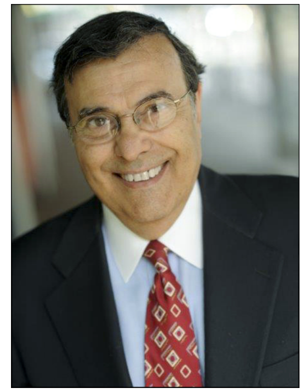
LET'S TALK MONEY®

July/August 2024



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I am committed to helping my clients achieve their financial goals for themselves, their families & their businesses by providing them with strategies to help with asset accumulation, preservation & transfer.

Specializing in:
- Retirement & Estate Planning
- Life & Disability Insurance
- Long-term & Critical Care Insurance
- Annuities
- Employee Benefits
- Medicare Supplement, Medicare Advantage and Medicare Drug Plans

ETFS MAY HAVE A PLACE IN YOUR PORTFOLIO

Exchange Traded Funds (ETFs) consist of a "basket" of securities that track an index, sector, commodity, or other assets. They can even be structured to track specific investment strategies. ETFs are marketed on a stock exchange just as individual stocks are. They may focus on a single investment type or be a mixture based on an objective, including stocks, commodities, bonds, or currency. Some ETFs offer U.S.-only holdings, while others can be strictly international investments. ETFs usually offer low expense ratios and are generally less costly than buying the stocks individually.*

Using ETFs

ETFs have become a popular diversification tool.** By using ETFs to cover the major market sectors, you can quickly and easily assemble a low-cost, diversified portfolio covering both stock and fixed-income markets. Then, you can simply stick to a buy-and-hold strategy, as you would with any other index product, and your portfolio will move in tandem with its benchmark.

You and your advisor could alternatively choose an active management strategy. While ETFs themselves are index funds (no active management on the part of the fund manager), this doesn't stop you from actively managing your holdings. If you think short-term bonds are set to rise, you could, for example, sell positions in the broader bond market and buy an ETF specializing in short-term issues. You could do likewise for your expectations for equities.

Much More

These are only the basics. ETFs offer more advantages and uses that might benefit your investment program. Your trusted financial professional can tell you more and advise you on how ETFs may fit your financial goals.

**Before making any investment, know your financial objectives and understand the objectives, charges and risks of the exact type of product you're considering.*

***Diversification cannot eliminate the risk of investment losses. Past performance won't won't guarantee future results. An investment in ETFs can result in a loss of principal.*

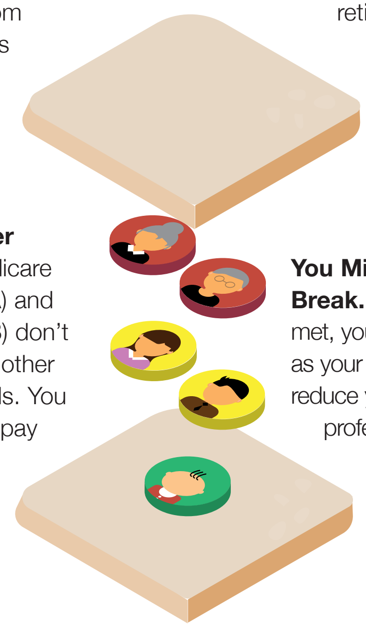
THE SANDWICH GENERATION

First, the baby boomers were taking care of the Greatest Generation. Now, it's the Gen X, and even millennials, who are sandwiched between caring for their parents and launching their children into adulthood. Here are reasons why these people feel financially squeezed:

The Cost. According to AARP, caregivers spend an average of $7,240 out-of-pocket yearly on routine expenses for a loved one.

More Kids Boomerang than People Think. Saving.com found that 45% of parents financially support an adult child at an average cost of $1,440 per month.

Medicare Doesn't Cover Everything. Original Medicare hospital insurance (Part A) and medical insurance (Part B) don't cover all your parents' or other loved ones' medical needs. You or your elder will need to pay out-of-pocket or buy supplemental medical insurance to help cover out-of-pocket healthcare costs and any care services and routine dental and vision care.



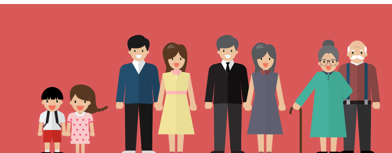
You May Have to Postpone Your Retirement. Too often, sandwiched people sacrifice their retirement plan contributions to help others, particularly their parents. You may reach retirement age only to find you need to keep working longer than planned to meet your support obligations and have the comfortable retirement you want.

You Might Qualify for a Tax Break. If specific IRS criteria are met, your parent or child may qualify as your dependent, which can help reduce your income tax. Ask your tax professional for details.

If you find yourself in the sandwich generation or approaching it, talk with your financial professional about handling your specific needs.

SATISFACTION WITH LIFE

According to a 2023 Pew Research Center study, despite having additional family and financial responsibilities, sandwiched individuals are as satisfied or more satisfied with their lives as compared to other adults the same age.



