Loose Change®
a penny saved is a penny earned

March/April 2023 • Volume 30 No. 2

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

Reduce 2022 Income Taxes with a Traditional IRA Contribution

The tax filing deadline is getting close, but you may still have an opportunity to reduce the amount of income tax you owe for last year. By opening or contributing to an existing traditional individual retirement account (IRA) before the April 18 tax filing deadline, you may be able to deduct the contribution amount on your 2022 income-tax return—and boost your retirement savings.

Max Out Your Plan Contributions

You may already be saving taxes if you contribute to your employer's qualified retirement plan, such as a 401(k), 403(b), or 457 plan. The money you contribute is deducted from your paycheck—pretax, which reduces your taxable income. For 2022, the contribution limit for these plans was $20,500, (increasing to $22,500 for 2023). Savers ages 50 and older also were eligible to make a catch-up contribution of $6,500, ($7,500 in 2023). The deadline for employer plan contributions is December 31 each year.

A Look at the IRA Rules

If you meet the eligibility requirements, you can contribute $6,000 to your traditional IRA, (increasing to $6,500 for 2023), plus an additional $1,000 if you're age 50 or older.

Contributions Are Limited

Participants who are eligible to contribute to an employer's 401(k) plan can make deductible contributions to a traditional IRA if their modified adjusted gross income (MAGI) is below $78,000 for singles and $129,000 for married couples. If you (and your spouse, if married) aren't covered by a plan at work, you can deduct the full amount of your IRA contribution on your tax return. If one spouse is covered by a plan at work, the ability to deduct contributions to a traditional IRA phases out with income between $204,000 and $214,000.

An Added Layer

IRAs may offer a broader range of investments than an employer-sponsored retirement plan. Your tax professional can help you determine if you're eligible for this deduction and your financial professional can help you execute the contribution.

Financial Tips for 2023

You've probably heard the saying: "*If you fail to plan, you plan to fail.*" That adage is particularly true when it comes to your finances. Your objective should be to create a plan that can help you weather financial ups and downs, no matter what the economy is doing.

Define Your Goals

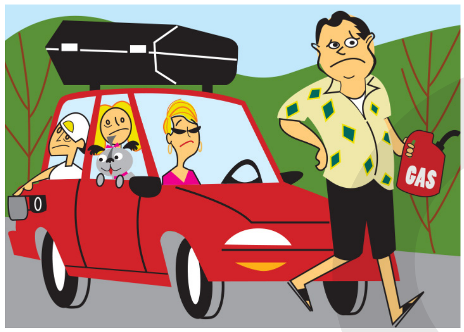
Before you purchase a single investment, think about what you'll need money for in the future. Your short-, medium- and long-term goals will determine how much money you'll have to save to reach each goal. Defining your goals and your time frame for needing the money will help you formulate a plan to reach them.

Eliminate Debt

The first step in your financial plan should be to pay off any debt you have. Whether you have student loans or credit card balances, paying off debt will leave you with more money to save and invest.

Create an Emergency Fund

Consider waiting to invest until you've saved at least three to six months' worth of expenses in an account that you can access penalty free. Having an emergency fund means you won't have to borrow money on a high-interest credit card to pay for an unexpected expense.



What Kind of Investor Are You?

Understanding how much investment risk you're willing to take will help you choose investments that fall within your comfort zone. Your financial professional can help.

Know What You're Getting

Before you invest, make sure you understand what you're buying. Many investments are complex, so ask your financial professional to explain the pros and cons, and don't buy any investment you don't understand.

Targeting Seniors

Criminals find new ways to defraud their victims all the time. While anyone can become a victim of fraud, seniors age 60 or older seem to be the population most often targeted by scammers. Consider warning parents and older friends and relatives about these five common scams.

Grandparent Scam

The scammer poses as a grandchild or other relative or as someone calling on behalf of that individual, such as law enforcement or an attorney. The "grandchild" says he or she is in trouble and asks the grandparent to wire money for bail, hospital bills, or another fake expense.

Government Impersonation Scam

The scammer claims to be a government employee, often from the Social Security Administration or IRS, and threatens arrest or prosecution unless the victim provides funds or other type of payments.

Sweepstakes or Lottery Scam

The scammer tells victims they've won a sweepstakes or lottery and asks for money to pay fees and taxes on their winnings.

Tech Support Scam

Scammers call or text the victim, offering to "fix" a non-existent computer issue. The scammer asks the victim to call a toll-free number or click on a link, thereby gaining remote access to the victim's computer or phone and their personal information.

Romance Scam

The victim meets a person online who quickly expresses deep feelings and gains the victim's trust. The "relationship" often goes on for many months before the scammer creates a story about needing funds and asks the victim for money or bank account information. The scammer then disappears with the victim's money, sometimes thousands — or even hundreds of thousands — of dollars.

Report fraud to the National Elder Fraud Hotline at 833-372-8311.

Managing Finances After a Divorce

No matter what your financial situation, divorce often entails going from two incomes to a single income. That can be hard on both spouses, but it can be especially difficult for women who are over the age of 50 when the divorce occurs.

