Loose Change®

a penny saved is a penny earned

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ALISON BREW
Account Manager

LTM Client Marketing
236 Broadway
Albany, NY 12204
ltmclientmarketing.com

abrew@ltmclientmarketing.com
Tel: 518-870-1083
Toll Free: 1-800-243-5334
Fax: 1-800-720-0780

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.

Revive Your Retirement Strategy

Few people would argue about the wisdom of putting money away for retirement, yet many of us either don't start, take time off from contributing, or abandon this strategy altogether when financial obstacles hit. But most people can revive their retirement savings strategy at almost any age by making a few changes in how they deal with money.

That's Life

We often may know that time and compounding make a powerful combination, but we let other financial obstacles get in the way of saving. We buy first homes, have children, pay for their education, deal with parents' long-term care, and more, so we put saving for retirement on the back burner. So, let's say you let some time slip by. While it's difficult to catch up, every little bit helps.

For starters, consolidate your retirement plan assets if you have contributed to 401(k) plans from many jobs. Ask your current employer if that's doable, and benefit from the ease of having all your retirement assets in one place with potentially lower overall fees. Also, take advantage of any automatic tools your plan offers, including automatic contributions, rebalancing, and escalation. The latter feature increases your contribution when you earn a pay increase.

More Money

If you have a 401(k) plan, know that IRS contribution limits are generous. Effective in the 2025 tax year, active 401(k) participants who attain age 60 but are at least age 63 by the end of the calendar year can contribute the greater of $10,000 or 150% of the catch-up contribution. You might also consider opening a traditional IRA, which may help you put away a little more tax-deferred money for the future.

Looking for extra money to put toward retirement? Cut back on expenses, such as dining out, to find more money to invest. Consider gigging, where you can earn extra money in addition to your main income. And think about delaying retirement because even a couple of years of extra contributions and potential growth can make a difference.

Most importantly, talk to your financial professional to learn about these and other ways to help get your retirement savings back on track.

Disability Insurance for Your Business

You may be aware that disability income insurance can protect your employees' ability to earn an income should a long-term disability keep them from work. But do you know there is also a type of insurance that may protect a business financially in the same circumstances? It is particularly suited for a smaller company or practice that depends on a few people for most of its ability to operate succesfully.

What it Does

When a person crucial to the business's success can't work because of a disability defined by the insurance contract, BOE insurance can step in to cover certain everyday expenses. These expenses can range from employee salaries and employment taxes to mortgage or rent payments, utility bills, and even insurance premiums. The policy will typically have a monthly cap for what it will pay.

BOE insurance may have an elimination period of 30 to 90 days or longer before it begins paying benefits. This same feature is in the disability income insurance your employees may have, with longer elimination periods usually resulting in smaller premium payments.

Policies typically have a maximum term during which benefits are paid, with the most popular being a year or two, although some are longer. This differs from disability income insurance, from which payments can last until age 65 or beyond, depending on the policy terms.

Premiums for BOE are generally tax-deductible, but benefits are taxable. Remember, though, that the benefits typically pay for expenses your business may still deduct.

