

LET'S TALK FINANCIAL WELLNESS[®]

Article Summary

March/April
2024

See the articles
that will be featured
in the new **High Net
Worth Version!**

Important Date

If you wish to order copies of the
Let's Financial Wellness newsletter,
make changes to your existing newsletter,
please inform LTM Client Marketing by:

January 12, 2024
for new subscriptions

January 19, 2024
for existing subscriptions

Standard Financial Topics

[COVER PAGE]

Save for Retirement and Lower Your Tax Bill?

By contributing to a traditional individual retirement account (IRA) by the April 2024 tax filing deadline, you may be able to deduct some or all of your contributions on your 2023 income tax return.

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HSA Contributions Offer Triple Tax Benefits

When you're covered under a high deductible health plan (HDHP), any contributions you make to a health savings account (HSA) by the April 15, 2024, tax filing deadline can be deducted on your 2023 tax return.

Retirement Planning

[COVER PAGE]

The Benefits of a Financial Strategy

A well-coordinated financial strategy encompasses more than just your investments. It considers every aspect of your finances, from budgeting to retirement saving, to ensure you're making decisions that can help you reach all your goals.

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Gen X: Hone Your Financial Skills

Baby Boomer parents have amassed significant wealth as a generation, but their Gen X children are not following in their footsteps.

Small Business Needs

[COVER PAGE]

Tips for Sole Proprietors

Your financial and tax professionals can help you take advantage of retirement plans and business deductions to help reduce your income tax bill.

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Create a Financial Strategy for Your Business

Creating a separate financial strategy for your business offers several benefits and protections for your personal wealth.

Legacy/Insurance Planning

[COVER PAGE]

Life Insurance: Part of a Financial Strategy

Life insurance has many uses. Consider the type of life insurance that would work well with your overall financial strategy.

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Term Insurance: Right for You?

Term insurance may be a good choice for a young family, who will receive a lump sum payout if something happens to you.

Inside Articles

Have the Money Talk

Are you and your significant other on the same page when it comes to your finances? Disagreements about money are a leading cause of friction between couples.

A Financial Checklist for Couples

Working together to create a healthy financial picture should be a priority for couples.

You *Can* Organize Your Financial Life

You didn't plan on your financial and personal records ending up in a free-for-all, but that's what's happened. How you wish someone would organize your stuff!

Safe Deposit Box Do's and Don'ts

Some items should be stored in a safe deposit box, while others should be stored in a fireproof safe where you can access them quickly.

How Long Should You Keep Them?

General guidelines for retaining important documents.

THERE'S MORE!



THE FOLLOWING ARTICLES WILL BE FEATURED IN THE NEW VERSION OF THE NEWSLETTER THAT TARGETS HIGH NET WORTH INDIVIDUALS. ADD IT TO YOUR MIX!

High Net Worth Topics

[COVER PAGE]

Introduce Your Teen to Investing

A surprising number of teens are fascinated with the world of investing. Why not? It's an exciting and engaging way to earn money. And who better than you to teach your kids about finance?

[PAGE 4]

Estate Planning Moves to Consider Now

Forewarned is forearmed. Unless Congress passes new estate-tax legislation, the historically high estate-tax exemptions for 2024 and 2025 will be just that—history—at the end of 2025. What might you do to take advantage of the higher exemptions?

Inside Articles

Caring for Special-needs Loved Ones

To safeguard your loved one's future well-being, work with your financial and legal professionals to ensure you have a sound strategy in place.

Teens and Investing

A chart showing how many teens are investing and how.

Millennials—This Is for You

You've worked hard to become a high-earning millennial, and to stay there, you continue to do so. Sadly, working long hours may keep you from planning for your financially secure future, but that would be a mistake.

LET'S TALK FINANCIAL WELLNESS*

January/February 2024

STOCKS AREN'T ONLY FOR GROWTH

The 2023-24 trillion spike and accompanying stock volatility spawned many investors' search for high-yield fixed-income investments as one possibility for their future. But with one investor warning lower and stock volatility, now in hand, you may want to look at another investment—value stocks—to diversify your portfolio.