A Look at Statistics

According to the U.S. Government Accountability Office (GAO), women over age 50 will see their incomes drop by an average of 41% following divorce, compared with 23% for men. Divorced women in this age group typically experience a 73% drop in their standard of living. Conversely, statistics show that men's standard of living improves by an average of 42% after they divorce.

The Impact on Savings

Women generally earn less than men throughout their careers, often taking time away from their jobs to raise children, which may result in less money saved in retirement accounts with fewer years to catch up.

Time to Plan

Divorce may mean a new living situation. Suddenly, all living expenses are the responsibility of one person. Women (and men) facing divorce should create a post-divorce spending plan. The plan, which includes setting aside three to six months' worth of living expenses in emergency fund.

Contributing the maximum amount to a 401(k) plan account, or at least enough to get an employer match, can increase the amount saved for retirement.

When divorce seems imminent, it's important to engage a trusted financial professional who can help with making logical—not emotional—decisions.

Tax Breaks for the Recently Divorced

Divorce can negatively affect the finances of both spouses, so it's helpful to work with your tax professional to become aware of tax breaks that may lessen the financial burden.

Filing Status. If you're still married as of December 31, consider filing a joint return. Alternatively, if you've lived apart for at least six months, file a separate return, and if you have a dependent living with you for more than half the year, you may qualify to file as head of household.

Home Sale. Individuals can exclude $250,000 of gain ($500,000 for couples) on the sale of a home owned and lived in for at least two of the last five years. Sales after a divorce can still qualify for a reduced exclusion even if the two-year test hasn't been met.

Alimony. Alimony is deductible if the divorce agreement was in place and not changed before December 31, 2018. Otherwise, it's not deductible (or taxable to the recipient).

Post-divorce Checklist

Keeping up with the many tasks you'll need to complete after a divorce can be daunting. A checklist may help.

- [ ] Divide property according to the divorce agreement
- [ ] Review beneficiaries on retirement plans, insurance policies and payable-on-death accounts
- [ ] Change titles to vehicles, deeds, and other property
- [ ] Remove your name from debts that aren't yours
- [ ] Create a post-divorce budget
- [ ] Make a will and create medical and financial directives
- [ ] Change passwords on accounts
- [ ] Arrange for health insurance for you and dependents
- [ ] Pay off and close joint credit accounts
- [ ] Ensure any qualified domestic relations order (QDRO) is entered and implemented
- [ ] Notify insurers, creditors, and healthcare providers of a change of address

Business Owners Strive to Counter Inflation

In Fall 2022, the U.S. Chamber of Commerce Small Business Index listed the impact of inflation as a major concern of 90% of small business owners. Business owners who consider inflation a significant challenge to growth and profits may want to take steps to counter its effects.

What about Cash?

Because supplies and labor are more expensive, your business's profit margins are likely shrinking. While there's nothing you can do about inflation, investing some of your cash to stay ahead of rising market prices may be a smart move. Your financial professional can recommend appropriate investments.

Judicious Moves

While you want to maintain a good rapport with vendors be cautious about making loans and extending lines of credit. Keep a close eye on spending and expenses. Proceed cautiously with any new strategies you're implementing, while ensuring that products move to market at a reasonable pace.

Insurance Review

Outdated insurance coverage limits could make it impossible to recover from a major loss. Review your insurance policies.

Life Insurance and the Single Life

If you're a single parent or just single, you might not have given a lot of thought to life insurance.* But there are some very good reasons why you should. Life insurance benefits can provide for loved ones, pay off debt, or finance a child's education if something were to happen to you.

The Single Parent

As a single parent, you may be the sole provider for your child. But if you weren't around, where would the money come from to provide for your child until adulthood? Life insurance offers a safety net that can help pay for a child's everyday expenses, college tuition and future care should the unthinkable happen. In addition, life insurance benefits can cover your end-of-life expenses.

Single, No Children

A single person with no children may still have a need for life insurance. Policy proceeds can cover funeral costs, pay off debt, provide support to a parent or disabled sibling, or fund a legacy.

How Much Do You Need?

The answer varies with every individual's situation. Generally, your policy's death benefit should be 10-15 times your annual income — more if there are multiple beneficiaries.

When the Beneficiary Is a Minor

A minor cannot receive life insurance proceeds, so you'll want to set up a trust as the beneficiary of your policy. When you establish the trust, you'll specify how the funds will be distributed and name a trustee to oversee the distribution. Because money in a trust can sometimes lower a child's eligibility for financial aid, work with a financial professional to come up with a plan for your child's future.

Your financial professional can help you determine the type and size of policy that is best for your needs.

**Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid. Accessing cash values may result in surrender fees and charges and may require additional premium payments to maintain coverage and will reduce the death benefit and policy values. Guarantees are based on the claims paying ability of the issuer*

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

November 21, 2022

Reference: **FR2022-1107-0145/E**
Link Reference : FR2022-0804-0062

Org Id: 23568

1. Loose Change Newsletter Mar 2023
   Rule: FIN 2210

This review is based on your representation that this communication will include disclosure of the firm's FINRA member name, pursuant to FINRA Rule 2210(d)(3).

The communication generally appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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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.*