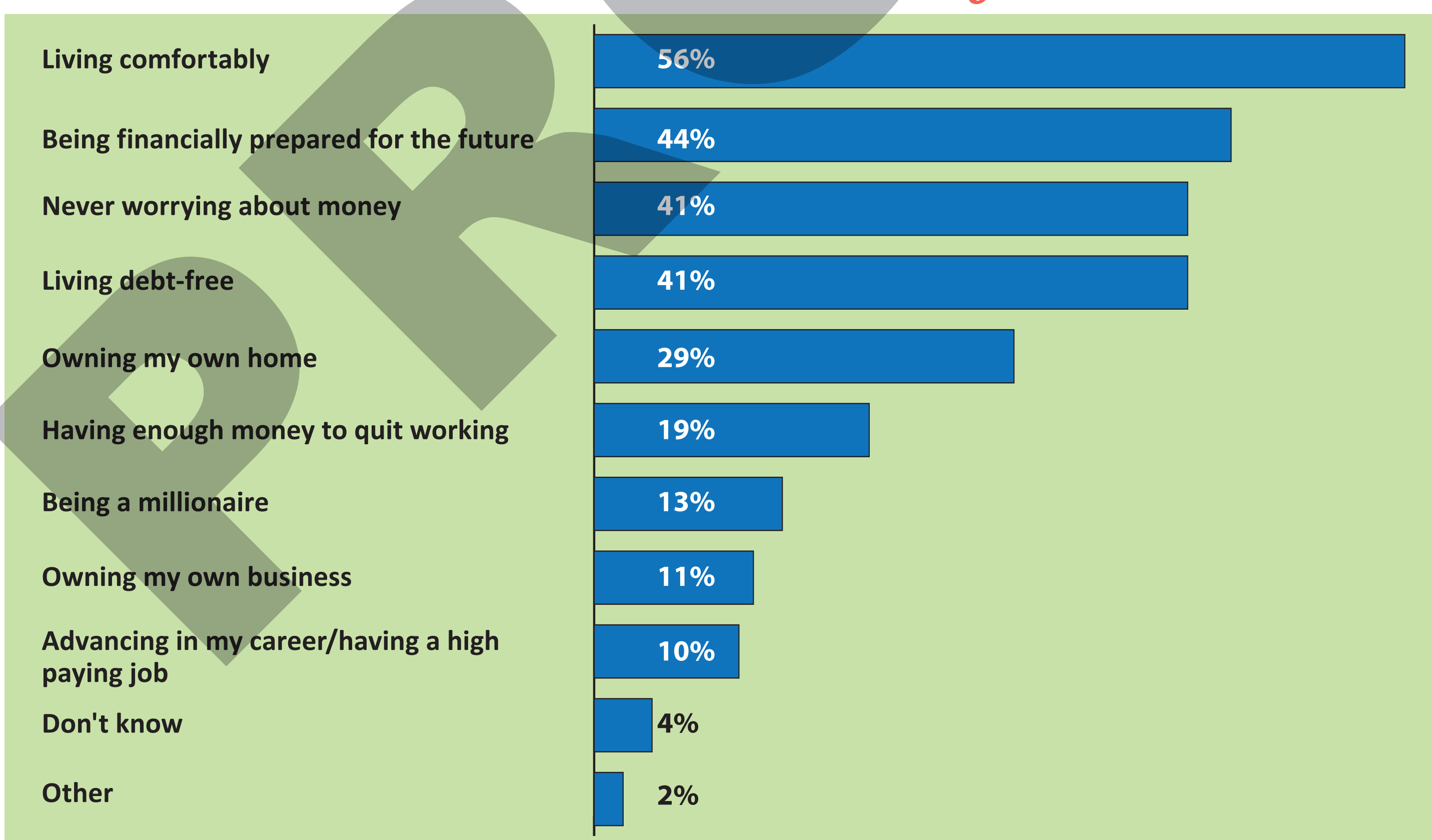
The Difference

While BOE insurance benefits protect your business financially by paying many fixed expenses, it may not pay for the owner's salary. That's where disability income insurance comes in, an important benefit for you and your employees.

Disability can happen to anyone. According to the Social Security Administration, more than one in four 20-year-olds* will become disabled before reaching retirement age. So, talk to your insurance professional to learn more.

**https://www.ssa.gov/disabilityfacts/facts.html*

How Americans Define "Financially Successful"



Source: Bankrate's Financial Success Survey, April, 2024

Target Your Investments

Most Americans have better things to do other than study the markets. That is why target-date funds continue to be so popular. Also known as age-based, lifecycle, and target-risk funds, target-date funds are designed to follow an investing path that changes when risk tolerance and time horizons change.

Popular Choice

According to a 2024 report published by the Employee Benefit Research Institute (EBRI), 88 percent of 401(k) plan participants have access to target-date funds*, and 68% of 401(k) plan participants in the EBRI database invest in them.

Pros and Cons

In a world where time is a commodity, target-risk funds do the work for investors. These funds are typically identified by the target retirement year. For example, a 2030 fund is for near-retirees, a 2065 fund is for younger investors, and there are a host of options in between.

Generally, they start with a balanced portfolio that may include stock and bond mutual funds, and that mix becomes more conservative as the target date nears. Target funds rebalance automatically, which is another convenient feature. Bear in mind that the principal value in a target date fund is not guaranteed at any time, including at the target date.

While this automatic approach to retirement investing has its advantages, it may not be right for every investor. If you plan to retire much earlier or later than the normal retirement age, which is currently 67 for most workers, the fund's asset allocation may not fit your time horizon.

