Loose Change®

a penny saved is a penny earned

May/June 2021 Vol. 28 No. 3

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Retirement: How Will You Know When You're Ready?

For older generations, choosing a date to retire was a lot less complicated. When you turned 65, you typically said good-bye to your coworkers and left work behind. Today, many people stay in the workforce past age 65. If you're nearing retirement age, answering a few questions may ensure that you're adequately prepared for the future you want.

What's Your Timeline?

You may enjoy your job and want to keep working for several more years. Or you may want to retire early so you can travel or pursue hobbies or move closer to family or friends. Figuring out your timeline is the first step in preparing for retirement. Remember, though, that health issues, layoffs, or inadequate savings may cause you to retire sooner or later than you planned.

What Will Your Budget Look Like?

Figuring out how much you'll spend during your retirement years can be challenging. Look at each item in your budget and estimate how much of your retirement income it will take. Some items, like commuting costs, probably won't appear in your retirement budget, but others, such as travel or hobbies, might take their place.

Where Will the Money Come From?

How much of your retirement income will come from Social Security, personal savings or a pension? The more income you have from these sources, the less you'll have to withdraw from your portfolio. If you plan to work after you retire, estimate the amount you can reasonably expect to earn.

What About Health Insurance?

If you're 65 or older, Medicare will be your primary health insurance once you're retired. However, you'll probably want to purchase a supplemental insurance policy to help with costs that Medicare doesn't cover, so include the monthly premium amount in your planning.

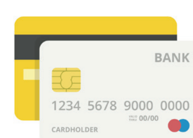
Have You Considered Taxes?

Remember that all investments aren't the same when it comes to taxes. Consider the tax treatment of your particular investments when you're estimating your expected income.

Balance Transfers and Your Credit Score

Consolidating credit card balances on a new card with a low promotional rate can save you money. And having a single monthly payment may be easier to manage.

What effect will a balance transfer have on your credit score? A lot depends on you. Here are some tips for consolidating credit card debt that will potentially boost your score.



- Calculate the monthly payment you'll need to make to pay off the balance before the introductory rate ends.
- Don't cancel your old cards. In addition to eliminating your credit history, closing accounts reduces your available credit. Both can have a negative impact on your credit score.
- Avoid charging purchases to your old cards unless you can pay off the balance each month. People often fail at debt consolidation because they run up new debt.

May is Older Americans Month

A Presidential Proclamation designates May as the month for honoring older people in our communities. It can also serve as a reminder to ask older relatives about their health and finances. Consider talking with loved ones about:

Estate Planning
At a minimum, make sure your relative has a will and up-to-date beneficiary designations on retirement accounts and insurance policies.

Long-term Care Insurance
Most people will require some form of care as they age. Long-term-care insurance can help pay the high costs.

Will, Health-care Proxy and Durable Power of Attorney
These documents, respectively, specify end-of-life treatment and appoint someone to make medical and financial decisions when a person is incapacitated and can't make these decisions on his or her own.

Downsizing
Moving into a smaller home or apartment or one without stairs encourages older relatives to clear years of clutter and can make upkeep easier to manage.

Charitable Giving: A Win-Win

Is giving to charity on your to-do list? Making a charitable donation to a nonprofit organization allows you to support a cause that's important to you and take a tax deduction.

Research the Choices
You can find information about nonprofits on Charity Navigator (charitynavigator.org) and BBB Wise Giving Alliance (give.org). These organizations help donors make informed giving decisions by evaluating charities based on their finances, governance and effectiveness. Knowing how much of your donation will go toward the charity's mission, rather than toward its administrative costs, for example, may help you decide which organization will use your funds most effectively.

There are many ways, other than donating cash, to benefit a charity. Consult your financial and tax professionals for guidance.

Gift Appreciated Stock
Consider gifting shares of stock that have appreciated in value to your favorite charity. By giving appreciated stock directly to a charitable organization, you'll avoid paying capital gains tax on a sale and receive a charitable deduction for your donation. Because of its nonprofit status, the charity won't pay taxes on your gift.

Set Up a Donor-advised Fund
A donor-advised fund is a tax-advantaged investment account used for charitable giving. You set up the fund by making an irrevocable donation of cash, securities, or other assets to a sponsoring organization. You're entitled to an immediate tax deduction, but you can wait to choose the charities you

want to support. Your funds stay invested until you make a grant. You can designate any IRS-qualified charity, but the sponsoring organization has the final say in where your funds go.

Take a Qualified Charitable Distribution
If you were age 70½ or older as of December 2019, you can donate up to $100,000 annually tax free from an individual retirement account to a charity. The funds must be transferred directly from your IRA to the charity to avoid paying taxes on the distribution. Donated funds can count toward your required minimum distribution for the year.

The Banking Dilemma

Is a traditional bank or an online bank the best choice for you? It may depend on the features that are most important to you.

