

JAN
FEB
2025

HW HOBART WEALTH

the wealthologist WISDOM

WELCOME TO 2025

What is Your BHAG?

Do you have a **Big Hairy Audacious Goal** (BHAG)? A BHAG is a bold, ambitious target that pushes you out of your comfort zone and challenges you to grow. It's not just a dream—it's a goal so audacious it gives you a little jolt of excitement (and maybe fear!) when you think about achieving it.

A few years ago, I needed a BHAG. I wasn't feeling great—out of shape and unmotivated—so I signed up for my first **Everesting challenge**. The goal: climb a mountain until I reached the equivalent of Everest's 29,029 feet elevation. It was grueling, but it ignited something in me. Since then, I've completed one every year. In 2024, I took it up a notch with **three trail marathons**. For 2025, my BHAG is bigger than ever—**two mountain events back-to-back**, climbing over **58,000 feet of elevation**.

For me, BHAGs revolve around fitness. For you, it might be something entirely different. Maybe it's starting that business you've always dreamed of, traveling to a place you've never been, or finally taking control of your finances. The important thing is to aim high and

challenge yourself to reach for something extraordinary.

What's your BHAG for 2025? To inspire you, check out **page 7 of this newsletter** to see what our team has planned for the coming year. Hopefully, their ambitions will spark some ideas of your own.

We'd also love to hear **your BHAG!** Share it with our team so we can cheer you on and even help hold you accountable. Whether it's a bold financial goal or a personal challenge, we're here to encourage you every step of the way. Email us or let us know during your next meeting—we can't wait to hear what amazing things you're aiming for!

Dream big, plan boldly, and take that first step. You'll be amazed at what you can achieve!

Chris Hobart
The Wealthologist



Chris Hobart
CEO and Founder

chris.hobart@hobartwealth.com

hobartwealth.com



NICK ADKINS, WEALTH ADVISOR

Navigating the Rising Costs of Long-Term Care

As we age, healthcare needs evolve, with Long-Term and Assisted Living Care becoming one of the most rapidly changing and costly areas. Data from 2023 underscores the increasing demand for long-term care, particularly among women. Nearly half (48%) of individuals turning 65 will require some form of paid long-term care during their lifetime. On average, men typically need about 2.2 years of care, whereas women require an average of 3.7 years. Notably, women constitute 67.9% of residents in long-term nursing facilities, and nearly half of these residents are diagnosed with Alzheimer's or another form of dementia.

In North Carolina, the average cost of long-term care exceeds \$84,000 per year, posing a significant financial burden. However, several insurance options are available to help cover these expenses, including traditional Long-Term Care insurance, hybrid policies that offer either a life insurance benefit or a long-term care benefit, and nursing home income doublers available through some annuities, which can be particularly useful for individuals with pre-existing medical conditions that make traditional insurance inaccessible.

Traditional Long-Term Care insurance typically provides the highest benefit but comes with certain challenges that may not make it the best fit for everyone. These challenges include lifelong premiums that are subject to increases and the lack of a benefit if long-term care is not needed during the policyholder's life. On the other hand, hybrid policies generally offer a lower benefit than traditional Long-Term Care insurance but have fixed premium limits, making them more affordable and easier to integrate into a financial plan. Additionally, they include a life insurance component that can be utilized if the policyholder does not require long-term care.

Annuity contracts with a home healthcare or nursing home income doubler can be effective in offsetting the increased costs associated with long-term care needs. Although these annuities typically have shorter benefit periods and lower payout amounts, they can be invaluable for individuals with medical conditions that exclude them from obtaining traditional insurance coverage or make such coverage prohibitively expensive. These annuity options provide a financial safety net by offering supplemental income to cover the high costs of care, ensuring that those who may be otherwise ineligible for insurance still have access to essential care services.

Many of us know someone who has faced these challenges, and understanding the options available can make a significant difference in planning for long-term care. It's important to explore all available resources to ensure that you or your loved ones are adequately prepared for future healthcare needs. Whether you are looking to secure care for yourself or planning for a loved one, we are here to help you navigate the complexities of long-term care planning and find the best options that align with your financial goals.

In conclusion, preparing for long-term care is crucial given the rising costs and the increasing likelihood of needing such care as we age. By exploring various insurance options and understanding the benefits and limitations of each, you can make informed decisions that will help protect your financial future. If you want more information on how to plan for long-term care for yourself or a loved one, please reach out. We are here to assist you in finding the best solutions for your financial plan, ensuring peace of mind for you and your family.

