

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

November/December 2024

## Investing Missteps to Avoid

A disciplined investing strategy, whether for a child's college costs or your retirement, can help you potentially grow your savings over time. However, success depends partly on avoiding obstacles that can trip you up, and understanding uncertainty is always a part of investing. When investing for the long haul, beware of these obstacles.

### 1. Starting Late

Time means everything when it comes to investing success, so use it to your advantage.

### 2. Underestimating Time

Time may not fly by, but ask any older person how quickly it seems to go. Don't put off to tomorrow what you can start today.

### 3. Overreacting

The coronavirus outbreak sent stock and bond markets into dizzying spins as investors fled the stock market for relatively safer investments. Those with long-term horizons who stay the course may withstand the onslaught if this mimics recoveries from previous market-shaking events.

### 4. Under-reacting

"Buy and hold" should not apply to every investing decision. If your investments have poor long-term prospects or no longer fit your strategy, consider selling them.

### 5. Investing too Aggressively

If you're in or near retirement, you may not have the time to recover from down markets. Invest appropriately.

### 6. Investing too Conservatively

With enough time, you may overcome market downturns, so invest for growth when you have time.

### 7. Paying too Much

High investment fees and charges detract from net earnings, so make sure your returns are worth the cost.

### 8. Staying Too Loyal

Loyal employees may like owning their employers' stocks, but too much of a good thing is bad. Diversify your portfolio.\*

### 9. Duplicating Efforts

Know how target-date and balanced mutual funds affect your asset allocation mix.

### 10. Following the Herd

Jumping late on a hot investment bandwagon can become a costly mistake.

### 11. Timing the Market

Even the professionals can't do it, so don't try.

### 12. Avoiding Help

Talk to a financial professional for help with your investing strategy.

*\*Diversification cannot eliminate the risk of investment losses. Past performance won't guarantee future results, and investing in stocks or mutual funds can result in a loss of principal.*



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Standard 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.



# Tools to Help Automate Retirement Investing

Company-sponsored 401(k) plans have undergone significant changes over the years, including matching contributions from your employer and automatic enrollment, rebalancing, and contribution escalators. Even if you don't have these options, you can still model your retirement investing behavior after some of these plan features.

## Auto Enrollment

If your retirement plan doesn't offer automatic enrollment, ask what you must do to join. If you don't have a workplace plan, make it your mission to research the qualifications and contribute to an individual retirement plan.

## Auto Contributions

Before starting a new job, forecast your take-home pay for your monthly budget after subtracting an amount for retirement contributions. (Remember that your contributions will likely be deducted on a pre-tax basis.) Start contributing as soon as you're eligible because time means everything when building your retirement accounts.

## Auto Escalators

Why not put the extra money into a retirement account when you get a raise? Employers can invest your raise automatically — before tax — so you do not even see it in your paycheck. If yours doesn't, request a change to your contribution level.

## Auto Choice

Some people don't enroll in 401(k) plans because they don't want to choose any investments. So, some employers

automatically put employees' contributions into target-date or balanced accounts. Do the same if you don't want to choose among investment options.

## Auto Rebalancing

If you choose to invest in a workplace or other retirement plan, it pays to diversify.\* To keep your portfolio diversified as planned, you'll need to rebalance it regularly, say every six or 12 months. Many 401(k) plans include this feature; otherwise, set yourself a reminder.

## Auto Rollover

Some employers automatically roll over retirement plan balances for employees leaving one job for the next, but the new employer will have to accept these rollovers. If your previous employer doesn't do this automatically, ask your new place of employment about rolling the balance over.

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## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

July 25, 2024

Reference: **FR2024-0712-0216/E**

Org Id: 23568

1. Lets Talk Money Nov Dec Standard  
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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