LET'S TALK FINANCIAL WELLNESS®

March/April 2024

The Benefits of Financial and Tax Strategies

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.

The Big Picture

A successful strategy should provide a complete view of all your finances. By knowing how much savings you have accrued and the debts you owe, you can come up with a roadmap for spending, saving and investing. Identifying your short- and long-term goals is a good place to start. Paying off debt might be a short-term goal, while saving for retirement generally is a long-term goal that could be years in the future. Setting aside money for a child's education might be a mid-term goal.

Work Toward Your Goals

A cornerstone of your strategy should be the probability of reaching all the milestones you've identified. You and your financial professional choose a target asset allocation based on your goals, time frame and risk tolerance. Whether you're an aggressive or a conservative investor, it's essential to periodically check your progress toward your goals and adjust your strategy as needed.

Your Retirement Picture

What you want to do in retirement can be a factor in how much savings you'll need to accumulate. If you plan to travel, relocate or even start your own business, you'll need to have sufficient funds for those endeavors. Your financial professional can help you estimate your future financial needs and build the wealth you'll need to meet them.

Market Ups and Downs

Periods of market volatility and high inflation can affect your investments' performance over the short term. Investors may panic and sell investments when values are down. Historically, markets have always recovered their losses. Your financial professional can help you make investment decisions that aren't driven by short-term market fluctuations.

Help with Taxes

Taxes can impact your finances both before and during retirement. A tax professional can help you create a tax-efficient estate plan, advise you on charitable donations and explain any tax breaks and deductions that are available to you.

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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.
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Retirement Version

Prudential

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. Talking about your individual feelings regarding money can help you understand the other person's point of view and help you reach a compromise.

Savers and Spenders

Your feelings about money may have their roots in how your family dealt with their finances. If your family was conscientious about saving and didn't spend money without having a plan, you may have adopted those same traits. But, if your partner's family spent money without thinking about their future needs, your partner may follow in their footsteps. Discussing each family's relationship to money is a good place to start the conversation.

Compromise Is Key

When one of you is a saver and the other is a spender, compromising is essential for the health of your relationship. Come up with a plan that includes saving a certain percentage of your income. Having money deposited directly into a savings or retirement account can automate the process and remove any temptation to spend. Then, set aside a modest amount of money from each paycheck to spend on yourselves. That way, the spender is less likely to feel deprived.

A Budget Is Non-negotiable

Whether you're the spender or the saver, creating a budget that both partners buy into is the cornerstone of a successful strategy. Tally fixed and variable monthly expenses to find out how much of your income remains. One of your first priorities should be saving three to six months' expenses in an emergency fund. Communication and compromise can put partners on the same financial page.

Work with a financial professional who can provide a fresh perspective and offer suggestions as to how to organize your financial life.

A Financial Checklist for Couples

Working together to create a healthy financial picture should be a priority for couples. Here are a few ways to get started.

Tackle your debt. Getting debt under control can improve your finances. Eliminate credit card balances and pay off high-interest loans to have money to save toward your goals. But not all debt is bad. Debt that you take on to improve your life, such as a mortgage, education loan or business loan, is typically considered good debt.

Define your goals. You may have short-term goals, such as saving for a car or vacation, mid-term goals like college savings, and long-term goals like retirement.

Assess insurance needs. If you have a family or plan to, life insurance should be on your list. Consider adding health and long-term care insurance to your list as well.

You *Can* Organize Your Financial Life

Piles of receipts on the dining room table. Bank statements on the desk in the spare room. 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!

Good news! There is someone who can get your financial records in order. And that someone is you! Because you might need some help in the organizing department, here are some tips for simplifying your financial life.

Decide on a system. You can organize your information by topic or by year, whichever method is easier for you. Use colored folders to hold similar information, including tax documents, investment reports, bank statements, etc. Label everything so you can find it easily. Keep all your records in one place, such as a fireproof safe or a filing cabinet.

Create a back-up system. Scan critical financial documents before filing them. Keep them in a password-protected computer file or on a removable drive or store them in the cloud. Shred any documents with sensitive information that you no longer need.

