LET'S TALK MONEY®

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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.

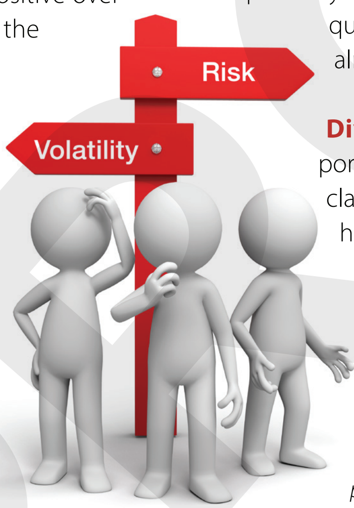
Risk and Volatility: Know the Difference

You may think of volatility and risk as interchangeable terms, but they're not. Picture volatility as a two-way thoroughfare. Just as a car on that road can go in either direction, the price of an investment can go up or down over time. That's volatility.

Risk is a one-way street. It's the possibility that an investment will decrease in value and its price will drop. So, while volatility encompasses both the upside and downside of changes in the price of a security, portfolio or market segment, risk refers only to the potential for an investment to lose money.

Another Way to View It

Volatility is an objective measure of an investment's price fluctuations over a specific period. Volatility can be positive over the long term but risky in the short term.



Risk is subjective and personal. It's different for every investor. Some investors believe they have a high tolerance for risk until they see their portfolio's values drop.

Taming Risk and Volatility

Although taking some risk is necessary to earn returns that outpace inflation, there are strategies investors can use to cushion the impact.

Dollar-cost Averaging* Investing a fixed amount of money on a regular basis—regardless of share price, allows you to purchase securities in a variety of market conditions and may result in a lower per-share price. If you invest through a 401(k) or other qualified retirement plan, you may already be using this strategy.

Diversification**—Spreading your portfolio among a variety of asset classes and investment styles may help to mitigate risk and make your portfolio less volatile. Your financial professional can help you choose appropriate investments.

**Investing regular amounts steadily 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.*

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

FINRA Reference FR2021-0914-0142/E STAN

Standard Version

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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

Invest with Taxes in Mind

There's no getting around it: At some point, you'll pay taxes on your investment earnings. While taxes alone should never drive your investment decisions, minimizing their impact is worthwhile.

What Goes Where

Holding tax-efficient investments in taxable accounts and taxable investments in tax-advantaged accounts is a useful strategy. Generally, when individual stocks, tax-managed stock funds and ETFs, dividend-paying stocks and mutual funds* are in a brokerage account, you'll pay taxes annually on dividends and any realized investment gain.

Alternatively, assets invested in tax-advantaged accounts, such as 401(k) plans and traditional individual retirement accounts (IRAs),** taxes are deferred until you make withdrawals, when the money is taxed as ordinary income. Certain actively managed stock funds, taxable bond funds and REITs are also candidates for tax-deferred accounts.

Another Option

If you expect to be in a higher tax bracket in the future, converting a traditional IRA to a Roth IRA*** may be a good option. You'll pay taxes on your savings in the year of the conversion, but all future earnings will be tax free once certain conditions are met. Consult your financial and tax professionals for guidance.

**Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. Contact the issuing firm to obtain a prospectus which should be read carefully before investing or sending money. Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won't guarantee future results. An investment in mutual funds may result in the loss of principal.*

***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.*

****Converting from a traditional IRA to a Roth IRA is a taxable event. A Roth IRA offers tax-free withdrawals on taxable contributions. To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59½ or due to death, disability, or a first-time home purchase (up to a $10,000 lifetime maximum). Roth IRA distributions may be subject to state taxes.*

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: **FR2021-0914-0142/E**
Link Reference: FR2021-0722-0130

Org Id: 23568

1. LTM JanFeb 2022 - Standard

   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.

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