

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

November/December 2024

## Expect the Unexpected

Recent years have been exceptionally challenging! With a global pandemic, civil discord, flooding, and market volatility, business owners and individuals alike have a renewed appreciation for the value of risk management. Of course, insurance plays an important role in managing risks.

### Protect Yourself and Your Family

The first task is to protect yourself and your family from major financial risks, such as the death or disability of a breadwinner or parent. Doing so is pretty straightforward.

In a nutshell, most families should consider layering several types of coverage:

- Life and disability insurance;
- Homeowners or renters insurance, including liability insurance;
- Flood insurance (home insurance doesn't cover flooding);
- Car insurance;
- Umbrella insurance, which inexpensively helps cover any large claims against you over and above your basic liability insurance policy limits;
- Long-term care insurance;
- Professional liability insurance (errors & omissions, malpractice insurance, etc.).

### Business Risk Management

Business owners have a more complex risk management task. They must create systems and contingencies that will allow them to continue operating through any crisis.



Here's a brief checklist to help you get started:

- Business continuity plans;
- Business interruption plans;
- Business owner's policy (BOP) – covers a variety of business risks, including looting;
- Employer risk insurance – protects against lawsuits from employees;
- Cyber risk insurance – protects against liability arising from accidental data breaches, hackers, and online theft.

No one knows what form the next emergency will take. However, an insurance and risk audit can help identify vulnerabilities and gaps in your coverage. It can also identify what types of insurance are not required for your particular situation.

Working closely with your insurance professional who knows you, your family, and your business is the best way to reduce your risks. After all, insurance professionals are trained to identify risks and design solutions to help protect 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. 1020924-00002-00

Insurance Version



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# Post-Holiday Shopping Deals

If you want to score big on bargain-priced goodies, one of the best times to buy is right after the holidays. Here's how to rack up big money-savings as you start on next year's holiday shopping.

## When to Shop

While brick-and-mortar and internet stores typically offer sales for up to a week after Christmas, December 26 has historically been the best day to shop. It's first come, first served. Stores looking to rid themselves of excess inventory offer deals that may rival those of Black Friday, the day after Thanksgiving. Christmas decorations usually come with the biggest discounts, so think "next year."

## Shop Second Generation

Look for second- and third-generation new and refurbished electronics. While others may stand in line waiting to buy the newest smartphone, you can find a previous version at a fraction of the price. Don't forget to shop for older computers, video games, televisions and other electronics, as manufacturers get ready to roll out new models.

## Use Those Gift Cards

If you really like to save, consider using merchandise exchanges and gift cards you received this holiday to lower your out-of-pocket costs even more as you shop for the next holiday season.



# Budget-Saving Holiday Travel

Americans usually travel during the holidays, and even with thoughtful planning, it can cost more than a few dollars. Here's how to save money on the ground and in the air.

## Road Trip

If you'll spend some time in the family vehicle, consider ways to cut gasoline costs that always seem to rise during the holidays. Some wholesale buying clubs sell gasoline at discounts that can save you a couple of dollars. You can also look for apps that alert you to the lowest gas prices wherever you travel.

If you expect to travel for hours, pack sandwiches, snacks, and games to keep the kids occupied. If you need lodging, use rewards cards if the establishment offers lower prices for members. Also, look for discount books, where you can find coupons for your favorite hotel when using rest stops on major highways and interstates.



## By Air

Look to fly during off-peak hours, including on the holiday itself, for some of the lowest airline fares you will find. Also look to travel to and from secondary airports, which often costs less than flying to the big ones. To save on checked baggage charges, make sure everyone arrives at the airport with a fully packed carry-on bag or suitcase, as long as the airline doesn't charge for it.

## Combo

Enlist family and friends to pick you up from the airport if you don't expect to need your own vehicle. If you have to rent after flying to a destination, don't buy insurance for the same coverage you may already have. Check with your auto insurer before traveling.

# U.S. Citizens Give Generously

Americans gave an estimated \$557.16 billion to U.S. charities in 2023, according to Giving USA 2023: The Annual Report on Philanthropy for the Year 2023 (from the Giving USA Foundation, the Giving Institute, and the Indiana University Lilly Family School of Philanthropy). The total includes charitable contributions made by individuals, estates, foundations, and corporations.

