LET'S TALK MONEY®

January/February 2025

# Unmarried with Children

According to the 2023 U.S. census, one in four parents were unmarried, a sharp increase in recent years. More parents also have unmarried partners than in the past, which doesn't change the fact that most parents — especially single ones — should have life insurance.

### The Situation

Unmarried couples living together with their families have the same life insurance needs as married couples. And while there are a few different types of life insurance, they all share one ultimate benefit: The person (your significant other) or persons (children) named as your policy's beneficiary will receive the same financial benefits as families headed by married couples.

Unmarried couples can name each other as beneficiaries if they can prove they have an insurable interest in each other because they provide financial or other support. Then, if the unthinkable happens to one of them, the other could keep their financial ship afloat with life insurance proceeds.

In contrast, single parents living with their minor children but without a partner have to depend on themselves. They likely need life insurance and legal documentation that addresses their children's care if the other parent is out of the picture.

### Determining Your Needs

How much insurance will you need? It depends on how many children you have, if they would need childcare, whether your surviving spouse or partner intends to work, and more. Working single parents may have access to life insurance through their employers.

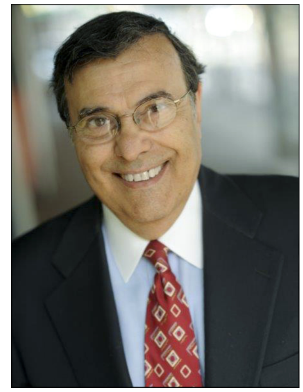
In many cases, they may need more insurance than is available through the workplace. You can work with an insurance professional to determine how much and what type of insurance is best for your situation.

There's a life insurance policy for everyone. If your budget is tight, purchase what you can through an employer, who likely offers group life insurance at a lower cost than individual insurance.

You might start with term insurance, which is pure life insurance. This type of insurance does not build cash value and premiums increase with time, but it does offer the all-important death benefit. You might look for policies you can convert to whole life insurance, which can accumulate cash value and features premiums that remain the same should your financial situation improve.







**Joseph F. Aragona**
CLU, ChFC
Providing Personal Service & Creative Ideas Since 1969

**Aragona Financial Strategies**
81 Pondfield Road, # 260
Bronxville, NY 10708

Bus: (914) 337-5494
Fax: (914) 337-1647
Email:
aragonafinancial@gmail.com
Website:
www.aragonafinancialstrategies.com

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# Healthy Financial Habits

Resolving to get financially fit is a great way to start 2025. Here are some ways to develop healthy money habits in the new year.

**Track your Spending**

Keeping track of the money you spend on big and small purchases can help you control your spending. Cut spending where you can. For example, how much do you spend on coffees and take out a week; in a year? Following a reasonable budget may also help you avoid overspending.

**Limit Credit Card Use**

If you don't pay off your credit card balances right away, interest can quickly add up and become a major problem. Consider leaving the cards at home when you go shopping and use cash or a debit card instead.

