LET'S TALK MONEY®

July/August 2020

Getting Real

Real estate is a way for investors to grab a personal piece of the American Dream — their own homes — but it may also prove to be a smart addition to your investing strategy while potentially providing a steady stream of income.

What's a REIT?

A Real Estate Investment Trust (REIT)* must organize as a corporation, trust, or association managed by at least one trustee or director, and it must include transferable shares held by 100 or more persons, among other requirements.

Through a REIT, investors buy shares of properties like office buildings, hotels, warehouses, shopping centers, consumer housing rentals and mortgages. REIT shareholders don't have to manage the daily upkeep of these properties as they would if they owned these or any properties directly.

Don't confuse REITs that trade on public exchanges with non-traded REITs and private real estate funds. The latter type of real estate investment is not subject to the same extensive rules that govern REITs, and their shares often will not be as liquid as REIT shares.

Part of the Picture

Often considered a fourth asset class (along with stocks, bonds and money markets), many REITs have high liquidity because they trade on public exchanges. They must return 90% of their income to shareholders as dividends, and they're subject to many of the rules other publicly traded investments must follow.

While REITs provide a way to diversify among asset classes, they may also offer diversification** within the asset class. For instance, a REIT may include commercial and residential properties that vary by type, geographic location and income expectations

Before investing in a REIT, you need to understand whether or not it is publicly traded, and how this could affect the benefits and risks to you. Ask your investment professional for more information about REITs.

**REITs involve risks such as refinancing, economic conditions in the real estate industry, change in property values, dependency on real estate management and other risks associated with a portfolio that concentrates its investments in one sector or geographic region. Shares of any REIT are not suitable for all investors.*

*** Diversification does not ensure a profit or protect against loss in a declining market. Past performance won't guarantee future results.*

FINRA Reference FR2020-0221-0257/E STAN

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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

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How to Develop Healthy Spending Habits

Developing and maintaining healthy spending habits seems easy in theory, but prove harder in practice. From the time we earn that first paycheck to receipt of our first retirement check, financial goals change, but smart spending habits hold true. Consider practicing these habits through the times of your life:

Young Adults

There is no better time to learn and practice healthy spending habits than in our early adult years. But today's Millennials are swamped with 24/7 sales messages on their electronic devices, television and in print. At any age, start by using your head and putting your heart in cold storage when shopping. When you hear "buy, buy, buy" answer the question "why, why, why?" before spending a dime.

Learn to curb your buying impulses. Ask questions. Do you really need to buy a new $1,200 smartphone when your old one works just fine and is paid off? Do you know how those designer lattes add up each month, each year? Understand your total expenses and learn to differentiate between needs and wants.

Once you take the emotion out of buying, put your new spending plan in writing. Detail your income and expenses, and build an occasional indulgence into your budget. Ultimately, you'll appreciate the discipline you follow to a healthy financial lifestyle.

Midlife Reset

Even the most disciplined savers can fall back into poor spending habits and see their debt levels rise. If this sounds like you, consider the following:

1. Forgive yourself. Everyone makes mistakes;
2. Review your budget and strategize for better spending health;
3. Pay your credit card balances with the highest rates until they're paid in full;
4. If you use your cards again, pay off balances in full each month;
5. Strive to buy with cash instead; and
6. Put the extra cash you saved toward long-term goals.

Near Retirement

The younger you are, the easier it may be to correct poor spending habits. But no time is more important to nail this financial aspect than when you're near retirement. Because this time of your life may include less income than when you worked, it's important to start by lowering your expenses.

Healthy spending habits near and in retirement may start and end with reducing your major expenses. Downsizing your living arrangements could provide the biggest boost to your disposable income. Paying off credit card debt is a must and planning for unexpected expenses should be a priority.

Know, for example, that a home you own will need maintenance at some point, so plan for its costs. Carry the insurance needed to pay for health, disability and long-term care. Revisit your spending plan regularly to account for changes in your life.

Back-to-School Shopping Tips

While summertime brings songs about sun, sand and fun, parents of students know this season includes an extra expense: back-to-school shopping. Here's how to survive this unavoidable annual ritual while keeping your expenses down.

Textbooks are expensive, particularly those needed in college. Save lots of money by buying used, renting, borrowing or downloading e-books.

Kids lose things, including laptops and smartphones, so insure them against loss and other damage

Accept hand-me-downs. If your kids have to wear uniforms and they're the same as used ones in good shape, choose the less-costly used option.

Shop at dollar stores for everyday items including writing instruments, binders and paper.

