

# LET'S TALK MONEY<sup>®</sup>

## Article Summaries

September/October  
2025

See the articles  
that will be featured  
in the **High Net  
Worth Version!**

## Important Date

If you wish to order copies of the  
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## Standard Financial Topics

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### 12 Obstacles To Investing Success

When it comes to investing for your future, the basics hold true. There are some things to overcome or avoid as you sock away your hard-earned cash.

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### Risk And Volatility: Know the Difference

Volatility is an objective measure of an investment's price fluctuations over a specific period. Risk is subjective and personal. It's different for every investor. Although taking some risk is necessary to earn returns that outpace inflation, there are strategies investors can use to cushion the impact.

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## Retirement Planning

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### A 401(k) Plan: Paving the Road to Retirement

There's a lot to like about a 401(k) plan. Whether you already participate in your employer's plan or you're just now thinking about joining, reviewing the benefits is a smart idea.

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### Understanding Capital Gains and Losses

How you manage the sale of your investments impacts your overall tax picture. And to get the most out of the current tax law, you'll need to understand capital gains and losses.

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## Small Business Needs

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### Keep Your Business Safe from Fraud

Sadly, fraudsters are continually looking for ways to make a quick buck at your company's expense, so make sure you're taking steps to protect your business from all types of threats.

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### Create a Financial Strategy for Your Business

As you know, managing a successful business requires that you focus on all things financial. Creating a solid financial strategy takes time, something that may be in short supply.

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## Legacy/Insurance Planning

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### Don't Miss a Step

If you think of estate planning as something that is necessary for only the very wealthy, it might surprise you to learn differently. From keeping an updated will to having healthcare and legal powers of attorney, estate planning is so much more.

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### Is Life Insurance Optional?

Would your family or business survive financially if you died suddenly or your company lost a key employee? Life insurance is designed to help provide for families or businesses if the unexpected happens.

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## Inside Articles

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### Preserving an Inheritance

Reckless spending has decimated many an inheritance, so sit down with your financial professional to develop a plan for managing and preserving your wealth.

### Summer Jobs for Kids

Taking a summer job is a rite of passage for kids and an excellent way for them to learn financial responsibility while earning and spending their own money.

### Taxes and Marriage

Getting married usually triggers a multitude of changes to your life, but one change that you may not have considered is how marriage affects your taxes.

### What is the Average Cost of a Wedding?

The average cost of an American wedding varies depending on the location, venue and number of guests. In 2024 the average wedding cost \$33,000.

### FAFSA: The Sooner the Better

If your child will attend college in the fall, now is the time to get started with the process of applying for financial aid. The FAFSA — Free Application for Federal Student Aid — becomes available on October 1.

# THE FOLLOWING ARTICLES WILL BE FEATURED IN THE HIGH NET WORTH VERSION OF THE NEWSLETTER. ADD IT TO YOUR MIX!

## High Net Worth Topics

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### Investing In A Volatile Market

By understanding the causes of volatility, using effective risk management techniques, and avoiding common pitfalls, you can navigate turbulent markets and work toward achieving your financial goals.

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### How Gen Z Is Shaping Financial Markets

As the youngest generation to enter the financial markets, Generation Z (those born between 1997 and 2012) is making waves with their unique perspective on investing. Unlike their predecessors, Gen Z's approach to stocks is shaped by technology, social media, and a keen awareness of global issues.

## Inside Articles

### Safeguarding Your Wealth

Protecting your assets from potential creditors or lawsuits is important in our increasingly litigious society. An asset protection trust (APT) may help. Unlike many traditional trusts, APTs are specifically designed to shield assets from future liabilities.

### Women And Wealth Transfer

Women over 60 now command a substantial portion of global wealth, and their decisions are reshaping how wealth is transferred and managed. These women often make different choices about their wealth, especially when they become the sole money managers.

### Understanding Divorce Tax "Traps"

Divorce is emotionally challenging and financially complex. One challenging aspect to navigate is the tax implications.

### Deciding To Sell A Family Business

Selling a family business can be an emotional and complex process. After all, you've likely poured your heart, soul, and years of labor into building something special. Before jumping into the sale, there are a few things to keep in mind.

**LET'S TALK MONEY**  
July/August 2023  
**Dollar-Cost Averaging**  
Trying to predict the market isn't usually a recipe for success. In contrast, a slow and steady investing approach may help you use market fluctuations to your advantage as you invest for long-term financial goals. Dollar-cost averaging can play a part in this approach.

**Disciplined Investing**  
Dollar-cost averaging is as much about discipline as it is an investing technique. When you use dollar-cost averaging, you contribute the same amount of money to the same investment portfolio on a regular schedule.

For example, you might contribute \$100 twice a month to your retirement account, putting \$50 into equity investments and \$50 into fixed income. If each share was at \$1, then you would buy 50 shares of one asset and 50 of the other.

