LET'S TALK MONEY®

January/February 2022

Your Retirement Countdown

You've saved for this day since you started working. Now, your retirement is around the corner. If you expect to leave the workforce in the next five years or so, planning will make for a smooth transition.

Check Your Account Balances

Ideally, you've been monitoring your investments to determine whether they're performing the way you expected. If you're falling short of your goals, work to make up the difference. At age 50 or older, you can begin making catch-up contributions to your account. Your financial professional can discuss other options for making up a shortfall.

How Much Will You Need?

You've already set a goal for your retirement savings. Estimate what your retirement expenses will be and create a spending plan that will cover the basics but still leave room for extras, like travel, hobbies and unexpected expenses. Keep in mind that some expenses you have while you're working may be eliminated, or at least reduced, once you're retired.

Retire Debt Free

Carrying too much debt can prevent you from enjoying your retirement years. Before you retire, come up with a plan to pay off your credit cards and personal loans and, if possible, your mortgage and home equity loans.

Social Security Options

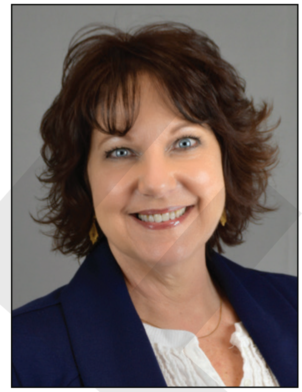
You can begin taking Social Security benefits as early as age 62 or as late as age 70. The longer you wait, up to age 70, the larger your monthly benefit will be. However, there are several factors to consider, and your personal circumstances should guide your decision. Your financial professional can help you make the best choice.

Your Health Care

There are strict rules governing when you must sign up for Medicare and failing to follow them can result in stiff penalties. The coverage provided by Medicare is limited, so you'll probably want a supplemental health insurance plan.

Your Lifestyle

What will your retirement lifestyle look like? Will you work part-time? Travel? Start a business? Do you want to downsize or relocate? Plan and budget for any changes before you retire.



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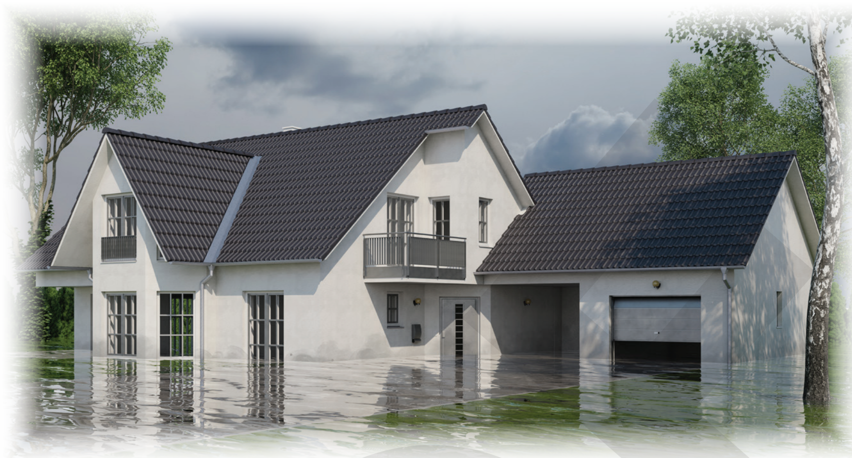
I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Retirement Version

LTM Client Marketing
helping financial professionals stay connected

Natural Disasters: Are You Covered?



Hurricanes, wildfires, catastrophic flooding — if your home or business were affected by a natural disaster, would your current insurance cover the damage? You might be surprised to learn that a typical homeowners or business insurance policy generally does not cover flood damage. For that, you'll need flood insurance.

Getting Flood Insurance

The National Flood Insurance Program (NFIP) provides coverage for dwellings and their contents to people living in one of 23,000 participating NFIP communities. Homes and businesses located in high-risk flood areas with mortgages from government-backed lenders are required to have flood insurance. Flood insurance is available through the federal government and private insurers.

Federal Assistance

The federal government provides disaster assistance following a Presidential Disaster Declaration. Assistance comes in two forms: loans that must be paid back with interest, and grants, averaging $5,000 per household. More information is available at fema.gov.

However, flooding can happen anywhere at any time due to poor drainage systems, summer storms, broken water mains, etc. Flood insurance pays for damage to your home or business regardless of whether there is a disaster declaration.

Separate Coverage

Flood insurance offers building coverage and content coverage. Policies generally have separate deductibles. Building coverage pays for damage to structures, electrical and plumbing systems, furnaces/water heaters, foundations, detached garages, fuel tanks, well-water tanks/pumps, solar energy equipment, etc. Coverage limits for homeowners are typically $250,000 for buildings and $100,000 for contents. Coverage limits for businesses are up to $500,000 for buildings and $500,000 for contents. Businessowners may want to purchase additional insurance for valuable equipment and property not covered by a flood insurance policy.

Other Disasters

People in earthquake-prone areas may be able to purchase earthquake coverage as an add-on to a homeowners or business policy, or as a separate policy. Although fire damage generally is covered by homeowners and business insurance, special coverage may be available in certain brush and wildfire areas.

Post-disaster Tax Filing

Although taxes may be the last thing on your mind after a disaster, filing a tax return may help you recoup some of your losses. But reconstructing documents can be challenging.

