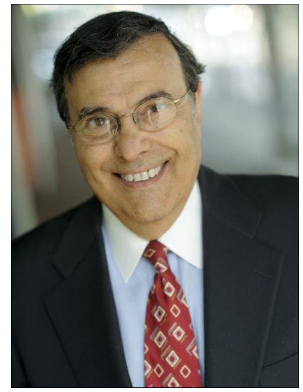
LET'S TALK MONEY®
May/June 2025



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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

Work Together on Your Finances

It's not unusual for couples to have varying interests. But when it comes to your financial life, it is important to be on the same page.

Different Money Styles

Money is one of the top reasons for marital discord. Open conversations about finances builds transparency and can prevent disputes by addressing issues like differing spending habits or financial priorities before they escalate. So, for starters, make sure you stay current on each other's incomes, debts, savings habits, and financial beliefs, which is fundamental in any relationship.

Additional Benefits of Joint Planning

- For couples with children, working together on finances sets a positive example. It teaches kids about money management, teamwork, and the importance of financial responsibility in a relationship.

- Regular, joint financial reviews allow the couple to be better prepared for unexpected events like job loss, medical bills, or economic downturns.

Get Started

Take a look at all of your retirement accounts and other investments to see how your combined assets are invested. Agree on financial goals. Then you can decide with your financial professional on a suitable combined asset allocation* for your investments considering your goals, risk tolerance and investing time frames.

Adjustments May be Needed

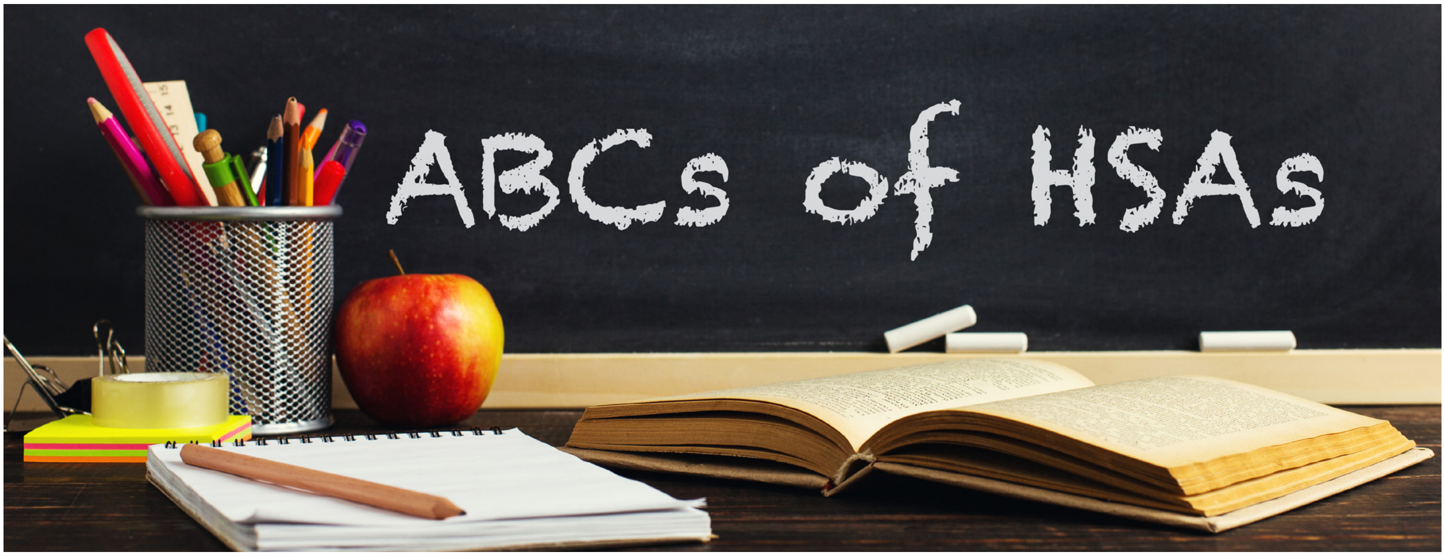
Over time, your joint asset allocation may need rebalancing if it has shifted or if you or your spouse's risk tolerance changes.** Throughout the process, coordination between you and your spouse can help better prepare you for investing for your retirement.

Do it All

Beyond savings, work with your legal professional to draft legal documents for estate planning. This is especially important if you have children. Most everyone needs a minimum of a will, power of attorney and medical power of attorney. You may want to consider using trusts. Also, your financial professional can make sure that you have enough life insurance should the unthinkable happen.

** Asset allocation won't guarantee a profit or ensure against a loss but may help reduce volatility in your portfolio.*

*** Rebalancing a portfolio may create a taxable event if done outside a retirement account.*



Although health insurance deductibles and other out-of-pocket costs continue to rise, one good thing has come out of this recent turmoil: Health Savings Accounts (HSAs). Consider taking advantage of this tax-saving opportunity to pay healthcare bills.

Triple Tax-Free

The bold-faced headline about HSAs is they are triple tax-advantaged. Contributions are deducted from your pay pre-tax, earnings and any earnings on your investment accumulate tax-deferred and distributions for qualified medical expenses are tax-free. You can use your HSA to pay for co-payments, deductibles, prescriptions, lab work, imaging and physical therapy today, next year and even in retirement.