	Sandwiched	Others
With Family Life:	43%	48%
With Their Social Life:	24%	24%
With Their Financial Situation:	17%	17%

FEMALE BREADWINNERS: PRIORITIZE YOUR ESTATE STRATEGY

The Center for American Progress found that more than 40% of women are their family's sole or primary breadwinners. An additional 20% are co-breadwinners, meaning they are responsible for between 25 to 49% of total family earnings.*

A Different Focus

Male and female breadwinners have a different focus on career and finances.** Men prioritize their careers and tangibles, such as acquiring specific assets. Women are generally more intangible in their thinking, placing their financial focus on multiple objectives: financial independence, the comfort and well-being of family members, long-term care, and passing on a legacy to their children. These characteristics make an estate strategy essential for all women and breadwinners, in particular.

What to Address

Women haven't reached equity. While many of your estate needs are the same as your male counterparts, you also have to address factors more unique to working women. Some things that will affect your estate still fall more heavily on women.

Balancing Career and Motherhood. Many young women think about whether they should prioritize having children or their careers. With children, you may choose to turn down a promotion or take time off to care for your young children. These decisions can affect your estate strategy.

Divorce. Ending a marriage, especially with children, may create more pressure on the woman to earn more. Having an estate strategy in place can help reduce stress, knowing you've provided for a more secure future for your children.

It's important to consider your overall financial situation, especially if you're divorcing later in life and were depending on spousal financial support and joint retirement income.

Longevity. On average, women live six years longer than men.* Your estate strategy must address the possibility of a longer lifespan and the security and legacies you want to provide for surviving loved ones.

Take Action

If you don't have an estate strategy, talk with your legal and financial professionals about implementing one. You'll want to coordinate your strategy with your spouse or significant other.

**The Center for American Progress, 2023, updating a 2019 study.*
***Trust and Will, 2024*

NONQUALIFIED DEFERRED COMPENSATION PLANS EXPLAINED

Many employers consider nonqualified deferred compensation (NQDC) plans crucial in attracting and retaining top talent, with 58% offering these plans to key employees who can afford to invest more after maxing out their 401(k).

The Nonqualified Difference

Unlike a 401(k) plan, an NQDC plan doesn't have to meet Employee Retirement Income Security Act requirements, such as an annual contribution cap, age restrictions on withdrawals, and required minimum distributions. You gain greater flexibility and more options. The tradeoff is that NQDC plans carry additional risk.

With an NQDC plan, you determine how much earned income to defer each year and schedule when to receive your deferred income. You might select a lump-sum distribution or installments starting at a particular date. You could have income distributed to meet financial goals or choose to wait until retirement.

Investing Contributions

Contributions aren't invested directly. Instead, you designate investment choices for bookkeeping purposes. Your employer uses your choices as a benchmark to calculate the appropriate investment returns owed during the deferral period. Your employer will distribute your deferred income to you later, along with the investment growth you would have earned.

Tax Advantages

As with other deferred compensation plans, you defer current income tax on your contributions and any plan growth until they're distributed. You reduce your current taxable income and can schedule your distributions to arrive in lower tax bracket years.

Detractions

You could suffer a complete loss if your company encounters financial hardship and may possibly have to forfeit your deferred income if you leave your employer before the distribution date. That distribution date can be difficult to change after it's been set. Also, you can't borrow from NQDC plans or roll distributions into an IRA or other tax-deferred retirement vehicle.

Having your legal, tax and financial professionals review your plan's agreement and financial situation can help you decide whether to go with your NQDC plan.

2023 NQDC SURVEY REPORT

Here are some of the key findings from the 2023 survey of non-qualified defined contribution (NQDC) plan sponsors.

- ***80%*** of respondents stated they offer a NQDC plan to make their benefits package more competitive when recruiting key employees.
- ***63%*** of eligible employees participate in the NQDC plan, deferring an average of 10% of base pay and 30% of bonus pay.
- ***75%*** of employers make contributions to the NQDC plan—most commonly a "restoration match" (***48.4%*** of plans), designed to fill the gap from the match excluded from the 401(k) plan due to IRS limits.

BOUNCING BACK FROM 2023

Nearly 70% of individuals surveyed* earlier this year reported facing stressful financial challenges in 2023. But looking forward, most respondents, and particularly high-net worth individuals, believed their finances will be better in 2024. While there are financial areas that you may think you could have done better with last year, it is not too late to improve on them this year. Here are some items you may feel you want to work on.

Didn't Hit Your 2023 Retirement Savings Goal?

Strive to maximize your retirement plan contributions for the rest of 2024 and carry your increased contributions into the future. One way to do this is to funnel any raises and bonuses you've received into your savings plan. Another is to review your spending for any potential cuts.

Fell Behind on Other Savings Goals?

Set up automatic transfers to savings vehicles to help you save for goals such as education, an emergency fund, or that down payment on a first home, etc. Make sure your money is liquid and paying the highest interest rates possible.

Accumulated More Debt than You Want?

Budget funds to pay off that debt. You have several options. One popular strategy is to pay off your highest interest rate accounts first. You might also consider a lower rate debt consolidation loan with a reputable financial institution.

Financial Tips

About 88% of respondents* consulted someone regarding their finances, including family and friends (57.5%), social media influencers (50.5%), professional financial advisors (43.3%), co-workers/colleagues (36.9), and mentors (16.6%). Discussing finances with people close to you is okay, but with your higher-than-average net worth, the best people to consult are your financial, legal, and tax professionals.

Celebrate

Yes, getting in the habit of identifying positive financial decisions and wins during 2024 and celebrating successes is motivational and can give you a clear idea of what to continue doing.

* *OnePoll for Forbes Advisory*

We Value Your Input...

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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