

LET'S TALK

MONEY[®]

July/August 2024

Mid-year Review Keeps You on Track

Reviewing your business's financial progress and outlook at the end of the year to make sure you're on track to reach your goals is a no-brainer. But it's also a good idea to see where you are at mid-year. That way, you will have time to make adjustments that could be the difference between a mediocre year and a successful one.

Your Business Plan

Revisiting your business plan at mid-year provides an opportunity to assess the strategies you have put in place. Your review can help you determine if your financial goals are in sync with your business objectives. If they aren't, you'll be able to reconcile the differences and possibly end the year on a positive note.

Industry and Market Changes

Significant changes in your industry or in the financial markets could have an impact on sales and profits. A mid-year check gives you time to modify your strategies and potentially keep your balance sheet in the healthy zone.

Quarterly Tax Payments

An increase in your business's revenue during the first half of the year is something you'll want to celebrate. But don't forget about taxes. Adjusting your estimated tax payments for the third and fourth quarters to reflect revenue growth can help prevent underpayment penalties when you file your return.

Adequate Insurance Coverage

Sustained business growth should prompt a



check of your insurance to determine if you need to add coverage. As your business's valuation increases, you'll generally need more protection from loss. Remember, too, that adding staff to a growing business means increased costs for worker's compensation and health insurance.

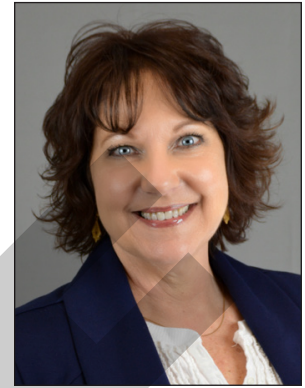
Your Financial Picture

You can gauge your progress by reviewing profit and loss statements, balance sheets, and cash flow statements from January through June and comparing them with statements from the same period last year. Keeping good records should be a priority.

Succession Planning

Identifying potential successors and grooming them to take over your business should be part of a well-crafted succession plan. A mid-year review can ensure that succession planning is an integral part of your business strategy.

Your financial professional and tax advisor can review your business plan and offer suggestions.



Karen Petrucco
Account Manager

LTM Client Marketing
45 Prospect Ave
Albany, NY 12206

Tel: 800-243-5334
Fax: 800-720-0780
sales@ltmclientmarketing.com
www.ltmclientmarketing.com

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.

Small Business Version

LTM Client Marketing
helping financial professionals stay connected

The sender and LTM Marketing Specialists LLC are unrelated. This publication was prepared for the publication's provider by LTM Marketing Specialists LLC, an unrelated third party. Articles are not written or produced by the named representative.

Saving on Energy Costs

If energy costs take a significant bite out of your monthly budget, there are steps you can take to lower them. Here are some ideas.

Lower or raise your thermostat. Adjusting your house temperature by just a few degrees can make a difference.

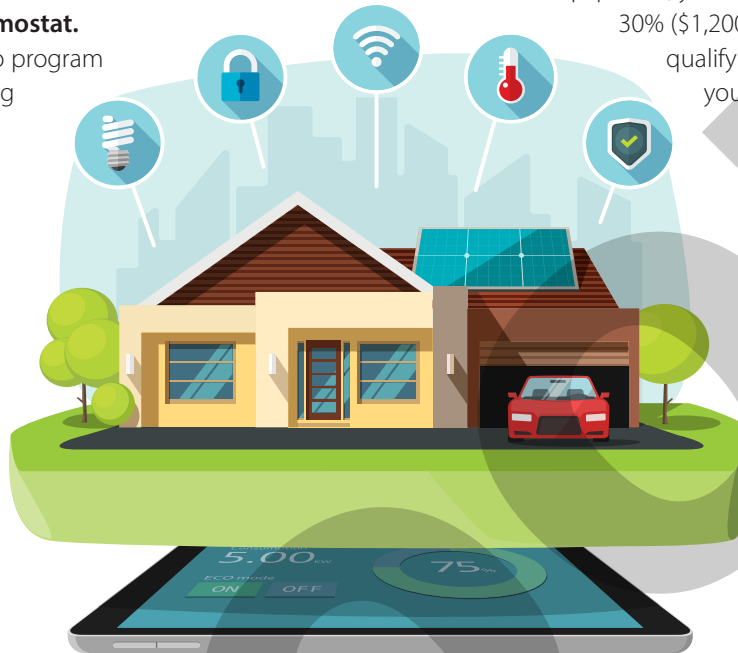
Install a programmable thermostat. Smart thermostats allow you to program and control heating and cooling settings using an app or a voice-controlled device.