5 Easy-to-Care-for Indoor Plants

Indoor plants enhance the beauty of your home and can offer benefits for your health. They improve air quality, boost your mood and create a soothing environment. Start with these plants and enjoy the wonders of nature indoors without the stress of demanding upkeep.

1. Snake Plant

The Snake Plant is known for its tall, sturdy leaves with diverse patterns. It's a great air purifier and requires minimal sunlight. Allow the soil to completely dry out between waterings.

2. Pothos

Pothos, with its heart-shaped leaves and long vines, is perfect for those who may forget to water occasionally. It can adapt to various lighting conditions but prefers low to medium indirect light. Water when the top inch of soil is dry.

3. ZZ Plant

The ZZ Plant has glossy, dark green leaves and is highly drought-tolerant, making it ideal for low to



moderate indirect light. Water every 2-3 weeks and let the soil fully dry out between waterings.

4. Spider Plant

Spider Plants have arching green leaves that hang down, making them visually appealing. They are also easy to propagate, making it easy to expand your indoor garden. They prefer bright, indirect light but can tolerate low light. When watering, keep the soil slightly wet and avoid overwatering.

5. Peace Lily

The Peace Lily is elegant with its dark green leaves and white flowers. It's particularly effective at removing toxins from the air. They usually prefer low to medium indirect light and should avoid direct sunlight. Water weekly and keep the soil consistently wet.



WAYS TO

Set S.M.A.R.T. Financial Goals

With the start of the new year, it's a great time to reassess your finances and set goals. However, many people find it challenging to stick to their goals. Without a clear roadmap, it's easy to lose motivation. S.M.A.R.T. goals provide structure and clarity, making it easier to stay inspired and on track.

S.M.A.R.T. Goals Are:

- **Specific:** Goals should be clear and precise, such as reducing monthly expenses by \$500.
- **Measurable:** Quantify your goals with specific numbers, percentages or deadlines to track your progress. A measurable goal might be "save \$500 a month."

- **Achievable:** Set realistic goals that consider your current situation. Realistically assess income sources and expenses.
- **Relevant:** Your goals should align with your objectives and values, like budgeting for health care or travel.
- **Time-bound:** Break your goals into short-term and long-term benchmarks. For instance, "achieve expense reduction within six months."

Use S.M.A.R.T. goals to give yourself a clear plan and help turn your aspirations into achievable plans.



DOLLARS & SENSE

Risky Business: Aligning Risk With Reward

Understanding your risk tolerance is essential in investing, and it's important to reevaluate it regularly. Your comfort level with investment fluctuations may shift as market conditions and personal circumstances change. Periodically checking your risk tolerance helps ensure your portfolio aligns with your current goals and feelings about risk.

Over the past few years, especially in 2023, we've seen some interesting trends in the market. The Morningstar US Market Index jumped an impressive 26.4%¹, and by the fourth quarter of 2024, the S&P 500 returned an average of over 20% YTD². This market rally, largely fueled by technology and growth stocks¹, might have pushed your portfolio into riskier territory than you are comfortable with. During these market booms, it's easy to get caught up in the excitement and ride the wave without checking if the increased risk fits your comfort level. However, it's important to take a step back and reassess your risk exposure.

Determining your risk tolerance involves personal insights and objective measures. Investors typically begin with risk assessment questionnaires that consider age, income stability, investment goals and financial responsibilities. It's important to align your investments with your financial aspirations, whether that's buying a home, funding your grandkids' education or traveling the world in retirement (or all of the above).

Don't overlook the psychological aspect — how you perceive risk and react emotionally to market fluctuations matters greatly. Additionally, practical factors like your investment timeline and income stability can influence your risk tolerance. By considering all these elements together, you'll better understand the level of risk that feels right for you.

To help ensure your portfolio is allocated correctly according to your risk tolerance, start with these actionable steps:

- 1. Assess Your Risk Tolerance:** Take a moment to reflect on how much risk you're comfortable taking. Are you more of a conservative investor, or do you lean toward higher risk for potentially greater rewards?
- 2. Review Your Current Portfolio:** Look at your current investments. Are they aligned with your risk tolerance? A mix of asset classes can help balance out risk.
- 3. Diversify:** If you find that your portfolio is heavily weighted in one area, consider diversifying across different asset classes — like stocks, bonds and real estate. This helps spread risk and can enhance your potential returns.
- 4. Set Clear Goals:** Identify your financial goals. Knowing what you're aiming for can guide your investment choices and help you decide how much risk you should take.
- 5. Regular Check-Ins:** Just like checking your suitcase before a trip, schedule regular reviews of your portfolio. This will help you make necessary adjustments to stay on track with your risk tolerance and goals.

