LET'S TALK FINANCIAL WELLNESS®

January/February 2027

It's All In The Plan

Having a solid financial plan is crucial to your business's success. As you look ahead to 2027, it's essential to lay out a roadmap that reflects where you want to take your business. Here's what you should include.



A Budget

A detailed budget helps you track income and expenses, giving you a clear picture of your financial health. Break your budget into categories such as fixed costs (rent, salaries), variable costs (marketing, utilities), and one-off expenses (new equipment, renovations). Knowing your baseline helps you make informed decisions.

Cash Flow Projections

Review past sales patterns and industry trends to estimate monthly cash inflows and outflows. This will give you a clearer sense of when you might need a financial buffer or the ability to invest in opportunities as they arise.

Investments

Think carefully about where to allocate funds to grow your business. This could mean expanding product lines, investing in new technology, or even hiring new staff. Evaluate the potential returns on these investments and always have a rationale. Focus on long-term growth rather than short-term gains. And don't hesitate to involve your financial professional in your investment process.

An Emergency Fund

Having three to six months' worth of operating expenses set aside can protect you from financial turmoil during tough times. This fund gives you the flexibility to take risks in your business without jeopardizing your financial stability.

Funding Options

Another key element is understanding your funding options. Your financial professional can be a valuable resource. The Small Business Administration (https://www.sba.gov/funding-programs) also offers various loan programs and resources to help you secure funding. Prepare detailed documents that showcase your business model, market analysis, and financial projections. This way, you'll be ready when opportunities arise.

Regular Reviews

Finally, keep tracking and regularly revising your plan. Set aside time each quarter to review your financial plan against your actual performance. If things aren't going as expected, don't hesitate to pivot and adjust your strategies. The most successful business owners adapt their plans to real-world results.



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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.

Small Business Version

LTM Client Marketing
helping financial professionals stay connected

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FINRA Reference FR2026-0828-0138/E SMBUS

Can't Work? Your Paycheck Can Still Show Up

Illness, injury, and pregnancy don't wait for a convenient time. Short-term disability insurance helps replace part of your income while you're out — call your insurance professional to learn more.

The Basics

Short-term disability typically replaces 40 to 70 percent of your monthly income until you return to work or your benefit period ends, usually three to six months. It covers only nonwork-related injuries or illnesses.

Short-term disability policies typically use an "own occupation" definition of disability, meaning you're covered if you can't perform the duties of your current job. A stricter "any occupation" definition — which applies only if you're unable to work in any job — is more common in long-term disability policies. Check your policy's specific definition of disability before you need to rely on it.



Pregnancy Coverage

Sometimes, disability coverage begins two weeks before a woman's due date and lasts six weeks after the birth. You can amend the start date of disability coverage with updated medical information. The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 weeks of unpaid, job-protected leave for the birth or care of a child — the same right applies to mothers and fathers alike. FMLA generally applies to employees who've worked at least 12 months and 1,250 hours for an employer with 50 or more workers nearby. Note that FMLA protects your job, not your paycheck — that's what short-term disability coverage is for.

Buying a Policy

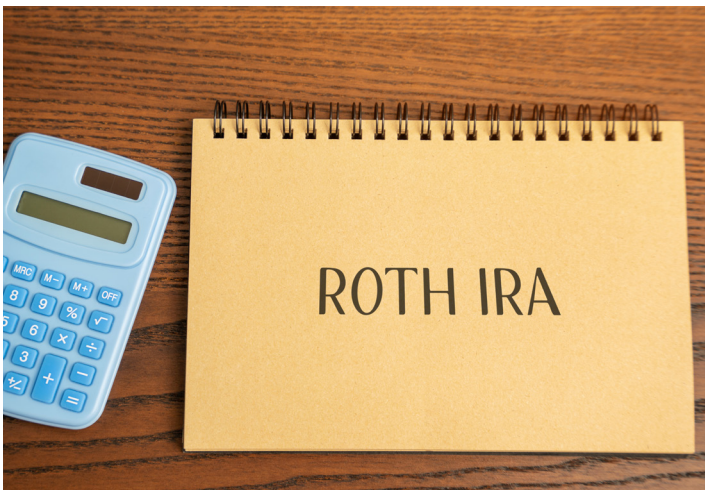
The cost of a short-term disability policy depends on your age, gender, occupation, and overall health. Before purchasing a policy, review the insurer's definition of disability, the length of the waiting and benefit periods, and the coverage amount.

Roth For Tax Diversification

A retirement plan is a strong start, but you'll still owe income taxes on much of what you withdraw in retirement. Tax-free retirement income from a Roth account can help offset taxes on withdrawals from a tax-deferred account, giving you more control over your tax bill.

