

## From The Desk of Jon Marzano, AIF®, *Managing Principal*



Happy New Year to all our readers and thank you for your continued trust and confidence in Marzano Capital Group! We hope that everyone had a safe and happy holiday season and now that we are into the new year, it is time to refocus on making smart financial decisions. There is nothing better than doing a financial checkup and review, especially if we have some remorse from overspending on gifts and celebrations from the previous month. Just remember we do not look back; we move forward and keep focusing on what is important in the long-term.

Spend some time and read Mike's article about the benefits of after-tax savings. Having different buckets of money to spend in retirement can certainly help ease the tax burden as we live out our lives. Steven's article on retirement planning checkups can help you be sure you are taking full advantage of what is being offered by your work place savings plan. Remember, knowledge is power and we hope you can glean some helpful information from us early in the new year.



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## Checklist for Your Retirement Savings Tune-Up

By Steven Gallo, CFP®, *Financial Advisor*

As we begin the new year, now is a great time to review your retirement savings plan. Below is a quick retirement savings checkup to make sure you are on the right track.

**Assess Your Current Savings:** Take a close look at your retirement accounts. Are you consistently contributing, and is your investment mix aligned with your risk tolerance and goals?

**Maximize Employer Contributions:** Ensure you are maximizing employer contributions to your retirement accounts. It is like free money – do not leave it on the table!

**Evaluate Progress Towards Goals:** Revisit your retirement goals. Are you on track to meet them? Adjust contributions if needed to ensure your savings align with your retirement vision.

**Review Investment Performance:** Examine the performance of your investments. Consider diversification strategies to ensure your portfolio is poised for growth while managing risk.

**Explore Catch-Up Contributions:** If you are 50 or older, take advantage of catch-up contributions to supercharge your savings and make up for any lost time.

**Revisit Risk Tolerance:** Assess your risk tolerance. As you approach retirement, consider adjusting your investment strategy to preserve capital while still seeking growth.

**Explore Additional Income Streams:** Investigate supplemental income streams, such as side gigs or passive investments, to boost your retirement savings.

**Consider Lifestyle Adjustments:** Reflect on your retirement lifestyle expectations. Are there adjustments you can make now to align your savings with your envisioned retirement?

Remember, this checkup is your compass on the journey to your retirement future. If you need guidance or tweaks to your strategy, do not hesitate to reach out.



## Tax Time Reminders

As tax season approaches, please keep in mind that not all tax documents are generated by January 31<sup>st</sup>.

Most 1099s will not be available until the middle of February and March.

To avoid having to file an amended tax return, it is best to wait until all necessary tax documents for your investments have been received.

Please do not hesitate to reach out to our office with any questions you may have regarding your documents!

## The Importance of After-Tax Savings

By Mike McGilvary, AIF<sup>®</sup>, Financial Advisor



I had many conversations with our wonderful client base last year surrounding the tax-efficiencies of after-tax investment accounts. We find that most investors have large percentages of their net worth inside retirement accounts. There is nothing wrong with saving in your retirement account, as this makes a substantial difference in the success of your financial plan; however, having diversification in the tax status of your savings/investment buckets is also important.

When an investor takes a withdrawal from a pre-tax IRA, they will be subject to a 10% early withdrawal penalty on distributions taken before age 59.5 and will always be subject to ordinary income taxes on withdrawals. In after-tax/non-retirement accounts, you do not have to worry about early withdrawal penalties.

We find that clients who have an appropriate emergency fund saved, along with an after-tax investment account, typically have more flexibility and less of a tax hit when income needs arise. There are many other nuances with non-retirement accounts, as everyone's financial situation is different; however, ask yourself the question, "do you have enough after-tax money saved to feel comfortable?" If you feel like you do not, setting up a systematic savings plan is very easy to do and we certainly can help explain how it all works.

## Q1 Spotlight: H.O.P.E. of Winston Salem – 46 Miles of HOPE Making Healthy Foods More Accessible for Children

*Provided by H.O.P.E. of Winston-Salem*



H.O.P.E. of Winston-Salem started when a retired couple delivered meals out of their minivan, making meals out of their home. Founded in 2014 by The Tennille's, Pediatrician, and Judge-Dr. Tennille saw too many children in her practice on Mondays – listless, malnourished, and dehydrated, and it was affecting their schoolwork, attention in class and behavior, both educationally and socially. They determined that when children were out of

school, they did not have access to school lunches, and little to no food of nutritious value on the weekend. They started delivering meals to underserved children out of their minivan. H.O.P.E. of Winston-Salem grew intending to improve the health outcomes of children and families by providing access to nutritious meals and fresh produce, as well as encouraging enrichment through cooking with kids, urban gardening, and sourcing through smaller local growers. NC has a child insecurity rate of 15.4% and Forsyth County is 16.8%. Hunger is an epidemic not just nationwide, but in our backyard.

H.O.P.E. is a grassroots organization with a Board and small staff, but now with 3 vehicles, as we procure, prep, and deliver 1,300+ vitamin-enriched meals to children & 3,500+ pounds of produce to parents in 30 food desert sites across Winston-Salem. The sites are schools, community centers, and apartment buildings in specifically designated areas where there are a lot of children, but there are no grocery stores with healthy, affordable food options within a mile or so. A meal consists of a healthy sandwich, yogurt/applesauce, fruit, homemade treats-such as apple squares of black bean brownies (all low sugar, low sodium, no allergens), milk and water. **To date, we have delivered over 469,000 meals, almost 916,000 pounds of produce!**

H.O.P.E. of Winston-Salem relies on volunteers to make meals and deliveries happen. We are a family-friendly volunteer organization and children can help prep, caravan with staff and parents on deliveries, and do item/donation drives; we have had children do item drives instead of birthday gifts, or do lemonade stands and fund hundreds of meals. We have learned so much from kids helping kids.

46 Miles of HOPE was an event created by Justin Bailey where he decided to run his birthday in miles, to raise money for H.O.P.E. In its 4<sup>th</sup> year, the event has grown from a small event to multimedia press, hundreds of runners, sponsored event including family-friendly activities, a 5k/10k, and a 1-Miler coordinated by Twin City Track Club. January 20<sup>th</sup> will be a day to celebrate active lifestyles, healthy eating, and compassion for others, as all proceeds fund meals and produce distributed to children. We are grateful to Justin, Marzano Capital Group, and all participants for keeping H.O.P.E. driving! To get involved through events, donations, drives, and volunteering, please visit [www.hopews.org](http://www.hopews.org) or contact [info@hopews.org](mailto:info@hopews.org) and help our people eat!



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