Following these steps helps ensure your investment strategy stays aligned with your financial objectives and risk tolerance.

¹ Tom Lauricella and Lauren Solberg. Morningstar. Jan. 2, 2024. "15 Charts on the Surprise 'Everything Rally' for 2023." <https://www.morningstar.com/markets/15-charts-surprise-everything-rally-2023>. Accessed Oct. 2, 2024.

² Curvo. Sept. 2024. "Historical performance of the S&P 500 index." <https://curvo.eu/backtest/en/market-index/sp-500?currency=eur>. Accessed Nov. 11, 2024.

Chill Out: Ways to Save This Winter!

For many, winter months can be especially expensive. Due to higher heating and energy use, gift-giving, festive events and health care for seasonal illnesses, everyone is looking for effective ways to save money. So, how can you save money during the winter?

In winter, flights and accommodations typically become more affordable due to decreased travel during the colder months. Airlines and hotels often offer enticing discounts and packages to attract customers during this time, leading to better deals for those who choose to travel in the off-season. These deals can make it easier for families and individuals to travel in the winter months rather than the more popular travel periods. Also, consider having friends or family pet-sit to help you avoid the high pet boarding costs, which can add up quickly during extended absences.

To stay warm at home during the colder months, use energy-efficient space heaters and heated blankets. These are designed to heat specific areas of your home, making them an economical choice. Smart thermostats can also help reduce energy expenses by allowing you to program your heating system to lower the temperature while you're asleep or away from the house, ensuring that energy is only used when necessary.

Planning potluck gatherings for holiday meals can also cut expenses. When each guest contributes a dish, it eliminates the need for one person to



provide an entire meal, spreading the cost and effort among everyone. And by rotating hosting duties, everyone can enjoy the event without placing the financial burden on a single individual, making the celebration more inclusive and enjoyable for all.

			2		5			
2		4				5	9	
	3					7		
		5	7			1	4	
	7		9		8		6	
	2	9			1	3		
		7					2	
	5	8				6		1
			1		3			

BRAIN GAMES

Sudoku

Game Rules

Fill in each square with one of the numbers 1 to 9 such that no number repeats in any row, column or 3 by 3 box. Grade is Easy.

FAMILY TIME:

KICK OFF THE NEW YEAR BY BUILDING AN ULTIMATE TIME CAPSULE



Building a time capsule is more than just gathering items; it's about capturing the essence of the present for future reflection. What better way to celebrate the new year than creating a time capsule with your children and grandchildren? Consider making a playlist of everyone's favorite songs to listen to while assembling the capsule or turn the activity into a mini party with snacks and drinks.

PRACTICAL STEPS TO GET STARTED



CHOOSING A CONTAINER

Select a durable, waterproof container to protect the contents. It could be a sturdy plastic box or a metal tin.



DECIDING ON A BURIAL LOCATION

If you bury the capsule, find a safe spot in the garden or backyard. Alternatively, you can store it in a dry and accessible place indoors.



SETTING A FUTURE DATE

Decide when you'll open the capsule. It could be a milestone birthday, a significant anniversary or a future New Year's Eve.

WHAT TO INCLUDE



HANDWRITTEN LETTERS

Have everyone write a note about their hopes and dreams for the future.



PHOTOS

Capture moments from recent family gatherings or everyday life.



ARTWORK

Let the children contribute their latest masterpieces.



SMALL TOYS OR TRINKETS

Include items that hold special significance.



NEWSPAPER CLIPPINGS

Choose headlines or articles from the day you seal the capsule.



BOOKS

Select a favorite book or a bestseller from the year.



MUSIC PLAYLIST

What were the No. 1 songs from last year? What was everyone's favorite?



BUCKET LIST

Set some goals for the coming year. How many will you check off before you open the capsule?

Building a family time capsule is a creative way to usher in the new year, offering a precious gift to your future selves — and it doesn't have to be a one-time event. Consider making this a lasting family tradition. Remember to keep each capsule to compare how much you all grow and change from year to year!

JACOB WOODRUM, CFA®, CFP®

Portfolio Perspectives

As we look ahead to 2025, small-cap stocks are poised to shine. While large-cap companies captured attention in 2024, small- and mid-cap stocks also delivered impressive performance. With projections showing smaller companies leading earnings growth in 2025, now is an ideal time to focus on strategies to take advantage of this opportunity.

