

Building your Wealth at *Coca-Cola* Top 5 Money Moves in 2020

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March 23, 2020

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About Lisa



Kiplinger

Timely, Trusted Personal Finance Advice and Business Forecasts



"Top 10 Young Advisor to Watch in U.S., 2015"



The New York Times



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About Brightworth

- Providing financial planning and investment advisory services to corporate professionals & executives at Coca-Cola for over 30 years
- Taught retirement planning workshops at Coca-Cola beginning in 1988 – we know your compensation plans inside and out.
- Team of financial experts; offices in Atlanta and Charlotte, NC
- Fee-only, independent firm
- Frequently at the AOC



See Disclosure slide at end

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Where We Are Today

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Where We Are Today

- Global health pandemic.
- Economic activity slowing sharply.
- We are in a bear market.
- Jobs are being cut, with more to come.
- The price of oil has dropped 4 straight weeks.
- S&P 500 Index down approx. 30% year-to-date through 3/20/2020.
- Last week the Dow (DJIA) and S&P 500 Index experienced worst one week decline since 2008.
- KO stock is currently down approx. 36% from its high of \$60.13 in February.



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Stock Market Perspectives

S&P 500 total 10-year return (2010-2019)¹ = **256%**

Years Since Last Bear Market¹ = **11+**

Assuming a 50-year investment horizon, you can expect go through about **14** bear markets²

50% of the best days in stock market over past 20 years occurred during a bear market²

Over last 91 years, U.S. stocks end the year with a positive return **up 77%** of the time²



Sources: 1 Morningstar.com; 2 Hartford Funds "10 Things You Should Know about Bear Markets", 2020
Past performance is not a guarantee of future investment results. Investors cannot invest directly in an unmanaged index.

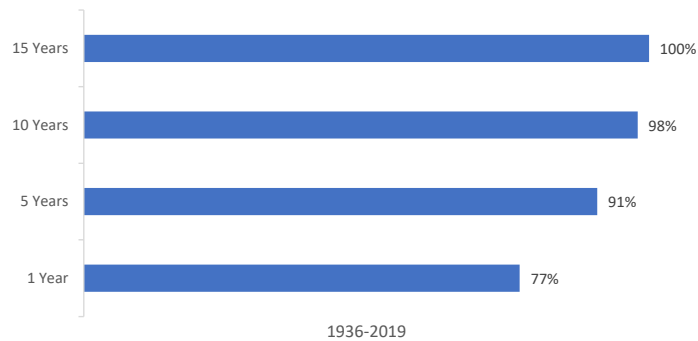
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Loss Probability Over Time

Frequency of Positive Returns - S&P 500



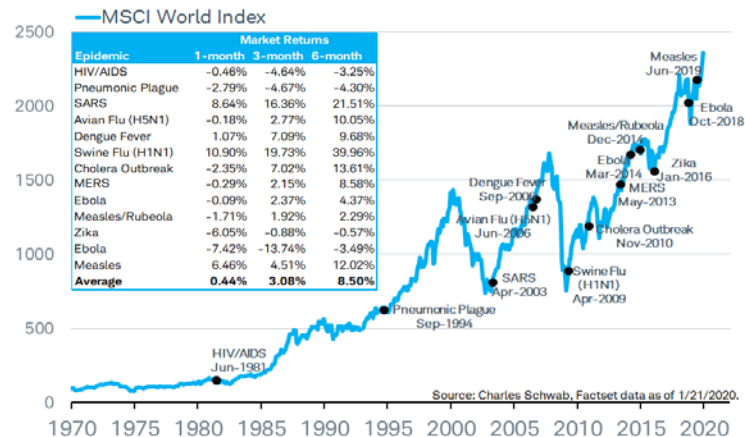
Source: Morningstar Direct. Rolling quarterly periods. Past performance is not a guarantee of future investment returns. Investors cannot invest directly in an unmanaged index.

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History of Markets and Pandemics



Past performance is not a guarantee of future investment returns. Investors cannot invest directly in an unmanaged index.

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What You Should Be Doing Now

- 1) Don't panic. Keep calm.
- 2) Focus on your health and the well-being of your loved ones.
- 3) Review cash in bank. Target 3-6 months of living expenses set aside in cash savings.
- 4) Plan now for cash to pay 2019 income tax due, even with 3 month filing & payment extension.
- 5) Review your budget. Know your essential fixed expenses, and discretionary expenses.
- 6) Stick to your plan.
- 7) Do not sell your stocks and go to cash.