Extra Help

The ability to roll over an HSA account balance from year to year can be especially helpful in retirement, when healthcare expenses can consume more of your budget. Beginning at age 65, you can take distributions for non-health reasons and pay income tax on the amount withdrawn. However, distributions for a non-medical reason before age 65 would be subject to income tax and an additional 20% federal tax.

How Much to Invest in an

While more people are using Health Savings Accounts (HSAs) to help pay for rising healthcare costs, many of them are not familiar with the investing options they may have available to them. Should you put all your money into a cash option or into more aggressive 401(k)-plan types of investments? A lot depends on your health.

Invest the Max

If you put away the maximum your employer's HSA allows, you could have money left over each year after satisfying health plan deductibles, coinsurance and co-payments. In that case, you might consider investing the remainder.

Health Matters

If you consume little more healthcare than an annual physical and occasional blood work and you contribute the max, you may take a more aggressive investing approach. If, however, you use whatever you contribute to an HSA in any given year, you might want to stay with an approach where you don't risk your funds.

Time for Your Insurance Audit

Summer is around the corner and wind, rain and firestorms will follow. Even if you understand the need for protection like property and health insurance, you may find yourself uninsured or underinsured for certain events.

Natural Disasters
Start with flood insurance. If you live in a flood plain, this is a necessity. If you don't, you may still need the coverage. According to the Federal Emergency Management Agency (FEMA), more than 20% of flood claims come from properties outside the high-risk flood zone.

If you live in an area prone to damaging windstorms like hurricanes or tornadoes, you may need additional property insurance. The same is true for earthquake zones, where you may have to buy separate insurance for this peril.

Also consider carrying general liability and property insurance for general risks around your home, and use umbrella insurance to fill coverage gaps. Talk to your agent to see if you're fully insured.

Personal Insurance
Next, consider your current personal insurance and learn if it is too little, too much or non-existent. Start with disability income (DI) insurance. The younger you are, the more likely it is that you'll become disabled for a period of time than experiencing an early death. If you couldn't fund your needs without your income, you probably need DI insurance. If DI is offered through work, consider buying it.

Life Insurance
If your family has grown or added goals, such as a child's college education, you may find you need more life insurance. Conversely, if your financial obligations have lessened as you age, you may learn you don't need all the life insurance you presently own. Talk to a financial professional to learn more.

Major Reasons Gen Z and Millennials Have Life Insurance

	Millennials	Gen Z
Cover burial and final expenses	53%	38%
Transfer wealth or leave an inheritance	38%	35%
Help replace lost wages/income of wage earner	33%	28%
Supplement retirement income	36%	31%
Employer provides it to me	41%	26%

Source: LIMRA and Life Happens, 2023

May is Older Americans Month

A Presidential Proclamation designates May as the month for honoring older people in our communities. It can also serve as a reminder to ask older relatives about their health and finances. Consider talking with loved ones about:

Estate Planning
At a minimum, make sure your relative has a will and up-to-date beneficiary designations on retirement accounts and insurance policies.

Long-term Care Insurance
Most people will require some form of care as they age. Long-term care insurance can help pay the high costs.

Will, Health-care Proxy and Durable Power of Attorney
These documents, respectively, specify end-of-life treatment and appoint someone to make medical and financial decisions when a person is incapacitated and can't make these decisions on his or her own.

Downsizing
Moving into a smaller home or apartment or one without stairs encourages older relatives to clear years of clutter and can make upkeep easier to manage.

Balance Saving for College and Retirement

Summer vacation is almost here. How many more summers until you have a graduate heading off to college? It always comes faster than we'd like. So does retirement. Will you be ready? When it comes to choosing between saving for a child's college education or saving for retirement, which one should be the priority?

Think About it This Way
Sure, you want to minimize the amount your child will owe for student loans. But keep in mind that there are no loans for retirement if you come up short on your savings. While there are no hard and fast rules about prioritizing your savings, the usual recommendation is to put aside money for retirement first. Your personal circumstances should be your guide. Here are several things to consider.

How Much Have You Saved?
If you already have significant retirement savings, you may be able to direct more money toward saving for your children's college expenses. Be sure to run the numbers first, so you know you can afford to do this. However, make sure you're still contributing enough to your company's retirement plan to take advantage of employer matching funds.

Contribute to a 529 Plan
A 529 plan* allows you to make after-tax contributions to a college investment account on behalf of a designated beneficiary. One upside: Parents may be able to contribute less if others are chipping in. Grandparents, other relatives, and friends can contribute to the account. Withdrawals are tax free if they're used to pay qualified education expenses, including tuition, room and board, fees, books, and supplies.

Open a Roth IRA
Although typically for retirement savings, a Roth IRA can do double duty as a college fund. You won't pay a penalty on earnings you withdraw to pay qualified higher education expenses if the account has been open for five years or longer. Any funds remaining in the IRA will still be invested for your retirement.

Other Payment Options
There are a variety of ways to pay for college, including financial aid, loans, and work study. In addition, many organizations offer scholarships to students whose interests align with their mission. Start as early as you can. Work with your school's counselor throughout high school to learn how to qualify for aid.

**Certain requirements may apply. Before investing, read the program offering statement and consider the investment objectives, risks, charges, and expenses. These plans are not guaranteed by any state or federal agency.*

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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.