



Things You Control

Making IRA Contributions

Financial markets are unpredictable, as the post-election surprise rally reminds us. But two life-events are not – your retirement and taxes. Luckily, you can enjoy both (Improving your odds of more retirement funds and taking advantage of tax laws) by contributing to your IRA by mid-April.

You can contribute up to \$5,500 for 2016 (\$6,500 if you were age 50 as of December 31, 2016) to your IRA by April 15, 2017 (For most taxpayers).

You can contribute to a traditional IRA, a Roth IRA, or both, as long as the total contributions don't exceed the annual limit and meet the IRS eligibility tests. You may also be able to contribute to an IRA for your spouse for 2016, even if your spouse didn't have any 2016 income.

Investors focused on reaching their financial goals (e.g. a comfortable retirement) need to address about a dozen activities that can determine how successfully they reach their goals. These activities range from things they control (e.g. how much they save) to things they simply do not (the future returns on their investments). Our observation is that successful investors have learned to spend their efforts on things they control.

Why It's Important

In Investing (as in Life) we can: hope, worry or plan.

I believe that when we hope or worry, we are largely looking at the future and are focused on things we **do not** control. We hope the markets will get higher and we will make money. Or we worry that markets will collapse and we may lose all our money. And yet, deep down in our hearts, we know that whether our thoughts are optimistic or pessimistic they simply do not influence future outcomes.

We can also look at the future plan-fully. When we do this we tend to focus on the things that we **do** control. And, by picking activities that are in our control and that are important to our future we have a far better chance of achieving our goals. Of course, life holds few guarantees! So, for example, while we all hope that our favorite stock pick will be a high performing stock, not implementing a properly diversified portfolio is plainly irresponsible to our financial well-being.

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Past performance is not a guide to future performance.

DorchesterAdvisors is a Registered Investment Advisor in NJ and NY.



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