LET'S TALK
MONEY®
July/August 2018

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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.

Keeping Up with Inflation

Safe can be risky when you don't invest with a strategy that helps your portfolio potentially keep up with inflation. There are steps you can take, though, to possibly lessen some of the effects of inflation, wherever you are in your investing life.

Think Long Term

If you have 10 or more years until you intend to retire, understand that time can help you withstand investment volatility. In other words, a loss isn't a loss until you redeem, for example, mutual fund* shares at a price below their original cost. And volatility, which almost all investments experience, is a normal part of investing. History shows that over time, stock prices rise and decline, like ocean waves hitting a shoreline.

Mix It Up

Another way to potentially dull the effects of inflation is by mixing up your investments via asset allocation.** Consider spreading your investments among stock, bond and money market mutual funds based on your goals, risk tolerance and time horizon.

Not only may asset classes perform differently, but certain types of investments within each asset class may also perform in a different way at the same time. For instance, international stocks may not perform the same as domestic stocks.

Treasuries

If you want guarantees, Treasury bonds, bills and notes offer them, backed by the full faith of the United States government. The catch is you must hold them until maturity, when they will pay the agreed-upon return.

Owning mutual funds that include Treasuries doesn't offer the same guarantee as owning them outright, because fund managers often sell their holdings before maturity, when returns might be higher or lower than if held until maturity. Talk to your licensed financial professional to learn more.

** You should consider the fund's investment objectives, charges, expenses and risks carefully before you invest. The fund's prospectus, which can be obtained from your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money. Shares, when redeemed, may be worth more or less than their original cost.*

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

Standard Version

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FINRA Reference FR2018-0220-0245/E STAN

Charitable Benefits

If you still itemize your taxes after the passage of the Tax Cuts and Jobs Act of 2017, donating to qualified charities just became more financially attractive for you.

More of Your Income

The new tax law allows taxpayers to deduct cash donations to qualified charitable organizations of up to 60% of their adjusted gross income annually. They can also carry forward any amount that exceeds the 60% limit for up to the five succeeding years. This, like most individual tax changes in the new law, will expire after 2025.

The Internal Revenue Service also allows anyone operating a vehicle for charitable purposes to deduct 14 cents per mile, the same as in 2017.

Give or Not?

Some observers predict a drop in charitable giving because fewer people will itemize deductions on their tax returns. This prediction is based on the belief that Americans give to charities primarily to reduce their own tax bills.

The estate tax exemption doubled to $22.36 million per couple and $11.18 million per individual, indexed to inflation, but the standard deduction increased to $12,000 per single tax filer and $24,000 per couple filing jointly, which some observers expect will limit the number of people who itemize. We'll find out if charitable donors are more altruistic than this prediction once charities add up their donations from 2018.

Giving Regularly

If you are among those taxpayers who will continue to itemize on your tax return, you can make gifts of up to $15,000 per individual per donor annually without having to subtract the amount from your federal estate tax exemption. This exclusion can add up, depending on how many gifts you make annually.

For example, both you and your spouse might make $15,000 gifts to each of your three children. That's $90,000. And let's say you both also give the same gifts to three grandchildren. That's another $90,000 for a grand total of $180,000 in one year. This can add up over time and become an effective way to transfer your assets to loved ones tax efficiently.

Alert, Freeze or

With identity theft becoming more common in the wake of high-profile website hacks, it is important to take steps that safeguard your online information. Here are some ways:

Fraud Alert

One way to put a stop to this type of cybercrime is to ask the three major credit reporting agencies — Equifax, Experian and TransUnion — to place a free alert whenever a request for new credit occurs. A fraud alert requires companies to contact you to verify that you want new credit before they approve it.

To get this alert, which initially lasts for 90 days and can be renewed multiple times, contact one of the three credit agencies, which then must notify the other two. If you have experienced credit theft, your fraud alert can last up to seven years.

Credit Freeze

While a fraud alert gives you access to your credit, a credit freeze will do as its name suggests: prevent anyone, including you, from opening a new account. You'll need to ask all three reporting agencies for the freeze, which generally lasts until you lift it. Identity theft victims receive this service for free, but each reporting agency can charge $5 or $10 each time you freeze and unfreeze your credit.

