

# LET'S TALK FINANCIAL WELLNESS<sup>®</sup>

## Article Summaries

July/August  
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:

**May 10, 2024**  
for new subscriptions

**May 17, 2024**  
for existing subscriptions

---

## Standard Financial Topics

---

[COVER PAGE]

### S.O.S. for Your Family Finances

A haphazard approach to saving and investing can leave you short of your goals, so consider what you can do to improve your chances of success.

[PAGE 4]

### How Much Risk Can You Take?

Whether your dream is to climb Mount Everest or sail the Caribbean, the amount of risk you feel comfortable with is different for everyone. That applies to investment risk, too.

---

## Retirement Planning

---

[COVER PAGE]

### Understanding Bond Funds

Investors whose goal is to preserve capital may want to consider investing in bond funds. Bond funds offer diversification while minimizing the risk of losing principal.

[PAGE 4]

### Retirement in the Twenty-first Century

In the 1950s, workers typically retired at 65, drew a pension provided by their employer, and received a monthly check from Social Security. The average life expectancy was only 68 years. People live longer today.

---

## Small Business Needs

---

[COVER PAGE]

### 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.

[PAGE 4]

### What do Business Owners Really Need?

23% of U.S. consumers said they were thinking about starting a new business in 2024. At the top of the list for business owners should be insurance protection for their families and their businesses.

---

## Legacy/Insurance Planning

---

[COVER PAGE]

### Do You Need Life Insurance?

Purchasing life insurance is often the last thing on the minds of Gen Z and millennials. But there are times when life insurance makes sense, even when in your 20s or 30s.

[PAGE 4]

### 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.

---

## Inside Articles

---

### 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.

### 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.

### Handling an Inheritance

Studies show a significant gap between what millennials expect to inherit and how much their parents plan to leave them.

### 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.

### What Will They Do with Their Inheritance? (Infographic)

How prepared are children of Baby Boomers to handle their inheritance and how will they use those funds?

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]

### ETFs May Have A Place In Your Portfolio

Exchange Traded Funds (ETFs) consist of a "basket" of securities that track an index, sector, commodity, or other assets. They can even be structured to track specific investment strategies.

[PAGE 4]

### Bouncing Back From 2023

Nearly 70% of individuals surveyed earlier this year reported facing stressful financial challenges in 2023. But looking forward, most respondents believe their finances will be better in 2024.

## Inside Articles

### The Sandwich Generation

First, the baby boomers were taking care of the parents and children. Now, it's Gen X, and even millennials, who are feeling sandwiched financially between caring for their parents and launching their children into adulthood.

### Satisfaction With Life (Infographic)

The sandwich generations report being satisfied or more satisfied with their lives as compared to other adults the same age.

### Female Breadwinners Need An Estate Strategy

The Center for American Progress found that more than 40% of women are their family's sole or primary breadwinners. An additional 20% are co-breadwinners, meaning they are responsible for between 25 to 49% of total family earnings.

### Nonqualified Deferred Compensation Plans Explained

Many employers consider nonqualified deferred compensation plans crucial in attracting and retaining top talent, with 58% offering these plans to key employees who can afford to invest more after maxing out their 401(k).

**LET'S TALK FINANCIAL WELLNESS**  
May/June 2024

**THE FACTS ABOUT TIPS AND I BONDS**

Will fixed income investment rates seem to be holding higher, many investors are using a second look at bond investments with a wary eye on inflation. If you own TIPS and I bonds after inflation protection and currently attached income, both are government-backed investments with interest rates that are periodically adjusted for inflation.

**TIPS Basics**  
TIPS are popular for protecting portfolios from inflation and providing them a because they pay interest every six months based on a fixed rate of inflation. The interest payment amount can vary, because the rate is applied to the adjusted principal amount of the bond. The TIPS interest rate is adjusted according to the annual higher cost of inflation payments as based on the Consumer Price Index (CPI-U). However, investors will receive inflation rates. Conversely, investors will receive inflation rates. Conversely, investors will receive inflation rates.

**I Bond Basics**  
Series I bonds are non-marketable bonds in the U.S. Treasury Department's program. They are non-marketable bonds because they cannot be bought or sold in the secondary market. These bonds earn two types of interest: an interest rate that is fixed for the bond's life and an inflation adjustment.

**Another way to add I bonds to your portfolio is to use up to \$5,000 of your federal income tax refund to buy them directly. Any unused portion will be directly deposited to your specified financial account or paid by check.**

**RETIREMENT PLANNING TIPS FOR PHYSICIANS**

For a comprehensive retirement plan, you must be aware of your current income, health needs now and in the future. Family commitments, and other lifestyle requirements, like your child's education. The following are some not always considered tips to help you plan for retirement: planning, saving, or reorganize your current assets.

**PHYSICIANS BELIEVE THAT THEY NEED AN AVERAGE OF \$3.9 MILLION SAVED TO AFFORD RETIREMENT, ACCORDING TO MESSAGE'S 2023 'PHYSICIANS EYE RETIREMENT REPORT.'**

**MORE ON FIXED-INCOME INVESTMENTS**

Be aware of the increased income you may be earning on bonds and other fixed income investments this year. After all, higher returns mean higher income and potentially higher taxes.

**PHYSICIANS BELIEVE THAT THEY NEED AN AVERAGE OF \$3.9 MILLION SAVED TO AFFORD RETIREMENT, ACCORDING TO MESSAGE'S 2023 'PHYSICIANS EYE RETIREMENT REPORT.'**

Depending on the type of fixed income investments in your portfolio, your potentially higher returns on them in 2024 could be enough to bring you up to the bracket. Also, a market bump plus higher returns potentially expose you to additional tax penalties and possibly alternative minimum tax. As with any tax planning, be sure to consult a tax professional.

**PHYSICIANS BELIEVE THAT THEY NEED AN AVERAGE OF \$3.9 MILLION SAVED TO AFFORD RETIREMENT, ACCORDING TO MESSAGE'S 2023 'PHYSICIANS EYE RETIREMENT REPORT.'**

Use a financial professional. Just as you have your specialty, financial planners have their specialty, which is assisting people in investing to achieve a comfortable retirement and other financial goals.

**Karen Petriceo**  
Account Manager  
The Prudential Insurance Company of America  
40 Ruppel Ave  
Albany, NY 12206  
Tel: 800-243-0334  
Fax: 800-729-0780  
www.pru.com/retirement

**Prudential**