



# New Perspectives, Inc.

## FINANCIAL SOLUTIONS

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#### A Penny For My Thoughts...

By Ryder Taff

Diversifying the tax status of your investments makes sense in the face of uncertainty about future tax rates. While deferring income into a 401(k) or IRA is great for saving on taxes now, a Roth IRA will save you on taxes later. Adding a taxable brokerage account gives you long-term savings that you can access at any time.

The new year brings new retirement account contribution limits. This is a welcome boost from the \$5,000 limits that have been in place since 2008. The new contribution limits for 2013 are as follows:

- Traditional and Roth - \$5,500
- SIMPLE IRA - \$12,000
- 401(k) - \$17,500
- SEP IRA - \$51,000

If you are over 50, catch up contributions are still the same.

All contributions are limited by your total taxable income, and the SEP IRA is limited to 25% of your income. There is more information on our website, and check with your CPA or tax preparer for more details.

Remember, if you contribute to a Traditional, SIMPLE, SEP or 401(k) account, your contributions are tax deductible. This gives you instant savings on your taxes!

Tax rates are still favorable for investing, but diversifying the tax status of your account over IRAs, Roth IRAs and taxable accounts is still an excellent idea.

For updated, relevant financial information:



#### Money On My Mind

So far so good for the stock market this year. The S&P had its best January since 1997, up 5.31%! The Dow has crested 14,000 as I write and is only 146 points below its all time high. Economic signs have continued to be good, and even the odd poor report has had a positive outlook.

Uncertainty about tax rates had a strange effect on income as many companies pushed extra dividends out before the year ended and paid out bonuses in December. It appears that much of this boost went into savings that will seep into the economy throughout this year.

While GDP growth for December was slightly lower than expected, it was mainly impacted by large reductions in federal spending. Narrowing the deficit involves spending cuts that will reverberate through the economy. Business investments in the US are picking up some slack. Notably, oil and gas companies are stepping up investments as it becomes cheaper to produce domestically and oil prices point towards global economic growth.

With income and savings up, the American consumer will fuel the economy in 2013. Retail stocks are already outpacing the broader market by an extra 2.2%. The American investor can be fairly certain that investment tax rates will remain favorable, and that is driving investment from bonds into stocks.



Need help with your investments? Have questions about your retirement? Seeking financial advice?  
Call us at 601.991.3158 or visit us online at [www.newper.com](http://www.newper.com).

**Nancy Lottridge Anderson, Ph.D., CFA**  
Fee-only financial advice  
1.00% of assets



**The Lighter Side**



“Retire? I’m going to stay in show business until I’m the only one left!” – George Burns