**Prioritize**

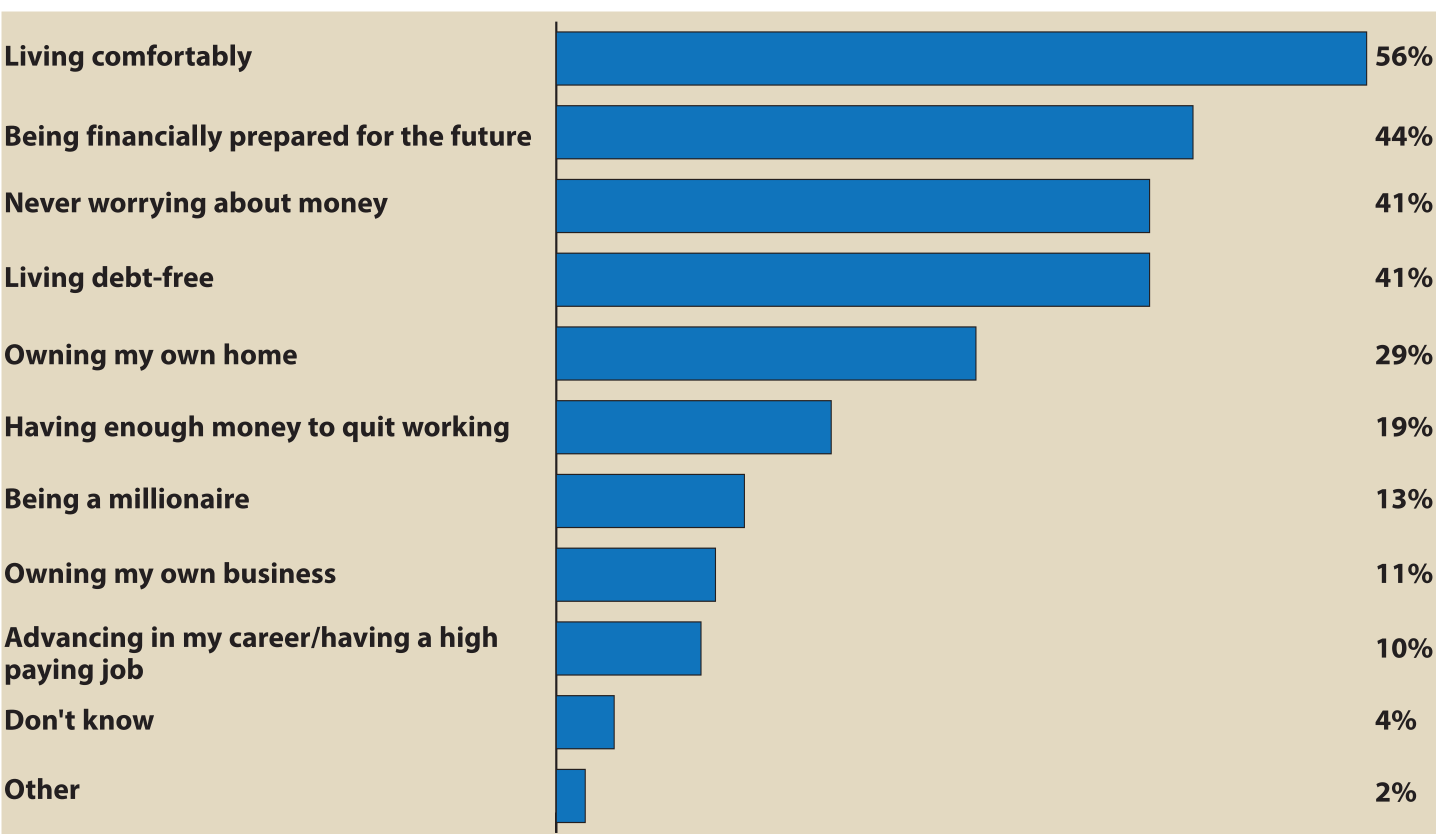
Everyone's top priority should be saving for retirement. Another savings goal should be building and maintaining an emergency fund. Having enough money accessible to pay expenses for six months or so can help you weather financial emergencies.

**Pursue Your Goals**

It is important to plan for long-term goals, such as a down payment on a house, college tuition for your kids, and retirement. Figure out how much you'll need to accumulate and how much you need to save on a regular basis.

Talk to your financial professional about making healthy financial moves now.

# How Americans Define "Financially Successful"




*Source: Bankrate's Financial Success Survey, April, 2024*

# 6 Ways to Find More Money to Budget

Ever wish you could find extra money to put toward your child's college expenses or your own retirement? Maybe you would like to take a bucket list vacation or buy a larger home. Whatever your financial goals may be, finding the money to help pursue them can be challenging but not impossible. Here are some ways to find more money:

**1.** Eliminate one designer cup of coffee per week. At $3 per cup, you'll save over $150 for the year.

**2.** Skip one monthly $70 restaurant outing and save more than $800 annually.

**3.** Clean out your basement or garage and sell unwanted items online, through an app or in a yard sale.

**4.** Keep your car or SUV an extra year or two. When your car loan payments end, you could save thousands if you keep your vehicle and avoid another car payment.