Buying the same dollar amount of any investment doesn't, however, mean you are buying the same amount of each investment's share each period. When stock prices rise, you get fewer shares for your \$50. So, if stock prices double to \$2 per share, you would buy 25 shares. And if stock prices drop to \$0.50, you would buy 100 shares. In other words, you buy more shares with declining prices and fewer when prices have increased.

**Emotionless Investing**  
Who does this matter? If you were making investment decisions on a daily basis, it would be easy to be influenced by what is happening in the markets now — not in the future. It's after the fact, buying when prices are high and selling when they're low.

Dollar-cost averaging takes the emotion out of investing, providing a way to maintain a consistent investing strategy regardless of short-term volatility with an eye on long-term goals.

\*Having regular amounts invested over time (dollar-cost averaging) may lower your average per-share cost, but this investment method will not guarantee a profit or protect you from a loss in declining markets. Effectiveness requires continuous investment regardless of fluctuating prices. You should consider your ability to continue buying through periods of low prices.

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

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Investment Solutions

**401(K)**  
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**Here's an Example**  
Twenty years ago, Taylor received a \$50,000 company stock 401(k) contribution. Today, upon her retirement, the stock is worth \$200,000. Instead of selling everything into an IRA, Taylor is taking a separate stock distribution. Ordinary income tax will be due only on the \$200,000, while

**A FAMILY AFFAIR**  
The urge to make a difference often extends beyond personal success into a desire to impact the world positively. One effective way to channel this desire is through a family foundation. This approach supports causes that resonate with you and establishes a charitable legacy for future generations.

**What is a Family Foundation?**  
A family foundation is a nonprofit corporation, typically funded by a single family, that seeks to enhance a social purpose. Families use their resources to support various charitable initiatives, ranging from education and healthcare to environmental conservation and the arts.

**Benefits**  
**Flexibility in Giving:** A family foundation allows you to decide which causes to support and how funds are donated. Unlike other forms of charitable giving, which may have stringent guidelines, family foundations allow you to create a personalized giving strategy aligned with your family's values.

**Tax Advantages:** Contributions made to the foundation may be tax-deductible, potentially allowing you to lower your income tax while simultaneously fulfilling your philanthropic goals.

**Family Bonding:** Running a family foundation can be a unique opportunity to engage family members in philanthropic endeavors and foster a sense of shared purpose and responsibility.

**According to the National Center for Family Philanthropy's Trends 2022, the most common reasons for creating family foundations were that donors wished to:**  
"create a vehicle for long-term family philanthropy legacy" (58%), because they were "inspired by a legacy-building pioneer" (28%), and because they sought to "create a vehicle to engage the next generation in philanthropy" (32%).

**WHAT INVESTMENT STYLES SUIT YOU?**  
Small-cap investors believe smaller companies should deliver better returns because they have greater growth opportunities and are more agile. But this potential comes with greater risk. Smaller companies have fewer resources and often have less diversified business lines. These prices can fluctuate more widely, generating significant gains or losses. Small-cap investors must be comfortable taking on this additional risk for potentially greater returns.

**Small Cap or Large Cap**  
How risk-averse are you? Your answer will determine your market capitalization style. Market capitalization is the number of outstanding shares of stock multiplied by the share price.

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If you are more risk-averse, you may be more comfortable investing in large-cap stocks. These companies are more established in their industries and have been around for a while. They may be unable to grow as quickly as smaller firms, but they are often able to go on for decades without warning. In return for the potentially lower risk, expect slightly lower returns with large caps.

Your investment style is unique, and may not be exactly one or another. Your trusted adviser can help you match your personal style and investment choices.

Investors should meet the prospectus and consider the investment objectives, risks, charges, and expenses of the fund before investing. Because mutual and ETF fund shares fluctuate, investment shares may be worth more or less than their investment. Past performance won't guarantee future results.

**NET INVESTMENT INCOME TAX AND WHO PAYS IT**  
The net investment income tax (NIIT) affects individuals, estates, and trusts with significant investment income. In the first year (2013), about three million taxpayers were subject to the additional 3.8% net investment income tax (NIIT) in 2013. Since then, the number of affected taxpayers have more than doubled, underscoring the growing relevance of this tax.

**What Qualifies as Net Investment Income (NI)?**  
The income includes interest, dividends, capital gains, rental income, and passive income from business interests. When your modified adjusted gross income (MAGI) exceeds \$200,000 for single filers or \$250,000 for married couples filing jointly, the 3.8% tax kicks in on your net investment income. The tax is paid in addition to any capital gains tax.

**Minimizing the Impact**  
Consider matching contributions to tax-deferred accounts like IRAs or 401(k)s to lower your MAGI in the current year. Try tax-loss harvesting. This technique involves selling underperforming investments at a loss to offset taxable gains. Strategic selling can lower your overall capital gains and your net investment income. If you're close to the threshold income, consider deferring income to a future year or funding solutions to keep your MAGI below the tax levels for the current year.

Consulting a tax professional who understands the complexities of high-net-worth individuals can help you develop a tax strategy tailored to your financial situation.