Financial Market & Tax Outlook 2014

Cold Weather Didn’t Slow Down Our Crowd

A crowd of 160 braved the bitter cold temperatures and joined us on February 6th at the Outing Club for our seventh annual Financial Market & Tax Outlook program. Our portfolio manager, Dan Zude, took a look back at the factors that shaped the markets in 2013 and spoke about the opportunities that will influence the financial markets in 2014. CPA, Glenn Blair, of Blair Westfall & Co., provided an update on tax code changes that will affect personal tax returns in 2014 and beyond.

A big thank you to all of you who joined us. We would also like to thank WQAD and The Dispatch Argus for their coverage of the event. If you would like a copy of the presentation or would like to receive an invitation to next year’s program please contact Jane VenHorst at 563.388.2628 or jvenhorst@northwestbank.com.
The Putnam’s new Science Center opens April 12

A new hands-on experience for all ages!

When you visit the Putnam’s new Science Center, make sure your camera is charged and ready! That’s because you and your whole family will want to capture all the memories you’ll make while experiencing the more than 45 innovative and entertaining activities that make the Putnam’s new Science Center a one-of-a-kind experience in our region.

You’ll interact with a bilingual robot, launch rockets, and dig for dinosaurs bones. A “How Things Work” section will immerse you in exploring energy and simple machines, electricity and magnets, light and sound. The “Innovation” section showcases aerospace, robotics, architecture and structure, film and music. And many of the stations will be huge – like a 25 by 13-foot-tall tug-of-war lever!

“We’re all about creating a fun and hands-on experience for every guest,” says Kim Findlay, President and CEO of the Putnam. “We want you to leave the Putnam knowing more . . . more about your family, our community, and perhaps yourself. The Science Center is not about ‘looking’ at exhibits – it’s about immersing yourself in hands-on activities that can lead to discovering new interests and realizing you have abilities you may not have known you have – no matter what your age. Findlay adds that partners such as Northwest Bank & Trust help places like the Putnam make our community a great place to raise a family.

“Northwest Bank & Trust understands the importance of investing in our community,” Findlay said. “Through their generosity, we’ve been able to offer unique experiences to the community, which ultimately enrich the quality of life in our area.”

Learn more at Putnam.org and Facebook.com/PutnamMuseum.

Upcoming Events

March 28 — Family Museum Trivia Night 2014
Fun, knowledge and prizes with a gourmet pizza buffet. $200 for table of eight.
6:00 pm • QC Convention Center, Bettendorf • Call 563.344.4168 for information.

April 19 — Doggie Easter Egg Hunt
Get treats for your canines, raise $$$ for pets at the Humane Society and have FUN.
1:00 pm • Fejervary Park, Davenport • Visit www.hssc.us for information.

June 1 — HANDS Auxiliary Fiesta Party / Auction
Benefiting the Handicapped Development Center. Includes fun, appetizers and bar.
5:00 pm • Steeplegate Inn, Davenport • www.handicappeddevelopment.org

Who We Are: Dan Zude

“We design and implement investment strategies custom tailored to each client’s individual goals and objectives. And, as a locally owned bank, we select only top performing, lowest cost investments for inclusion in our portfolios.”

– Dan Zude

Personal Profile:
Dan has his Masters Degree in business and economics from St. Ambrose University. He and his wife Susan live in Davenport. In his spare time, Dan is an avid St. Louis Cardinals fan and loves the Florida sun.

Professional Experience:
Dan joined Northwest Bank’s Investment Management Group (IMG) in 2003. He has over 20 years of experience in trust and investment management. He is a Certified Financial Planner (CFP) and as such puts the interests of his clients ahead of his own, and that of the bank, at all times. As the Portfolio Manager, Dan makes investment decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance.

Community Involvement:
• Genesis Foundation - Finance Committee Chairman
• Quad Cities Chamber of Commerce
• Quad City Estate Planning Council
Actor Philip Seymour Hoffman, who died of an apparent drug overdose in February at age 46, last attended to his estate plans on October 7, 2004. The estate tax laws have changed dramatically since then, as did Mr. Hoffman's personal circumstances. At that time he had one son with his partner, Marianne O'Donnell, but they later had two daughters.

Hoffman's will left all of his property to O'Donnell. His estate has been estimated to be worth roughly $35 million, and the federal estate tax is imposed at 40% of everything above a $5.34 million exemption. Because the couple never married, the marital deduction is not available to defer estate taxes until both spouses have died. Therefore, Ms. O'Donnell could be looking at a $12 million federal estate tax bill. New York State also imposes an estate tax at 16% on assets above $1 million, but that tax payment is deductible when calculating the federal tax. The combined death taxes could come to $15 million, according to some press reports.

The will invites Ms. O'Donnell to disclaim all or part of her inheritance. To the extent that she does so, the property passes to a trust for their son, who was one year old when the will was executed. That trust will pay its principal to the son when he reaches age 25, the balance when he is 30. Unfortunately, the trust makes no provision for after-born children, so the daughters seem to be disinherited. Ironically, if the will had been silent on what would happen upon a disclaimer by Ms. O'Donnell, the most likely result is that the three children would have shared any disclaimed property equally.

It is possible that Hoffman made other arrangements in trust for the daughters, or his will might have been supplemented by a living trust. It's also possible that he had life insurance, retirement accounts, or other property that won't pass through probate. These would not have to be made public, as a will must be. Even so, this apparent result points out how important it is to review one's estate planning documents with some regularity, especially after major changes in personal circumstances.

© 2014 M.A. Co. All rights reserved.
More Ways to Learn
Our Clients Spoke and We Listened

Our annual Financial Market & Tax Outlook program has been so well received over the last seven years that we’ve agreed to create a quarterly education series. The series will address financial and estate planning topics of interest with the 2014 series covering estate planning, Medicare and social security.

The first program is titled, Estate Planning Musts, and will be held on Tuesday May 13th from 4:30-5:30 pm. We’ll address a number of common questions including:

- What are the basic estate planning documents I should have?
- Should my estate plans include a Trust?
- How do I protect my children’s inheritance from poor investment decisions, divorce and lawsuits?
- What steps can I take to plan for nursing home costs and potential estate taxes?
- What’s the right way to list my IRA and life insurance beneficiaries?
- And much more.

You are welcome to join us.

Please RSVP with Jane at 563.388.2628 or jvenhorst@northwestbank.com.

Karen Goodall