Credit Lock

A credit lock is the most extreme and expensive measure you can take. Good for people who don't plan to open new credit in the near future or who experienced identity theft, a credit lock will generally cost you a monthly fee charged by each agency. Your lock ends when your agreement ends, when you unlock it using the agency's procedures or when you stop paying the fees.

Summer Money Tips

With vacations, half-day Fridays and other time off during the summer, it's easy to spend more money than you intended on leisure activities. You can prevent overspending and still enjoy the extra time off by taking actions that include:

- Paying with cash instead of credit cards. It's easy to spend more than intended with a card;
- Carrying only one credit card with a small fixed limit, if you don't like using cash;
- Taking advantage of employer discount programs, which some bigger companies offer employees;
- Cooling off by bowling in an establishment offering summer discounts;
- Going to a movie theater during off-peak hours, when prices are lower;
- Visiting a national park for only a nominal parking fee;
- Picnicking at a local park for free; or
- Taking a hike (and reaping the health benefits, too).

Why We Travel

With some 1.7 billion personal trips taken by domestic and international travelers during 2016, traveling for leisure is a popular endeavor. Have you ever wondered what so many people do when traveling, aside from business? Here are the top activities, courtesy of the U.S. Travel Association:

Visiting relatives & friends

Shopping

Fine dining

Rural sightseeing

Back to $chool

Before you know it, summer will end and the kids will head to school. Parents know this is a costly exercise. So does the National Retail Federation, which estimates back to school spending at more than $83 billion in 2017.

So, before you start shopping for school clothes and supplies, consider making a plan to keep costs reasonable.

Keep to a Budget

To spend only what you need to spend, you should not only create a budget, but stick to it. That's easier said than done, when children beg publicly for the latest trendy item.

Name the "Must-Have"

So you don't come off as Scrooge, allow each child one "must-have" item for the new school year — within guidelines — such as a backpack or clothing item, as opposed to a new smartphone.

More is Less

School supplies like pencils, pens and paper can seemingly disappear into a black hole during the school year. So why not shop for these and other often-used items in quantity to save money?

Shop Early

You don't buy snow blowers after the first snowfall or lawn mowers as spring arrives because they cost more during these peak times. The same goes for buying school supplies and clothes. Shop before or after the peak buying time to reap savings.

Buy Used

Whether you're looking for college textbooks or paperback books for a high school English class, buying used will save you a few dollars. Some college textbooks can be rented online or borrowed from the library.

Knowledge is Power

When buying bank CDs, insurance or mutual funds, bumps in the road are less likely to derail an educated investor than one without information. If you're serious about your investments, even if you only own a 401(k), understand everything you can about them, including:

Performance in good times and bad — If you are a relatively new investor, you might not understand the concept of stock prices falling. But a look at history will show you that equities have down periods — with some lasting for years. That's why most investments include the disclaimer "past performance cannot predict future results." Plus, investments perform differently in varied circumstances. Look to see how your equity investments perform when the market is both strong and weak.

Performance over various timeframes — Another way to examine an investment's past performance is to explore returns over one, three, five and 10 years. The shorter the timeframe, the less true the performance may be. Check out the year before steep market declines and you might find investments that performed extremely well when the going was good but tanked during bad times and never fully recovered. Time is the great indicator.

Expenses — If you own shares of mutual funds,* you should be aware of their expense ratios. All mutual funds have so-called 12b-1 expenses, which are used to pay administrative, management and marketing fees. Common sense says the higher the fees, the more they will affect performance.

Also check to make sure your funds stay true to their stated philosophy. Monitor management changes to see if they affect performance. And work with a registered investment representative who understands your investment objectives.

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2018/04 STAN

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February 22, 2018

Reference: **FR2018-0220-0245/E**

Org Id :8408

REVIEW LETTER

1. 2018 LTM JA FINRA Standard
   Rule: FIN 2210
   5 Pages

The material submitted appears consistent with applicable standards.

Reviewed by,

Brian L. Finnell
Associate Principal Analyst

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NOTE: *This review is limited to the communication that was filed. We assume that the communication does not omit material facts, contain statements that are not factual, or offer opinions that do not have a reasonable basis. This communication may be described as "Reviewed by FINRA" or "FINRA Reviewed"; however, there must be no statement or implication that this communication has been approved by FINRA.*

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