Insulate. Apply caulking and weather stripping to windows and doors, and add insulation to your home.

Get a home energy audit. A professional auditor will assess your home's energy efficiency and identify areas for improvement.

Energy Efficient Home Improvement Credit. By replacing old furnaces, air conditioners, and water heaters with energy-efficient equipment, you may be eligible for a credit of up to 30% (\$1,200 maximum) of the cost of new qualifying items. The credit is taken on your income tax return.

Residential Clean Energy Property Credit. A credit of 30% of the cost of equipment is available until 2032 for the installation of solar panels, solar water heaters, geothermal heat pumps, wind turbines, fuel cells, and battery storage technology. More information about these credits is available at www.irs.gov/credits-deductions/home-energy-tax-credits.



Financial Abuse: A Means of Control

Financial abuse is on the rise. It can affect partners in a romantic relationship or elderly people who are cared for by another adult. By recognizing the signs of abuse, you can take steps to prevent it from happening to you or a loved one.

Romance That Isn't

Advice columns are filled with examples of partner or spousal abuse. Some signs of an abuser include taking an unusual interest in your finances, offering to take over your checking account to make sure bills are paid, discouraging you from working or sabotaging your employment, stealing from you, criticizing you, and asking you to pay for dinners, movies, and other things.

Protect Yourself

You can thwart an abuser by controlling your phone and preventing others from viewing your texts or search history; opening your own mail; not sharing your PIN; keeping checks, bankcards and other payment methods in a safe place; reviewing bank and card statements; refusing to lend new romantic interest money or cosign a loan; and refusing to open a joint checking, savings or credit account with a person you haven't known long.

If You're Older

Older people can protect themselves by being proactive. Appoint someone you trust as a contact for bank and investment accounts

or give them view-only access. Consider signing up for a monitoring service that detects suspicious activity. Stay in contact with loved ones, and make sure they know your caregivers.



Handling an Inheritance

Millennials who are expecting a substantial inheritance from their baby boomer parents may be in for a surprise. Studies show a significant gap between what millennials expect to inherit and how much their parents plan to leave them.*



What's Stopping Them?

Despite having accumulated more wealth than any other generation in history, boomers may be reluctant to consider passing that wealth to their children until they have a clearer view of their own future. Because people are living longer, the cost of potential long-term care is a major concern, as is the risk that inflation will reduce the buying power of their savings. Many baby boomer parents are supporting their children financially, as well, making planning problematic.

Nobody Talks About It

Whether you're the parent or the child, you may dread talking about money. But it's important for parents to discuss any plans they have in place with children. Wills, trusts, advance directives, and powers of attorney are legal documents that parents should have, and children should know they exist and where to find them.

When You Do Inherit

You've probably read about wealthy people who wind up penniless and in debt because they spent money haphazardly. If you do receive an inheritance, take steps to preserve it.

- Put the bulk of the funds in a money market or high-yield savings account until you have a plan in place.
- Assemble a team of professionals to help you, including a financial professional, CPA, and attorney.
- Add to your emergency fund.
- Pay off student loans, credit cards, and other debt.
- Put a down payment on a house if you're not already a homeowner.
- Invest the rest of the money or add it to your retirement accounts.

Treat Yourself

Set aside a modest amount for a splurge. Spending some of the money on yourself can prevent you from feeling deprived and make it more likely you'll stick with your plan.