## How to Choose

If you want to give to an organization that makes the most of your charitable giving, learn how much of each dollar goes

toward the charity and how much is spent elsewhere. You can find some organizations with websites that evaluate the legitimacy of charities and how they spend contributions.

## Christmas Gifts Most Desired by U.S. Consumers in 2023.

Looking at last year's survey may help you with ideas for gift-giving this year.

### Women

#### Money (cash or transfer)

50

#### Vouchers / gift cards

42

#### Clothing, textiles, shoes

42

#### Cosmetics, perfume, body care

36

#### Jewelry and watches

24

#### Books, eBooks

23

#### Food, drinks

22

#### Smartphones, tablets, and accessories

22

### Men

#### Money (cash or transfer)

36

#### Vouchers / gift cards

34

#### Clothing, textiles, shoes

28

#### Smartphones, tablets, and accessories

24

#### Food, drinks

23

#### Computer, computer accessories

22

#### Consumer electronics

20

#### Jewelry and watches

16

Source: <https://www.insidenova.com>

\*Respondents could pick multiple options.

Also look for a charity's IRS Form 990 and ask to see the charity's audited financial statement to ensure it meets the standards you want. Match your giving objectives with a charity's mission and demonstrated results. Look for charities that best match your values.

## Get Help

If you make large charitable contributions, consider enlisting the aid of your advisor and an estate planning attorney.

Although the federal estate tax exclusion is higher than in the past, some families may exceed it while also having to deal with lower state estate and inheritance tax thresholds. Structured properly, charitable giving can both benefit your charity and reduce your estate taxes.

# The Gift of Life Insurance

In this season of giving, some people want to give more to a favorite charity or organization but don't have the funds to do so. Giving the gift of life insurance is a cost-efficient way to increase your charitable giving.

## Your Choice

There are a few ways to give life insurance, some of which may include current or future tax advantages. Talk to your accounting professional to learn more about how you may benefit a charity and receive tax benefits in return.

## Charitable Choices

One way is to rename a charity as beneficiary, eventually removing this benefit from your estate.

Another way to make charitable use of life insurance is to ask your insurance company if it can issue a charitable rider, directing a percentage of the death benefit to a named charity. If, for example, you have a \$500,000 policy and you acquire a rider of 10%, the charity would eventually receive \$50,000, with your named beneficiaries receiving the remainder.



# Choose a Trustee you Trust

Choosing a trustee can be relatively simple compared to setting up a trust. But not always. Money can drive a wedge between even the closest families, so choosing between a loved one, a professional advisor or a financial institution as trustee isn't easy.

## Getting Started

Families who want to pass on wealth efficiently or ensure specific instructions are followed for the benefit of special-needs children may use a trust to facilitate their wishes. Every trust must have a trustee who has the legal and personal responsibility to carry out the terms of the trust.

A trustee may need expertise in multiple areas, depending on the trust's complexity. For example, the trustee must serve as a business administrator to record financial activities, such as scheduled disbursements to beneficiaries, investment results, and more.

That person may also be responsible for managing investments, which even professionals have difficulty doing during volatile economic times. The trustee must also file local, state, and federal tax returns, even if the beneficiaries are receiving tax-free disbursements and may need to understand arbitration should a disagreement between the trust's beneficiaries arise.



## Making the Choice

Finding a loved one who can serve proficiently in all these capacities can prove difficult, although this person could hire specific professional help like a CPA or arbitrator. After all, the advantage of having a loved one serve as a trustee is the person's familiarity with the situation. Knowledge of a loved one's philosophy makes it more likely the trustee will follow the original intention of the trust.

However, emotions and even money could get in the way and cloud the trustee's judgments. For example, it's easy to see a conflict if a trustee who is also a beneficiary has to decide whether to grant emergency funds to a beneficiary, which could reduce the trust's principal and the trustee's share.

A financial institution serving as trustee might have the multi-disciplinary skills needed and would take the emotions out of decision-making. However, the institution might not have familiarity with the intentions of the trust's creator, the grantor. So, if you plan to create a trust, research your options before making a final decision.

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## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

July 25, 2024

Reference: **FR2024-0712-0207/E**

Org Id: 23568

1. Lets Talk Money Nov Dec 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

***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>***

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