Traditional Banks
Brick-and-mortar banks offer in-person banking, personalized customer service and the convenience of having multiple branches and ATM locations. Traditional banks typically offer a variety of accounts and budgeting tools that can help you track spending. Most have mobile and online banking options for monitoring your account, transferring funds, paying bills and depositing checks. However, traditional banks do have a few drawbacks. Because of higher operating costs, they generally offer lower interest rates than online banks. Accounts may also have maintenance costs, high overdraft charges and out-of-network ATM fees that you'll want to consider.

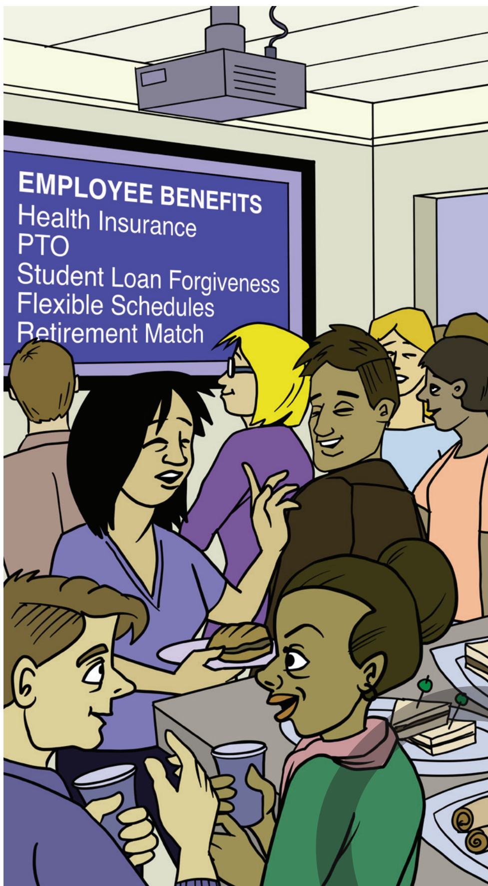
Online Banks
With an online bank, you set up and manage your accounts on your computer

or mobile device. Their low operating costs generally mean few or no fees and higher interest rates. And, your account is accessible around the clock, so you can transfer funds, pay bills, or deposit checks at any time of the day or night. The drawbacks of an online bank: Customer service is strictly over the phone, so if you have an issue with your account, you may have to speak with several people before it's resolved. Online banks may also offer fewer account options than traditional banks. And keep in mind that cash may be hard to deposit since there are no branches.

Make Your Workplace Benefits Millennial-friendly

Attracting millennials to your company may require more than a competitive salary and a run-of-the mill benefits package. For Millennial employees, a healthy work-life balance can be just as important as a healthy income.

Financial wellness programs, education savings plans and generous family leave policies can attract and retain talented workers. Consider what Millennial employees value most as you review the benefits your company plans to offer.



Number One: Health Insurance
Offering a comprehensive health-care plan that reduces out-of-pocket costs will appeal to the Millennials in your company and potentially attract new employees.

Paid Time Off
For Millennials, time off is an important benefit. A paid leave policy that appeals to Millennials typically might include maternity leave, paternity leave, caregiver leave, extended bereavement leave and short-term disability benefits.

Student Loan Forgiveness
According to several studies, two thirds of young adults have student loan debt. Employers who offer a pathway to reducing or eliminating employees' education loans may have an edge when it comes to hiring and retaining Millennials.

Flexible Work Schedules
Having the ability to work remotely is important to many Millennial employees, and companies that don't offer this option may be at a disadvantage.

Retirement Plan Match
Financial security is a top concern for Millennials. Companies that match contributions to a 401(k) or other retirement plan demonstrate their concern for employees' financial well-being. By starting to make contributions to a retirement plan early in their careers, Millennials may potentially benefit from many years of compounding growth. Businesses that are looking to attract and hire talented young workers would do well to reevaluate their company's culture, too.

On Their Own

Student loan debt, job loss during the pandemic, or even fear of being on their own are some of the reasons why many young adults decide to live with their parents. Here are some steps you can take to get your child started along the path to independence.

Decide on a Timetable
Ask your child what he or she thinks is a realistic time frame for moving out. By agreeing on a date in advance, your child may be more likely to adhere to it.

Give Budgeting Lessons
Now is the perfect time to discuss the steps involved in creating a budget. Ask your child to track spending for a few weeks. Your child's current expenses might include car insurance, student loan payments and cellphone plan costs. But, in the future, your child also will need to budget for items such as rent, utilities and food.

Encourage Automatic Savings
Your child should have money from each paycheck automatically transferred to a savings account. Doing so can provide the cash needed to rent an apartment.

Offer to Match Funds
Provide an incentive to leave the nest by offering to match any money your child saves while living at home.