Put your financial life online. Paperless billing and electronic delivery of bank and investment statements reduce clutter and prevents you from misplacing important bills and documents. Establish online bank, credit card, phone, cable and utility accounts to make payments. Setting up automatic bill pay can further simplify your finances. Make sure you have sufficient money in your bank account when payments are deducted.

Consider a safe deposit box. You can store many critical documents that you don't often need and keep them safe from fire and theft. Keep copies of stored documents in case you need to refer to them quickly.

Share your information. Tell someone you trust where your information is located and how to access it. Share a list of your accounts with password information so that a person can retrieve them in an emergency.

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.

Do keep:

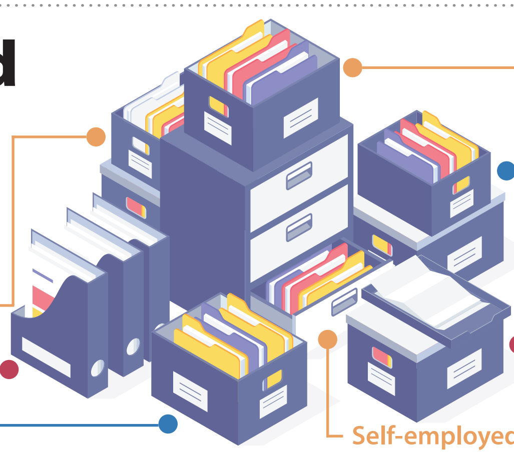
- Birth certificates, adoption papers, marriage license, divorce decrees, citizenship papers
- Copies of wills and powers of attorney
- Deeds to property and car titles
- Paper stock or bond certificates
- Business records/contracts
- Valuable jewelry
- Home inventory

Don't keep:

- Passports
- Living wills and medical directives
- Cash
- Uninsured valuables
- Illegal items
- Any documents or items you might need to access quickly when the repository is closed.

How Long Should You Keep Them?

Follow these general guidelines for retaining important documents.



Gen X: Hone Your Financial Skills

As a generation, Baby Boomer parents have amassed significant wealth, but their Gen X children are not following in their footsteps. According to a recent report from the National Institute on Retirement Security, Gen Xers, born 1965 through 1980, generally aren't following a retirement strategy, saving enough for the future or accounting for long-term healthcare and assisted living expenses

Contributing Factors

40 percent of Gen Xers have less than $10,000 saved, and 46 percent don't think they'll have enough money to live comfortably in retirement. Heavy student loan debt and the loss of employer-provided pensions are major reasons why Gen Xers are having a difficult time saving for retirement. Defined contribution plans, such as 401(k) plans, and individual retirement accounts depend primarily on employees' willingness to participate and accept the responsibility for their own retirement savings.

Changing It Up

Gen Xers can turn the tide on saving. With help from a financial professional, Gen Xers can acquire the financial skills needed to start saving enough for retirement. Creating a budget that includes automatic savings can put you on the right track. By assessing where you currently stand financially, you'll be able to determine strategies for increasing your retirement coffers, such as retiring later than you planned and postponing taking Social Security benefits until age 70.

Will You Inherit Wealth?

It may be time to talk to your parents about their finances and wealth transfer plans and prepare for any inheritance you may eventually receive. If your parents are open to dicscussing this sensitive topic, inquire about their assets, including retirement accounts, investment portfolios, real estate and life insurance. Ask for a list of their debts, such as mortgages, credit cards and loans. Discuss their estate plan, which might include a will, trusts and other legal documents that describe their wishes for passing on assets. Alternatively, ask them to make sure they have all of this information documented for you, including contact information for their tax, legal and financial professionals.

The Bottom Line

Gen Xers who make strides in preparing for their own retirement can gain the financial knowledge they'll need to handle the transfer of wealth from parent to child responsibly. An estate attorney can set you on the right path.

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

December 12, 2023

Reference: **FR2023-1127-0072/E**

Org Id: 23568

1. LTM 2024 Mar-April Retirement
   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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