LET'S TALK MONEY®

May/June 2022

The global pandemic, job instability and the fluctuations of the market have left many Gen Xers fearful for their financial future. Despite nearing their peak earning years, significant numbers of Gen Xers are falling behind when it comes to saving for retirement.

As a group, Gen X carries more debt than generations before and after them.* They often have large mortgages and substantial credit card balances. Many are still paying off student loans while looking for ways to pay for college for their kids. Gen X is becoming the new "sandwich generation," caring for both children and aging relatives, making it difficult to set aside money for emergencies or retirement.

If this is your situation, don't despair. There are steps you can take to help get back on track.

Establish a Time Frame

Saving becomes easier when you have a specific goal in mind. Think about when you want to retire and what your retirement will look like. Will you work part-time? Travel? Start a business? Once you know how many years you have before retirement and how you'll spend your time, you can determine how much you'll need to save to potentially reach your goal.

Contribute More

Ideally, you should strive to contribute the maximum to your workplace retirement plan. But, if that's not possible, make sure you invest enough to take advantage of any employer matching funds. Increase the amount you're contributing each time you get a raise. Even a small bump up in savings can make a difference over time.

Spend Less

Reducing spending is the simplest and most effective way to have more money to invest. Look for places in your budget to cut back.

Leave the Money Alone

Don't withdraw money unless an emergency or a hardship leaves you with no other option. Taking money out of your retirement account deprives you of future earnings on those funds, reducing the amount you'll have at retirement and withdrawals could trigger taxes and penalties, too.

Talk with your financial professional who can help you come up with a strategy for reducing debt and saving more for your future. Also, working with a tax professional may lead to more ways to help minimize the amount you pay in taxes each year.

**https://www.businessinsider.com/typical-gen-x-debt-net-worth-income-earnings-caregiving-stress-2021-8*

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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

FINRA Reference FR2021-1221-0263/E RETIR

Planning for a Child with Special Needs

Ensuring that special-needs children have support and resources when parents are no longer around to care for them takes planning and being aware of the available options.

Special-Needs Trust

Setting up a special-needs trust can help preserve government benefits, such as Supplemental Security Income (SSI), guaranteeing the recipient a minimum income, and Medicaid. Because funds in the trust don't count when determining benefit eligibility, they can be used to supplement an employed child's income, pay for therapies not covered by Medicaid, or purchase extras your child wants.

A special-needs trust doesn't have to be funded immediately. Making the trust, rather than your child, the beneficiary of your estate ensures that your child won't lose government benefits. Choose someone as trustee who is close to your child, such as a sibling or other relative, to manage the trust on your child's behalf.

ABLE Accounts

ABLE (Achieving a Better Life Experience) accounts are tax-advantaged savings accounts. Money in the account can be used for any qualified disability expense. Accounts can be set up at any time in a disabled person's life if the disability occurred before age 26.

Money from a special-needs trust can be transferred into an ABLE account. Your child can manage the account, using a debit card to make purchases. If desired, you or the trustee of the special-needs trust can set spending limits.

Planning for a child with disabilities can be complex. Consult an estate-planning attorney who specializes in disability planning to ensure compliance with government regulations and safeguard your child's benefits.