You'll need the lost records for federal assistance, reimbursement from your insurance company and reporting losses on your return. Financial institutions, title companies, insurance providers, contractors, city/town tax offices and the IRS can help you replace records that are missing.

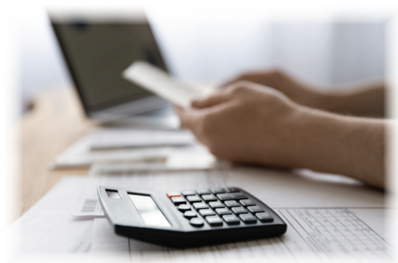
The IRS often allows penalty-free extended filing deadlines and payments for affected residents and business owners following a federally-declared disaster, and states typically follow suit. This relief also usually applies to those whose tax records were in the damaged region and workers from other areas who provide help to victims.

You can stay informed of filing deadlines by visiting the Tax Relief in Disaster Situations page at IRS.gov.

How to Stop Living Paycheck to Paycheck

If it seems your money is spent soon after you get your paycheck, it's probably time to make some changes. Controlling spending may be hard, but it's not impossible. Here are some ideas to help you get started.

Find Out Where It's Going



It's easy to lose track of how much you're spending. Keep a log of everything you buy. At the end of each week, review your log to see where your money is going.

Create a Spending Plan

Start by reviewing your fixed monthly expenses, such as mortgage or rent, insurance, loan payments, and so on. Determine how much you typically spend on food, utilities, and discretionary items, including dining out and subscriptions. Then look for places to save.

Automate Your Savings

Set up automatic transfers to savings each pay day. Having your savings account at a different institution from your checking account may make it harder for you to transfer money out of your savings. Add any bonuses, raises, or tax refunds you receive to your savings.

Eliminate Debt

Prioritize paying off personal loans or credit card balances. Reducing high-interest debt immediately increases your ability to save.

Meet with Your Financial Professional

The sooner you act, the sooner you'll stop living paycheck to paycheck.

How Much Should You Save?

Determining how much you need to save is different for everyone, but here are a few general guidelines that apply to most people.

Your Emergency Fund

A major expense or a sudden job loss can devastate your finances if you're not prepared. Money you set aside in an emergency fund can help pay for an unanticipated repair or medical bill or cover your living costs while you're not working. Your goal should be to save 6-12 months' worth of expenses in a savings or money market account that allows you quick, penalty-free access to your cash.

Your Savings

The amount you save for a specific goal, such as a new car, a down payment on a house or a vacation, will vary, depending on what you're saving for and when you'll need the money.

Your Retirement

The general rule is to save at least 15% to 20% of your income in a retirement account. Make sure you save enough to take full advantage of any company matching funds, at a minimum, and save more if you can.

Majority of Americans Live Paycheck to Paycheck

According to the research, 54 percent of consumers in the US (125 million adults) are living paycheck to paycheck and 70% have less than $15,000 saved for emergencies.

RESEARCH RESULTS BY INCOME BRACKET

Household Income	Over $100,000	Between $50,000 & $100,000	Less than $50,000
Live Paycheck to Paycheck	40%	53%	72%
Struggle to Pay Bills	12%	18%	33%

Source: Reality Check: Paycheck-to-Paycheck Study, June 15, 2020

Lagging in Retirement Savings?

When it comes to saving for retirement, Gen Xers — born roughly between 1965-1980 — seem to be significantly behind their parents, despite making more money than their parents did at the same age. While the lack of retirement savings is cause for concern, there's a bright spot. With several more years before they begin to retire, Gen Xers still have some time to save for their future.

Maximize Contributions

Increase savings by contributing the maximum amount allowed to an employer's 401(k) plan or individual retirement account (IRA).* Making contributions to tax-advantaged savings vehicles lowers your current taxable income, since contributions are deducted from pay before taxes are taken out. Plan participants aged 50 or older can also take advantage of catch-up contributions.

Embrace an Employer Match

Many employers match employee contributions to a qualified retirement plan up to a certain percentage of pay. Contribute at least as much as an employer will match to avoid leaving money on the table.

Think About Tax-free Earnings

Although contributions are made with after-tax dollars, Roth IRAs, and Roth 401(k)** plans offer tax-free growth of investment earnings and tax-free withdrawals of contributions and earnings once certain conditions are met. Required minimum distributions must be taken from a Roth 401(k) plan at age 72. However, withdrawals are not required from a Roth IRA during the account owner's lifetime.

Pay Off Debts

Living debt-free is a sure way to have more money to save for retirement. Your financial professional can help you devise a plan for paying off debt and create an investment strategy to help you reach your goals.

**Distributions from traditional IRAs and employer-sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty.*

***To qualify for tax- and penalty-free withdrawals of earnings, a Roth IRA or 401(k) must be in place for at least five tax-years and the distribution generally must take place after age 59½, with a few exceptions.*

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.

FINRA

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

October 04, 2021

Reference: **FR2021-0914-0141/E**
Link Reference: FR2021-0722-0130

Org Id: 23568

1. LTM JanFeb 2022 - Retirement

   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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FINRA will host a free live webinar on October 12, 2021 titled "Ask FINRA Advertising Regulation Senior Staff" to answer questions on how to embrace the future of communications while remaining compliant. To register please access the webpage at https://www.finra.org/events-training/webinars/ask-finra-advertising-senior-staff-webinar.

Also, on October 5, FINRA will offer a virtual conference panel titled "Back to Basics: Fundamentals of FINRA Rule 2210" that can be viewed free on demand on FINRA.org.
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