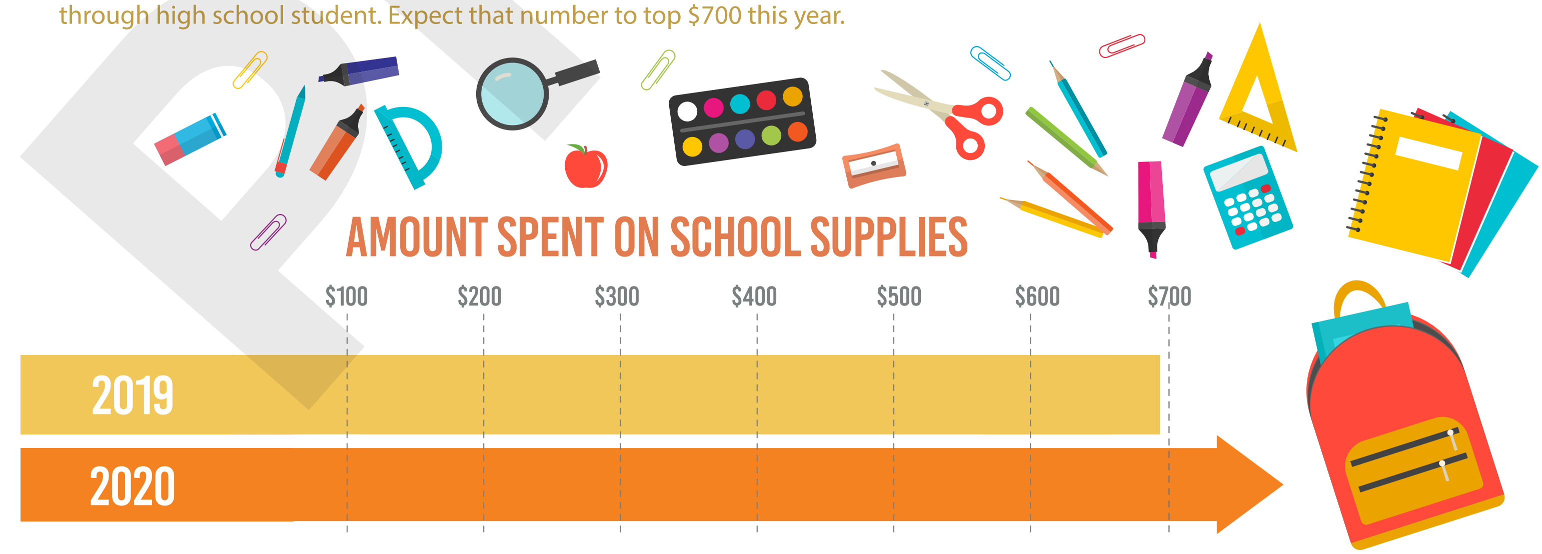
Shop in bulk. Team up with family, friends and neighbors to buy common school supplies in bulk.

Buy computers with lower speed and storage. Higher levels of speed and space cost more and are more likely to be beneficial for gaming than for school research.

Wait for sales. If you can hold off, you may find better prices on electronics and clothing during the holidays than in the back-to-school sales season, when retailers figure they have you cornered.

Back to School Spending Stats

School supplies comprise a healthy portion of back-to-school spending. In 2019, a survey by the National Retail Federation and Prosper Insights & Analytics found that families expected to spend an average $696.70 on school supplies for each elementary through high school student. Expect that number to top $700 this year.



With Time on Your Side

Millennials face challenging financial obstacles, including high student loan debt and difficult entry into an expensive real estate market. But they have one advantage that older generations never have: Time is on their side. If you're a Millennial consider how, even with other financial obligations, you can find the money needed for long-term financial goals.

Get Started

We're not saying this will be easy. A record $1.6 trillion in student debt* confronts today's Millennials while rising real estate prices make finding an affordable first home difficult. But it's not impossible to cut out some incidental spending to find perhaps 10% of your income to invest for your future. To find the money, consider cutting larger expenses, shop for a lower mortgage or rent, refinance your student loans, pay off high-interest credit cards or keep your car longer.

Next, make that extra 10% part of a disciplined investing strategy. Avoid the temptation to pay your low-interest-rate student debt early, as irritating as these loans may be, and consider making better use of any extra money. Consider investing for long-term goals like retirement, which you can easily do by participating in your company 401(k) plan.

Take Advantage

If your employer matches some of your 401(k) plan contributions, take advantage of this benefit many employees don't have. And then take advantage of one thing only people your age have: lots of time. With time on your side, the money you put away for long-term goals can grow exponentially. To learn how much, check out the compound interest calculator at the Security and Exchange Commission's www.investor.gov.

Here's one example how your money can grow: Let's say you earn $5,000 per month. You put 10% of your income, or $500 per month, into your 401(k). Your employer matches 3%, adding another $150 monthly. If this $650 per month earns 6% compounded daily over 40 years, the total contribution of your $240,000 and your employer's $72,000 would grow to more than $1.3 million.

Understand that time means everything in this example, because investing the same total over a smaller amount of time will not come close to matching the number previously cited. So get started today and put something away for the future.

**https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html*

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of 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.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 16, 2020

Reference: **FR2020-0221-0257/E**
Link Reference : FR2020-0221-0241

Org Id: 23568

1. Lets Talk Money Newsletter July - August 2020 Standard
   Rule: FIN 2210
   5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

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Associate Principal Analyst

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