The **HW Dynamic Small Cap Select** portfolio is a carefully curated strategy of 60 to 65 U.S. small-cap stocks chosen for their potential to deliver strong growth and attractive valuations. Our approach is built on disciplined, fundamental analysis, evaluating various factors to pinpoint companies that stand out within their industries. We also prioritize rigorous risk management to ensure the portfolio remains resilient across different market conditions.

This portfolio strikes a balance between seizing growth opportunities and managing risk. For 2025, it's an excellent choice for growth-focused investors looking to benefit from the projected earnings expansion in the small-cap space. To outperform the Russell 2000 Index while aiming to minimize volatility, **HW Dynamic Small Cap Select** provides a way to enhance your small-cap equity exposure with a focus on consistency over the long term.

If you're interested in how **HW Dynamic Small Cap Select** can align with your financial objectives, we'd love to explore how it fits into your overall portfolio strategy.

We also invite you to join our next "**Wealthologist LIVE**" session, where Chris and I will share insights on market trends, economic outlooks, and strategies like this one to help you navigate 2025 with confidence.

Here's to a successful year ahead—thank you for trusting us to guide your financial journey!



cut here ✂



HOBART HAPPENINGS

BRAIN GAMES

ANSWER KEY:

7	9	1	2	6	5	8	3	4
2	8	4	3	1	7	5	9	6
5	3	6	8	9	4	7	1	2
8	6	5	7	3	2	1	4	9
1	7	3	9	4	8	2	6	5
4	2	9	6	5	1	3	8	7
9	1	7	5	8	6	4	2	3
3	5	8	4	2	9	6	7	1
6	4	2	1	7	3	9	5	8

HW BHAG'S

- *Doris - I am committing to a steady fitness regimen and healthy eating habits. I'd like to hit my goal weight by the end of the 1st quarter*
- *Michaela - Take control of my finances, plan an incredible wedding, and save for a dream home.*
- *Thomas - Guide my family toward a healthier lifestyle with better habits and shared commitment.*
- *Andrew - My BHAG is to earn the RICP® designation and become a leader in retirement planning.*
- *Nick - Sharpen my woodworking skills to the point where I can design and construct an epic backyard playground from scratch—creating a space for my kids to explore, play, and make lasting memories.*

HOBART HIGHLIGHTS

1. We're thrilled to share that Doris has officially earned her Financial Paraplanner Qualified Professional (FPQP) designation! This achievement reflects her dedication and expertise, and we couldn't be prouder to have her as part of the team. Please join us in celebrating this incredible milestone!
2. We're excited to celebrate Corey Sunstrom's birthday on January 28! Corey plays a vital role on our team, and we're grateful for all he does. Please join us in wishing him a wonderful day and a fantastic year ahead!
3. We're happy to share that Michaela is engaged! Please join us in celebrating this wonderful milestone and wishing her and her fiancé a lifetime of happiness together.
4. Huge congratulations to Michaela for passing her life insurance test! Your hard work, determination, and commitment have paid off, and this is such an exciting milestone in your journey! We're so proud of you and can't wait to see all the amazing things you'll achieve with this new accomplishment. Way to go!



Ballantyne Office (Main)
7733 Ballantyne Commons Pkwy., Ste. 101
Charlotte, NC 28277

Lake Norman Office
400F North Harbor Place
Davidson, NC 28036

UPCOMING DATES

JANUARY

01 New Year's Day - Office Closed

08 Psychology of Retirement Movie -
Birkdale AMC

15 Educational Event - Taxes In
Retirement - Mooresville

20 Martin Luther King, Jr Day -
Office Closed

28 Educational Event - Taxes In
Retirement - Lake Norman

FEBRUARY

05 Educational Event - Taxes In
Retirement - South Park

10 Educational Event - Taxes In
Retirement - Ballantyne

17 Presidents Day - Office
Closed

25 State of the Markets -
Sullenberger Aviation Museum



If you have your own question, send it over to
heyhobart@hobartwealth.com
We'd love to help!

Question:

Hey Hobart! As the New Year approaches, what's the smartest financial move I can make to ensure I stay on track for retirement?

Answer:

Start the year strong by increasing your 401(k) or IRA contributions and rebalancing your portfolio to align with your goals.

Also, update your budget for 2024, factoring in inflation and big expenses.

A quick review with your HW Certified Financial Planner can fine-tune your plan and keep you on track!