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Questions

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Planning for Your Future

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Top 5 Money Moves Moving Forward in 2020

**Retirement Savings &
401(k)**

Income Taxes

HSAs

College Planning

Estate Planning

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New 401(k) Limits - Money Move #1



Maximum Employee Contribution 2020

\$19,500

Maximum Catchup Contribution 2020 (age 50+)

\$6,500

Question: Are you on track to maximum fund your 401(k) in 2020?

Question: Do you have an updated beneficiary listed online?

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No Change to IRA Limits - Money Move #1, cont.



IRA or Roth IRA
\$6,000
Catchup Contribution (age 50+)
+ \$1,000

Roth IRA Income Limits for contributions:
Single making less than \$124,000
Married filing joint, making less than \$196,000

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Investing 401(k) in 2020 – Money Move #1, cont.

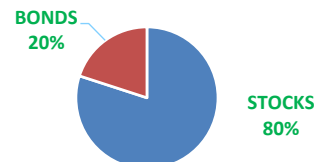
Ages 20-30



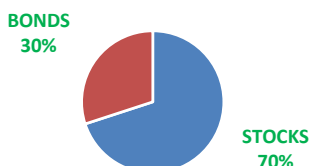
Ages 30-40



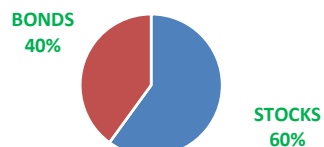
Ages 40-50



Ages 50-60



Ages 60+



These portfolios are for illustrative purposes only and are not intended to be specific investment advice. See disclosure page for further information.

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College Planning - Money Move #2



\$26,000 per year (living on campus, no scholarships)



EMORY
UNIVERSITY

\$72,000 per year (living on campus, no scholarships)

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GA 529 Plan College Savings - Money Move #2, cont.



Georgia has increased tax deduction for contributions in 2020

\$4,000 per child (single filers)

\$8,000 per child (married filing jointly)

***If you are married, have two children, and save \$8,000 into each of their GA 529 college savings plans, that equates to a tax savings of \$920!**

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Income Taxes - Money Move #3

Most of you lost your LARGEST TAX DEDUCTION beginning 2018!

Best ways to save taxes working at Coca-Cola:

1. Maximum fund 401(k)
2. If you qualify, defer salary and/or bonus into Deferred Compensation Plan
3. Maximum fund Health Savings Account (more later)
4. Contribute to GA 529 plan for college savings
5. GA tax credits (more later)
6. Charitable giving (more later)

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GA Income Tax Credits - Money Move #3, cont.

Good News: More movies are made in GA than in Hollywood now!



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Giving to Charity with Donor Advised Funds - Money Move #3, cont.

Question: Do you know if you are even getting a tax deduction for your charitable gifts anymore?

Question: Do you have stocks that have appreciated over time?

Question: Do you want to maximize your giving with **Coke's 2:1 match**?



and more.....

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Health Savings Accounts - Money Move #4

THE TRIPLE TAX PLAY!

Single Coverage 2020 Limits:

\$3,550 - \$200

\$4,550 - \$200 (age 55+)



Family Coverage 2020 Limits:

\$7,100 - \$400

\$8,100 - \$400 (age 55+)

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Estate Planning - Money Move #5

Major tax changes impacting retirement accounts in 2020

Schedule a meeting with your lawyer if:

***Your kids are eventually inheriting your 401(k)**

***You have a trust set up for your children's inheritance**

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Resources at Brightworth for Coca-Cola employees

White Papers (contact us for a free copy)

- Preparing for Your Retirement from **The Coca-Cola Company**
- Receiving A Severance Package from **The Coca-Cola Company**

Other Articles, Videos & Podcasts on www.brightworth.com/bright-ideas

- Planning Strategies for the \$1M+ 401(k)
- 3 Money Tips for Busy Corporate Executives
- Getting a Pay Raise in 2020? Here's how to make the most of it
- Smartest Things to do With your Bonus Check
- Getting Involved with Charity as a Working Professional
- Facing Common Retirement Fears
- Buying Your Dream Home in Retirement
- Losing Your 6-figure Job
- Not Ready to Stop Working Completely? Take the Off Ramp
- Revocable Living Trusts have Many Benefits – Just Not Instant Benefits

And many more!

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Questions

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