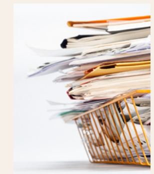
**5.** Review your television and smartphone bills to eliminate paid services and features you don't use. You might stream rather than watch TV through more traditional outlets, which can save you a bunch.

**6.** Find ways to exercise at home and cancel your gym membership. Save hundreds.

Find money in these and countless other ways and establish an emergency fund to ensure surprise expenses don't get in the way of your plans.

# Organize Your Documents

Is financial paperwork piling up on the dining room table or kitchen counter? Setting up a filing system can help you save time, reduce stress and avoid late fees and misplaced tax records. Here are a few ideas to help you get started.



### Have a Routine

Deal with documents as soon as you receive them. Decide immediately if each item needs to be paid, filed, or discarded. Shred paper that you won't need.

### Set up a Simple System

Choose a filing system that makes sense to you. Organize paperwork into groups, such as credit card receipts, monthly bills and tax records.

### Go Electronic

Ask your employer to deposit your paycheck directly into your bank account. Also, consider doing more online, such as having recurring bills paid automatically from your checking account and doing your other banking electronically.

# Money Hacks to Simplify Your Life


Life is nothing if not busy, so we often can't find the time we need to take care of financial tasks, whether big or small. Consider these ways to save time.

### Modernize

Many financial institutions have smartphone apps that let you do almost everything from getting statements to making deposits. But if you don't trust the apps yet, consider checking out how today's ATM machines let you take withdrawals, make deposits and more.

Shopping is also faster online, but even major brick-and-mortar retailers are reducing checkout times with do-it-yourself checkout scanners. Also explore apps that simplify your budgeting, track your expenses and organize multiple investment accounts.

### Automate

If you're like many people, you use direct deposit for your paychecks. Why not ask your employer or financial institution to automatically put a portion of them into savings? You might also automate your 401(k) contributions to increase when you receive a pay raise and rebalance your portfolio periodically. And if you don't pay your bills online yet, consider this option.

### Bundle Services

Most insurance companies will give you a discount if you buy multiple policies from them, such as home and auto insurance. If you have multiple credit cards, consider using only one low-interest rate card. While on the subject of credit cards, consider those that offer rebates and cash back (along with low interest rates). Review other service providers for internet, phone, cable, and all your apps. Eliminate less-used services and find savings by bundling others.

# Guaranteed Retirement Income

If you're looking for some measure of assurance in retirement in a financial world where few guarantees exist, a fixed annuity* may make sense. While there are many different annuities, one type — a fixed annuity — offers the security many people want.

**Your Choice**

Fixed annuities are available through insurance companies, banks, and other financial firms. They come in two flavors: immediate and deferred. Both guarantee a minimum interest rate, which is usually different from the introductory rate and is often higher.

With fixed deferred annuity contracts, you get the guaranteed interest rate credited to your account balance and eventually will receive a regular payment based on your rate and annuity contract length. Immediate annuities begin, as the name implies, right away and base payments on a credited interest rate and contract length.

Payments can last for a fixed term, ranging from a few years to many, and they can even last your lifetime (usually for an extra fee).

**Your Funding**

Historically, annuity owners typically didn't have a workplace retirement plan or wanted to put away more money than their plans allowed for retirement. That's changing. Increasingly, 401(k) providers are working with other financial firms to offer plan participants the opportunity to convert all or part of their balance to an annuity.

Your age, whether you have another retirement plan, and other factors can affect whether contributions are tax-deductible or made after-tax, but payments of the earnings are always taxable as ordinary income, making your after-tax net susceptible to changing tax rates. Growth is tax-deferred during the accumulation phase.

There are other types of investments that can potentially provide higher retirement income, but very few offer these guarantees. Do your homework to learn if a fixed annuity is right for you.

**Fixed annuity contracts guarantee a minimum credited interest. The insurer credits a fixed interest rate to contributions in the accumulation phase and pays a fixed income payment when annuitized. For immediate fixed annuity contracts, annuitants receive a fixed income stream based, in part, on the interest rate guarantee at the time of purchase. Annuity products are not FDIC-insured, and their guarantees are backed solely by the claims-paying ability of their issuing life insurance company.*

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Your feedback is very important to us. If you have any questions about the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

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