Another potential disadvantage is that you still need to integrate target funds with other retirement investments to ensure you remain on track. Your financial professional can tell you more.

** 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.*

Healthy Financial Habits

Resolving to get financially fit is a great way to start 2025. Here are some ways to develop healthy money habits in the new year.

Track your Spending

Keeping track of your spending on big and small purchases can help you control your spending. Following a reasonable budget may also help you avoid overspending.

Limit Credit Card Use

If you don't pay off your credit card balances right away, interest can quickly add up and become a major problem. Consider leaving the cards at home when you go shopping and use cash or a debit card instead.

Pursue Your Goals

It is important to plan for long-term goals, such as a down payment on a house, college tuition for your kids, and retirement. Figure out how much you'll need to accumulate and how much you need to save on a regular basis.

Organize Your Documents

Is financial paperwork piling up on the dining room table or kitchen counter?

Setting up a filing system can help you save time, reduce stress and avoid late fees and misplaced tax records. Here are a few ideas to help you get started.

Have a Routine

Deal with documents as soon as you receive them. Decide immediately if each item needs to be paid, filed, or discarded. Shred paper that you won't need.

Set up a Simple System

Choose a filing system that makes sense to you. Organize paperwork into groups, such as credit card receipts, monthly bills and tax records.

Go Electronic

Ask your employer to deposit your paycheck directly into your bank account.

Also, consider doing more online, such as having recurring bills paid automatically from your checking account and doing your other banking electronically.

Unmarried with Children

According to the 2023 U.S. census, one in four parents were unmarried, a sharp increase in recent years. More parents also have unmarried partners than in the past, which doesn't change the fact that most parents — especially single ones — should have life insurance.

The Situation

Unmarried couples living together with their families have the same life insurance needs as married couples. While there are a few different types of life insurance, they all share one ultimate benefit: The person (your significant other) or persons (children) named as your policy's beneficiary will receive the same financial benefits as families headed by married couples.

In contrast, single parents living with their minor children but without a partner have to depend on themselves. They likely need life insurance and legal documentation that addresses their children's care if the other parent is out of the picture.

Determining Your Needs

How much insurance will you need? It depends on how many children you have, if they would need childcare, whether your surviving spouse or partner intends to work, and more. Working single parents may have access to life insurance through their employers. In many cases, they may need more insurance than is available through the workplace.

There's a life insurance policy for everyone. You can work with an insurance professional to determine how much and what type of insurance is best for your situation.

Stick to the Basics

We all hope for a prosperous year as the new year kicks off. But we also know that markets are fluid and their performance cannot be predicted or timed, so it is important for every investor to cling to these well-known basics that can help them stay on track toward achieving their goals.

Remain Calm. Do not get too excited when the market is high, and don't get too discouraged when it drops. Resist the urge to overcorrect. Selling in a panic means you'll be less invested in the future to generate dividends or participate in any potential recovery.

Stay Invested. Even the experts cannot predict when markets may turn. Trying to "time the market" usually leads to poor decisions.

Stick to Your Strategy. When a sailor encounters rough seas, he keeps a steady hand on the tiller and his eyes on the horizon. In investing, the equivalent is to maintain a good, balanced mix of assets aligned with your needs, goals, time horizon, and risk tolerance.

Diversify. By owning a diverse variety of assets, you may be able to create a portfolio that is somewhat shock-resistant.*

Rebalance. Market fluctuations can throw the mix of investments out of line with your objectives. This means that you may have to buy or sell assets to maintain your desired level of risk.

A big market drop can also offer the chance to add investments at sale prices.

Be Patient. While nothing in life is guaranteed, history shows us that major stock market declines are historically followed by recoveries to new highs. Sometimes it takes weeks, and sometimes it takes years.**

**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.*

*** https://www.morningstar.com*

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

August 16, 2024

Reference: **FR2024-0730-0273/E**

Org Id: 23568

1. Loose Change Newsletter Jan-Feb 2025
   Rule: FIN 2210

Our review is based on your representation that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A).

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

This year's Advertising Regulation Conference will be held on September 26-27 in Washington, D.C. For more information and to register, please view our site at: https://www.finra.org/events-training/conferences-events/2024-advertising-regulation-conference

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