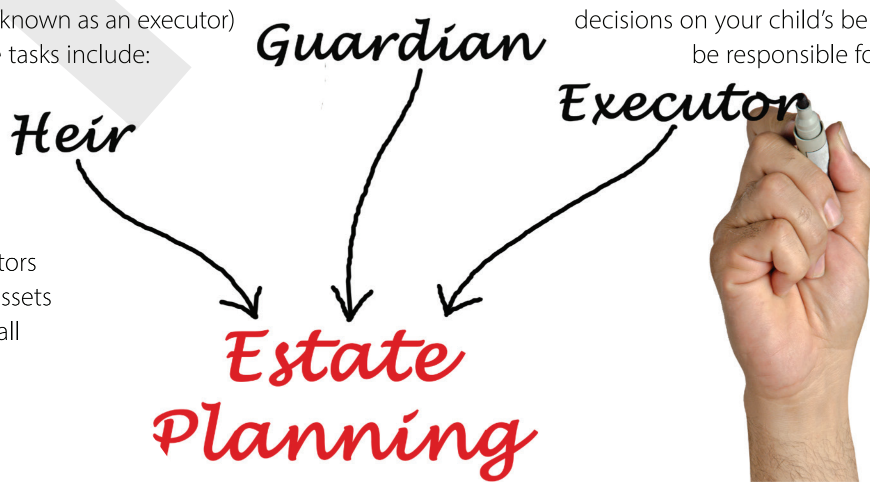
The Name Game

A will specifies who should receive your assets when you die. But that's not its only purpose. A will also names someone to settle your estate, as well as someone to care for any minor children you leave behind.

Your Personal Representative

The person (family member or professional) who serves as your personal representative (formerly known as an executor) has a time-consuming job. Some tasks include:

- Executing your will
- Obtaining copies of the death certificate and distributing as needed
- Identifying and paying creditors
- Collecting and distributing assets
- Keeping records for heirs of all payments, deposits, and distributions
- Filing final tax returns



Your Child's Guardian

The person you choose as guardian will make legal and other decisions on your child's behalf. He or she will be responsible for your child's personal care, medical and financial needs, and education. When naming a guardian, consider your child's feelings and his/her relationship with the person.

It's Never Too Early

Hey, millennials, you still have time to save for retirement. Start by establishing good money habits that will help you throughout your lifetime. These ideas may help.

Keep a Spending Journal

To see where your money is going, take the two-week challenge. Write down everything you buy over the next 14 days — even that pack of gum. Once you add it all up, you might be surprised at how much money you're spending on small or impulsive purchases.

Know What You Owe

It's easy to lose track of how much you've charged to your credit card. If you're charging more than you can pay off each month, your purchases are accruing interest on top of interest. Make a plan to pay off the balances. The money you're paying in interest could make a good start on saving for your future.

Create a Spending Plan

Create a budget that lists all your expenses — mortgage or rent, utilities, insurance, car payment, — and include a category for savings. Subtract those expenses from your take-home pay to see what's left for food, entertainment, clothing, and other items.

Make Saving Automatic

You can arrange to have money from each paycheck deposited automatically in your retirement plan or other savings account. Because you won't see that money in your checking account, you won't be tempted to spend it.

Pay with Cash

Use cash or your debit card for all your purchases. That way, you can spend only as much as you have in your bank account.

Pay Off, Not Down

U.S. consumer debt—including money owed on credit cards and student and auto loans — reached $4.37 trillion in September 2021, according to the Federal Reserve. If you're carrying balances on high-interest credit cards, choose one of these strategies to get out of debt.

Pay off the card with the highest interest rate or the largest balance.

Pay as much as you can toward one card, while paying the minimum on your other cards. When the first card is paid off, put the same amount toward the card with the next highest rate/ biggest balance.

Pay off cards with low balances first.

Eliminating several small balances may give you a psychological boost and help you continue the momentum with your higher balance cards.

Consolidate debt. A debt consolidation loan allows you to pay off your cards and have a single monthly payment, often at a lower interest rate.

Millennials and Debt

As a group, millennials (ages 25-40) are carrying too much debt and may need to make major changes to feel secure about their future finances.

76% carry some type of debt[1]

16% of those who carry debt owe $50,000 or more (excludes mortgage debt)[1]

$4,712 average credit card debt[2]

76% believe they won't achieve personal and financial goals due to debt[1]

73% are not optimistic about their financial future[1]

[1]*Bank of America Better Money Habits® — Millennial Report 2020*
[2]*Experian®*

Balance Saving for College and Retirement

School's out. Summer's here. As parents, you need to think further ahead than summer camp. When it comes to choosing between saving for a child's college education or saving for retirement, which one should be the priority?

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 an 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 early. Work with your school's counselor throughout high school to learn how to qualify for aid.

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

January 11, 2022

Reference: **FR2021-1221-0263/E**
Link Reference: FR2021-1122-0158

Org Id: 23568

1. LTM MayJun 2022 - Retirement

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.