

LET'S TALK MONEY[®]

July/August 2024

Do You Need Life Insurance?

If you've just finished college or earned a graduate degree, purchasing life insurance is probably the last thing on your mind. Not everyone needs life insurance when they're young. But there are times when life insurance makes sense, even though you're still in your 20s or 30s.*

You Have Debt

College loans or other significant debt that a parent, grandparent, or someone else has cosigned for can leave that person on the hook for repaying the loan if something were to happen to you. Purchasing a life insurance policy and naming the cosigner as the beneficiary allows the person to use the policy's proceeds to pay off the loan balance.

You Have Dependents

If you have a family that depends on your income or you're a stay-at-home caregiver for a child or older relative, life insurance can ensure that loved ones have the financial resources to maintain their standard of living in the event of your death. Policy proceeds can pay child or elder care costs, higher education costs, funeral and final expenses, and outstanding debts.

You Want to Leave a Legacy

Life insurance proceeds can be used to benefit a charity whose mission is important to you. Naming an organization or organizations as beneficiary(ies) of your policy will ensure the policy's death benefit is used to support the causes you have chosen.

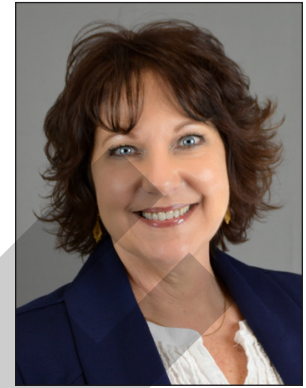
The Youth Advantage

Buying a life insurance policy when you're relatively young and healthy generally means your premiums will be lower than if you wait

to purchase a policy when you're older. Term life provides coverage for a specific number of years, so choose the longest term for which you'll need coverage.

Your financial and insurance professionals can help you decide if life insurance is appropriate for your situation.

**Applications for life insurance are subject to underwriting and require paid premiums for coverage. Accessing cash values may reduce the death benefit and policy values, trigger tax consequences, surrender fees, and charges, and may require additional premium payments to maintain the contract. Guarantees are based on the claims-paying ability of the issuer.*



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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.

Insurance Version

LTM Client Marketing
helping financial professionals stay connected

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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.

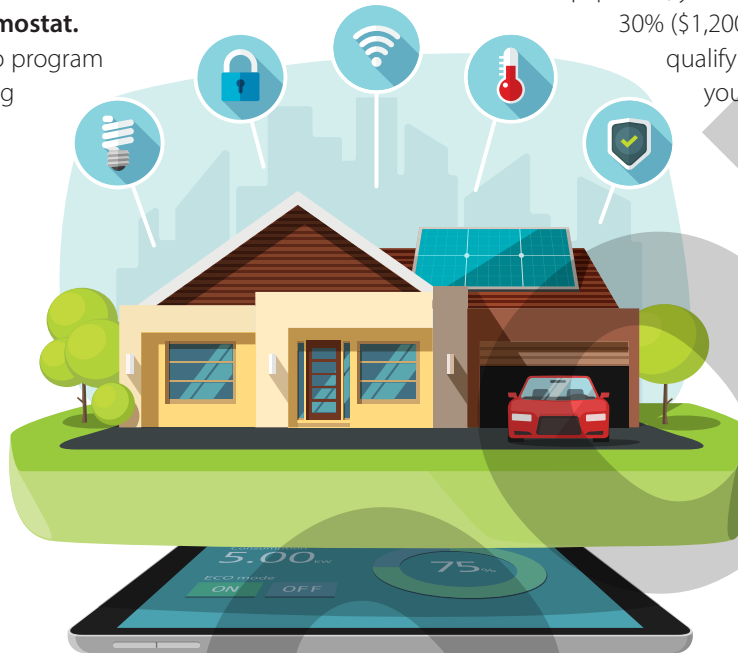
Install a programmable thermostat. Smart thermostats allow you to program and control heating and cooling settings using an app or a voice-controlled device.

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

Estimate the Coverage You Need

Have you put off buying life insurance* because you get stuck trying to determine the amount of coverage you need? Focusing on four basic needs will help you estimate the coverage that's appropriate for you.

Final Expenses

Proceeds from a life insurance policy can be used to cover funerals, burials, and other final expenses and pay off any outstanding medical bills or debts you might have. The average cost of a traditional funeral and burial could run as high as \$25,000. (Cremation services cost less.) The policy's proceeds may also be available to your beneficiary sooner than if he or she waited for your estate to be settled.

Education Expenses

Would your spouse be able to cover the costs of your children's education if something were to happen to you? Estimating the future price of tuition and other expenses based on today's prices can help you decide how much insurance you should purchase to cover all or a portion of the costs for each child. Remember to subtract any college savings you already have.

Mortgage and Debts

A mortgage or home equity loan with many years before it's paid off is another consideration when you're determining the amount of life insurance coverage you need. Student loans, personal loans, unpaid medical bills and other large debts that would present a burden to your surviving family should also be included in your calculations.



Income Replacement

How much money would your family require to maintain their current standard of living after these other financial needs have been met? Add that amount to your tally. You should now have a ballpark estimate of the amount of life insurance coverage that will protect your family's finances.

Both of You

Remember that both spouses should have life insurance coverage. Your financial professional can help you refine your estimates and shop for an affordable policy.

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 11, 2024

Reference: **FR2024-0222-0192/E**

Org Id: 23568

1. Lets Talk Money July August 2024 Insurance
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

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