*Alliant Credit Union, 2023

Kiddie Tax 2024

If your child has investment or other unearned income above a certain threshold, that income may be subject to the kiddie tax.

For 2024, the first \$1,300 of a child's unearned income is tax-free. The next \$1,300 of unearned income is taxed at your child's tax rate. Any additional earnings above the \$2,600 threshold are taxed at the child's or parents' tax rate, whichever is greater.

What Qualifies as Unearned Income?

A child's unearned income may include:

- Taxable interest
- Dividends
- Capital gains
- Taxable scholarships
- Income produced by gifts from grandparents
- Income from custodial accounts

Exceptions

The kiddie tax does not apply to children who spend their own earned income for more than half the cost of their support. Children who are married and file a joint return are also not subject to the tax. Your tax professional can provide more information.



What Will They Do with Their Inheritance?

The children of baby boomers are set to inherit significant wealth from their parents over the next decades.

How do they plan to use their inheritance?

- Pay off debt: **37%**
- Supplement retirement savings: **35%**
- Pass it to others: **26%**



How do they feel about handling their inheritance?

- Very comfortable handling a windfall: **39%**
- Not prepared to handle a windfall: **58%**

Source: *Dailymail.com*, October 2023

Insurance: What Do Business Owners Really Need?

An online survey conducted in December 2023* revealed that 23% of U.S. consumers said they were thinking about starting a new business in 2024. At the top of the list for new — and current — business owner should be insurance protection for their families and their businesses.

Invest in Health Insurance

Business owners whose income comes solely from their business will have to purchase their own health insurance. Fortunately, business owners are allowed a tax deduction on their premiums. Consider a high deductible health plan (HDHP), which generally has lower premiums than other plan types, although you may pay more out of pocket for services. By opening a health savings account (HSA), you'll be able to make tax-free contributions and withdrawals to help pay these expenses.

Protect Your Family

Proceeds from a life insurance policy can help your loved ones maintain their standard of living if you die unexpectedly. Term insurance provides coverage for a specified time, typically between 15 and 30 years. Generally, you'll want to purchase a policy with a death benefit equal to 10-12 times your annual income.

Protect Your Business

As a business owner, you want to be protected from risks to your business and your income from injuries, lawsuits, and property damage. Business Owners Policy (BOP) insurance bundles several types of coverage in a single policy. Designed for small and mid-size businesses, BOP combines protection for all major property and liability risks. It typically has three components: liability protects against claims and lawsuits for damages that occur during normal business operations; property covers damage from fire, explosion, theft, vandalism, etc.; and business interruption



covers loss of income from a disaster that disrupts business operations and any expenses associated with operating from a temporary location.

Protect Your Income

What would happen to your family if you were unable to work for a long period of time? A long-term disability policy replaces a portion of your income if you become sick or injured.

Your life and property/casualty insurance professionals can help you choose coverage to protect your family and your business.

**"Entrepreneurship in 2024" Report. Intuit QuickBooks, December 2023*

This publication is not intended as legal or tax advice. All individuals, including those involved in the estate-planning process, are advised to meet with their tax and legal professionals. The individual sponsor of this newsletter will work with your tax and legal advisors to help select appropriate product solutions. We do not endorse or guarantee the content or services of any website mentioned in this newsletter. We encourage you to review the privacy policy of each website you visit. Limitations, restrictions and other rules and regulations apply to many of the financial and insurance products and concepts presented in this newsletter, and they may differ according to individual situations. The publisher and sponsor do not assume liability for financial decisions based on the newsletter's contents. Great care has been taken to ensure the accuracy of the newsletter copy prior publication; however, markets and tax information can change suddenly. Whole or partial reproduction of Let's Talk Money® without the written permission of the publisher is forbidden.

©2024, LTM Marketing Specialists LLC

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.



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 11, 2024

Reference: **FR2024-0222-0191/E**

1. Lets Talk Money July August 2024 BIZ
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>

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.