LET'S TALK MONEY®

May/June 2022

Safeguard Your Portfolio Against Unpredictable Markets

You can't forecast what the markets will do in the future, but you can be prepared for the ups and downs. If you're in the home stretch toward retirement, having a plan that helps to reduce your risk of a portfolio meltdown can be comforting.

Start with a Review

Reviewing your asset allocation periodically, with the help of your financial professional, is a good first step. Unless you've invested in a target date fund that automatically rebalances your investment mix, assess the amount of risk you're taking with your investments and readjust your portfolio to be more in line with your current risk tolerance, which might change as you get closer to retirement.

Leave the Money in Your Account

Withdrawals from a 401(k) or other qualified retirement account before age 59½ come with a penalty and are taxed at your regular income tax rate, which could be higher if the additional income pushes you into another income bracket. Early withdrawals also reduce the amount of money you'll have available at retirement. Plus, the longer your money is invested, the greater the opportunity for your account to benefit from compounding—earning interest on interest.

Remove Emotion from the Mix

When the markets are volatile, you might be tempted to sell investments to limit your losses. Sticking with a well-planned investment strategy instead of letting emotions guide your buy-sell decisions is the smarter move.

Develop a Plan

When you're ready to retire, having a plan in place for withdrawing money from your retirement accounts can help ensure your savings will last. Set aside money that you'll need for living expenses in a cash account that you can access at any time without paying a penalty. That way, you won't have to sell investments to meet your income needs when the markets are down. And keeping a significant portion of your money in investments with the potential for earning inflation-beating returns may allow your nest egg to continue growing throughout your retirement.

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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.

Standard Version

LTM Client Marketing
helping financial professionals stay connected

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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.

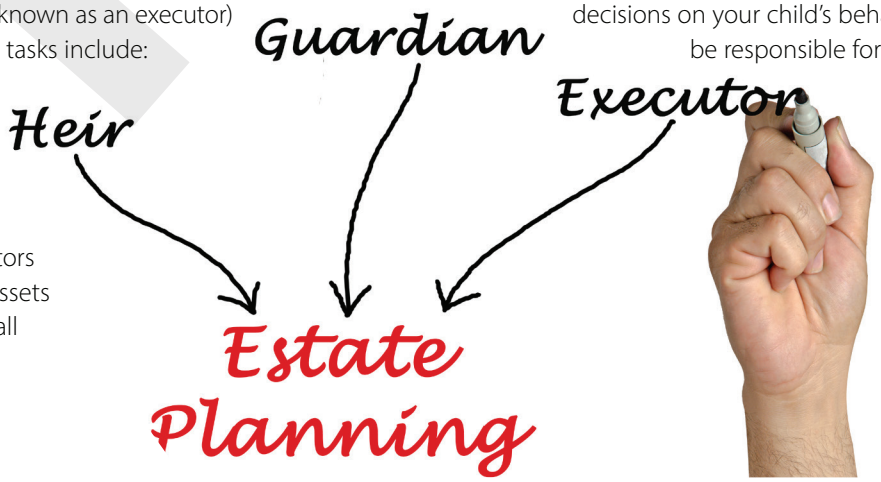
The Name Game

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®*

ESG Investing: Making a Difference

Environmental, social and governance (ESG) investing is a strategy that considers a company's policies and actions and how well they serve workers, communities, customers, shareholders, and the environment.

ESG investing uses independent ratings to help investors assess a company's commitment to environmental performance, social impact, and governance issues. Employing an ESG strategy helps investors compare investment vehicles to ensure their portfolio reflects their priorities.

Rating agencies use the criteria below to evaluate companies for ESG investing.

The Environment

A company's impact on the environment is one of the criteria used to choose companies for ESG investing. It includes natural resource conservation, treatment of animals, use of renewable energy, waste and pollution and steps taken to mitigate those risks. Mitigation practices may encompass water usage, use of toxic chemicals in manufacturing processes, resource management and overall environmental stewardship, carbon footprint and any employee incentives that reduce the carbon footprint, such as car sharing and bicycle commuting.

Social Impact

Criteria include steps taken by a company to improve its social impact, both within the company and in the community. The company's hiring practices, commitment to racial and gender diversity, corporate giving strategy, employee health and safety, accessibility to employee benefits, volunteer programs, and supply-chain ethics are factors used in ESG ratings.

Governance

ESG ratings consider whether a company's management and board strive for positive change. Areas of concern include executive pay, leadership diversity, business ethics, conflicts of interest, political activity, shareholder input, accurate and transparent accounting methods, and a well-run management structure.

How to Invest

Your financial professional can guide you in finding ESG-centered exchanged traded funds (ETFs)* and mutual funds* that meet your investing goals. Expenses may be higher than with other funds, so look for ESG funds whose performance compensates for the higher costs.

**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.*

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 07, 2022

Reference: **FR2021-1221-0262/E**
Link Reference: FR2021-1122-0158

Org Id: 23568

1. LTM MayJun 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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