Value Stock Basics
A value stock is a security trading at a lower price than what its company's performance may indicate. Investors in value stocks attempt to capitalize on market inefficiencies since the underlying company's performance. Common characteristics of value stocks include high dividend yield, a price-to-earnings (P/E) ratio, and a low price-to-book (P/B) ratio. This combination makes value stocks potentially less risky than growth stocks.

Value stocks are frequently listed in solid, dependable sectors that provide an alternative to the market. Although their returns may be slower, they are undervalued by the market. Growth stocks, on the other hand, are sectors with strong growth potential, such as emerging markets, healthcare, or technology. These investments

may have greater volatility because they are heavily in their early phases and are reinvesting profits in growth.

Risk Factors
Generally, value stocks are more stable than accompanying growth. However, recessions, market downturns, and changes in industry conditions may cause value stocks to underperform. Value stocks may also be more volatile than other types of investments.

What reduces the volatility and risk of value stocks? While your potential for capital appreciation may be reduced, they often provide the steady compound growth that is already built into their price. Value stocks also carry higher risk, such as their higher volatility and market expectations. *(Continued on page 11)*

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I am committed to helping my clients achieve their financial goals for retirement, tax planning, and estate planning. I work closely with my clients to develop strategies for asset accumulation, retirement and estate planning. 1003294-0000-03

in track for and income saving plans, tell us in brief:

Using value was used, 23.8% of only 7.6% of

of your spouse or both of you or with a custodian, or retirement

High Net Worth Mission

IT'S A NEW YEAR—NEW TAX RULES

And here's a list of what you should be aware of for your 2024 financial planning.

Tax-Free Gift—You and your spouse can each make gifts of up to \$13,000 tax-free in 2024, increased from \$12,000 in 2023.¹

Overfunded 529 College Savings Plans—Starting this year, you may roll over unused 529 Plan assets to a Roth IRA for your child or grandchild's benefit. The plan must have been established at least 15 years before the rollover. The maximum amount that may be rolled over each year is the lesser of the annual IRA contribution limit or the child/grandchild's earned income.²

Alternative Minimum Tax—Depending on income, you may consider paying AMT if you might owe (at 26% or 28% if your adjusted gross income (AGI) exceeds the 28% exemption level). You must pay that tax in your regular income tax, which is more. For 529A exemption levels and

Social Security—This year, you'll be paying a 0.2% social security tax on up to \$168,600 of your earned income, increased from \$150,000 in 2023. You'll pay the 1.4% Medicare tax on all earned income, and an extra 0.9% tax is applied to earnings above \$200,000 (single filers), \$250,000 (joint filers), and \$200,000 (other filers, including). Also to income. Social Security benefits will be going up by 3.2%, with an increased top benefit of \$22,450, which could mean more of your benefits will be subject to income tax.

¹Additional requirements may apply. Discuss 529 Plan rules with your professional.
²An estimated lump-sum balance of Labor Statistics of the new or production (deferring tax)

STOCKS AREN'T ONLY FOR GROWTH

(continued from page 1)

addition, you can make money from value stocks as they generate issue dividends, allowing for cash proceeds during the holding period.

How to Choose Value Stocks
The best choice about choosing value stocks or any other investment to diversify your portfolio is to talk with your tax and financial professional. You may want to use the "Dogs of the Dow" investing strategy to get an idea of stocks to discuss with your advisor. The strategy entails looking at the ten highest dividend-paying stocks on the Dow Jones at the beginning of each year for potential buy and equating your choices annually.

Discipline cannot remove the risk of investment losses. Past performance does not guarantee future results. Investing in stocks or mutual funds can result in a loss of principal.

Growth and Value Volatility 2016-2023

Source: Wilshire Growth and Value Total Market Index, Economic Research Division of the Federal Reserve Bank of St. Louis and ICM Marketing. Note that you cannot invest directly in an index.

SIFICATION

- When required minimum distributions (RMDs) from your tax-deferred retirement plan(s) kick in, the oldest RMD income could end up in a higher tax bracket.
- A surviving spouse will likely have to switch to regular tax status, after which the rate escalates (not QPRT). Also, RMDs rise with age.

Consult your tax and financial professionals to learn more about planning for taxes during retirement.

HNW individuals work as hard to transfer wealth as they do creating it