Young Adults Living at Home During the Pandemic

Since the pandemic began in the U.S., the percentage of young adults ages 18-29 living with relatives has become a majority. The numbers surpass the previous peak that occurred during the Great Depression.

PERCENTAGE OF ADULTS AGES 18-29 LIVING WITH ONE OR BOTH PARENTS

FEBRUARY 2020 47%

JULY 2020 52%

INCREASE OF 2.6 MILLION

PERCENTAGE OF ADULTS AGES 18-29 REPORTING THAT SOMEONE IN THE HOUSEHOLD HAS BEEN LAID OFF OR TAKEN A PAY CUT

DURING THE PANDEMIC 54%

HIGHEST PERCENTAGE OF YOUNG ADULTS LIVING WITH PARENTS BEFORE 2020

DURING THE 1940s 48%

Source: Pew Research Center September 24, 2020

Is Insurance Optional?

Everyone hopes to live a long and healthy life. But the fact is, there are no guarantees. Would your family or business survive financially if you died suddenly or your company lost a key employee? Life insurance is designed to provide for families or businesses if the unexpected happens.

Life insurance protects your family or business by offering a cash benefit upon the death of the insured. Consider these key reasons for purchasing life insurance.

The loss of a key employee can be a devastating event for your business. Key person life insurance covers individuals who are crucial to company operations.

The proceeds can be used to:

- Compensate the company with cash.
- Pay off debts.
- Buy out surviving shareholders' interests.
- Finance training for a new employee.

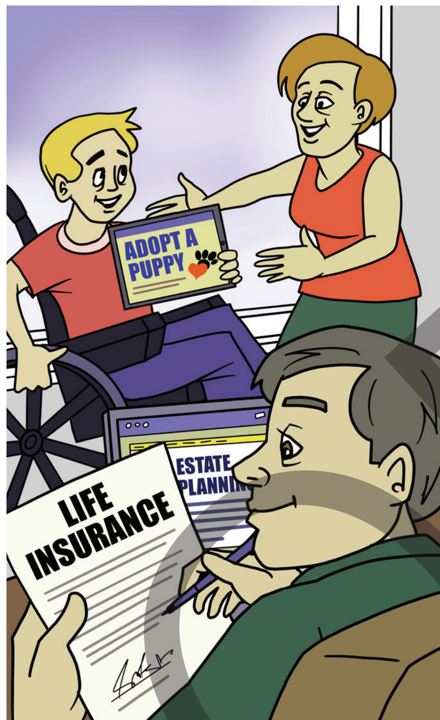
If your business has several key employees, you might save money by purchasing a first-to-die policy. The policy covers the first person to die, then remains in effect to cover another key employee. Although the policy provides coverage to several employees, the premiums reflect that only one person at a time is receiving coverage.

Leave a Legacy

You may think of life insurance as a means to protect your loved ones financially should something happen to you. But life insurance can also be structured to accomplish specific estate planning objectives that reflect your final wishes. As part of an estate plan, life insurance proceeds can be used to:

Offset Estate Taxes
Using the benefit to pay estate taxes can leave more of your estate intact for your heirs.

Equalize Estate Distributions
If one of your children will inherit a significant asset, such as a business or real estate, life insurance death benefits can be used to provide an equal inheritance to your other children. For example, assume you own a business that you want to leave to the child who helps you run it. Since your two other children have no interest in the business, you purchase a policy on your life having a death benefit equal to twice the business's value and name your other children as beneficiaries. At your death, one child inherits the business, while your other children receive the life insurance proceeds.



Make a Charitable Gift
You can name a charity as beneficiary of your life insurance policy. Upon your death, the charity receives the death benefit proceeds, reducing your estate by the amount of the benefit. Another option is to donate the policy to the charity, which also will reduce your estate's value. Any premiums paid after the date of the gift are deductible.

Provide for a Special Needs Dependent
Life insurance proceeds can help provide for someone who is unable to manage his or her own finances or care. Setting up a special needs trust and naming the trust as beneficiary of the policy's death benefit is an option you may want to consider. Creating a trust generally ensures that your dependent can still qualify for state and federal benefit programs.

Buy a Deceased Owner's Share of a Business
Life insurance can provide funds to purchase a deceased owner's share of the business from his or her estate or heirs. Legacy planning can be complex, so consult your legal, financial and insurance professionals for guidance.

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New York City, NY 10001

Presorted
Standard Mail
U.S. Postage Paid
Buffalo, NY
Permit No. 37

YOUR CLIENT'S NAME
123 MAIN STREET
CITY, STATE 11111

Financial Industry Regulatory Authority

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

February 22, 2021

Reference: **FR2021-0114-0129/E**

Org Id: 20999

1. Loose Change 2021 MayJune

    Rule: FIN 2210
    6 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

David Y. Kim
Associate Principal Analyst

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