How a Roth Can Help

- If you plan to retire to a lower-tax state but circumstances change and you end up staying put, you'd pay more state tax on traditional withdrawals than expected.
- Required minimum distributions (RMDs) from tax-deferred accounts could push you into a higher bracket. Roth accounts aren't subject to RMDs, so they won't add to that risk.
- A surviving spouse typically shifts to single-filer status, where tax rates climb more quickly, and RMDs grow larger with age — a combination that raises your tax bill further.



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

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The Holiday Bills Are In — Now What?



The gifts are unwrapped, and the credit card statements have arrived. Tackling holiday debt is one of the best ways to start the new year on solid footing.

Know What You Owe
Add up all holiday balances — including credit cards, buy-now-pay-later plans, and store financing.

Pick a Payoff Strategy
The avalanche method targets your highest-interest balance first to save more money, while the snowball method pays off the smallest balance first for quick wins. Either way, keep paying at least the minimum on the remaining balances.

Know the Difference
Credit card balances from holiday shopping are high-interest "bad" debt that should be paid off quickly. A mortgage, education loan, or business loan is typically "good" debt that builds your future.

Plan for Next Year
Once you pay off the holiday debt, open a dedicated savings account and contribute monthly to prevent a repeat next year.

Your January Money Reset

The holidays are behind you, and so is the spending that came with them. January is the natural time to see where your money actually went and to reset before old habits creep back in.



Compare Plan to Reality
Review your December statements and compare what you actually spent with what you budgeted. Look closely at categories that ran over — gifts, travel, dining out — and note why. This gap is where next year's budget should start.

Try a Spending Freeze
Consider a one-month freeze on non-essentials: no dining out, no new clothes, and no impulse buys. Keep it simple — pay bills, buy groceries, cover essentials, and pause everything else. A short freeze breaks the momentum of a high-spend season and makes it easier to see what you truly value versus what was just habit.

Get A Head Start On Tax Season

A new year means tax season is coming. Gathering your documents now, rather than in April, can save you time, reduce stress, and possibly save money.

What to Collect

- Income statements: W-2s, 1099s for freelance or investment income, and any distributions from Social Security or retirement plans.
- Deduction records: mortgage interest statements, property tax bills, charitable donation receipts, and medical expense receipts.
- Business and investment records: expense logs, mileage logs, and year-end statements from brokerage or retirement accounts.
- Life changes: notes on marriage, a new child, a home purchase, or a job change, since each can affect your filing status.



Keep It Organized
Create a single folder, either physical or digital, for everything as it arrives. Include last year's return for reference, as many figures carry over.

Starting early gives your tax professional more time to identify deductions and credits rather than rushing to meet the deadline.

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The Perk That Pays Off Twice

Competitive wages and health insurance get candidates in the door, but retirement benefits often keep them there. As a small business owner, don't overlook the advantage of helping your employees save for the future — it could benefit your bottom line and your own retirement, too.

Benefits for Both

Offering a retirement plan as an employee benefit can give you an edge in hiring and retaining talented workers and help your business stand out from the competition. Morale and work ethic may improve when employees feel your business has a stake in securing their future. You may also be able to save for your own retirement at the same time.

Some Plan Options

Business owners have several options for offering a retirement plan. Your financial professional can help you choose the right plan for your business.

- **SIMPLE IRA**
  Short for Savings Incentive Match Plan for Employees, SIMPLE plans are limited to businesses with 100 or fewer employees. Employers make non-elective contributions of 2% of compensation for each eligible employee or match individual contributions up to 3% of compensation. The plan is easy and inexpensive to set up and operate, with no filing requirement.

- **SEP IRA**
  Short for Simplified Employee Pension, a SEP is available to businesses of any size to set aside funds in retirement accounts for the owner and employees. The business owner contributes up to 25% of compensation; employee contributions are not allowed. The plan is easy to set up and operate, with low administrative costs, no filing requirements, and flexible annual contribution amounts.



- **401(k) Plans**
  These plans allow employees to contribute a portion of their wages to individual accounts. Salary deferrals are excluded from taxable income, except for designated Roth deferrals, which are made after tax. Employers can also contribute to employees' accounts. Employers must file paperwork each year to show the plan complies with IRS regulations.

- **Tax Savings**
  Employer contributions to a retirement plan are deductible from business income, lowering your annual tax liability. You may also be able to claim a tax credit for some of the costs of establishing a SEP, SIMPLE IRA, or a qualified plan.

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FINRA

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

October 5, 2026

Reference: **FR2026-0828-0138/E** Org Id: 23568

1. LTM 180 Jan Feb 2027 Small Business
   Rule: FIN 2210
   5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

William W. Brill
Principal Analyst

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