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A Decision Not Made Is Still a Decision

Whether through inertia or trepidation, investors who put off important investment decisions might consider the admonition offered by motivational speaker Brian Tracy, "Almost any decision is better than no decision at all."

This investment inaction is played out in many ways, often silently, invisibly, and with potential consequences to an individual's future financial security. Let's review some of the forms this takes.

One of the worst decisions may be the failure to enroll, although more and more companies are automatically enrolling workers into their retirement plans. Not only do nonparticipants sacrifice one of the best ways to save for their eventual retirement, but they also forfeit the money that any employer matching contributions represent. Not participating holds the potential to be one of the most costly indecisions one can make.[1]

The other way individuals let indecision get the best of them is by not selecting the investments for the contributions they make to the 401(k) plan. When a participant fails to make an investment selection, the plan may have provisions for automatically investing that money, and that investment selection may not be consistent with the (continue on page 2)

Consider Keeping Your Life Insurance When You Retire

Do you need a life insurance policy in retirement? One school of thought questions this decision. Perhaps your kids have grown, and the need to help protect the household against the loss of an income-earner has passed.

If you are thinking about dropping your coverage for either or both of those reasons, you may want to ask yourself a few additional questions before moving forward.

Remember that several factors will affect the cost and availability of life insurance, including age, health, and the type and amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges. For some insurance policies, if a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

Does your policy have a cash value? If you have a whole life policy, it may have built a cash value over time. Whole life insurance is designed to remain in force for your whole life, as long as you remain current with your premiums. Before surrendering a whole-life policy, be certain you understand the policy's features and limitations.

This article is for informational purposes only and is not a replacement for real-life advice, so you may want to consider asking for guidance from a financial professional before modifying your life insurance strategy. Life insurance is not insured by the FDIC (Federal Deposit Insurance Corporation). It is not insured by any federal government agency, bank, or savings association.

Do you anticipate paying estate taxes? If the value of your estate exceeds federal or state estate tax thresholds, you may owe estate taxes. Life insurance proceeds may help your heirs manage the tax (continue on page 2)

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individual's time horizon, risk tolerance, and goals.

In most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 73. Withdrawals from your 401 (k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10 percent federal income tax penalty.

For homeowners, "stuff" just seems to accumulate over time. The same may be true for investors. Some buy investments based on articles they have read or based on the recommendations of a family member. Others may have investments held in a previous employer's 401(k) plan.

Over time, we can end up with a collection of investments that may have no connection to our investment objectives. Because of the dynamics of the markets, an investment that may have once made good sense at one time may no longer be advantageous today.

By not periodically reviewing what we own, which would allow us to cull inappropriate investments – or even determine if the portfolio reflects our current investment objectives – we are making a default decision to own investments that may be inappropriate.

Whatever your situation, your retirement investments require careful attention and may benefit from deliberate, thoughtful decision-making. Your retired self will be grateful that you invested the time... today.

1. CNBC.com, December 28, 2021

Consider Keeping Your Life Insurance When You Retire

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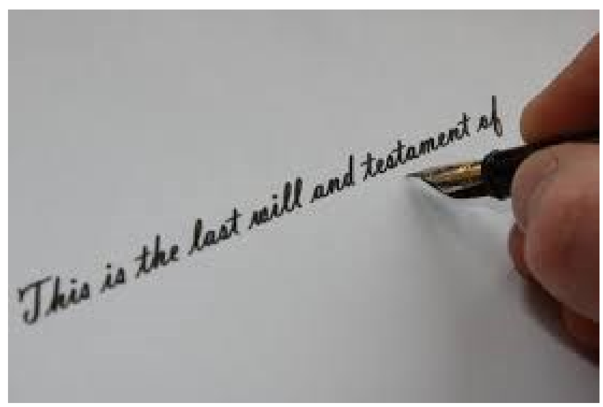
situation, and could prevent the need to sell other assets. Estate tax laws are constantly changing, so you may want to consider speaking with a legal professional, who can provide information on potential legislative changes.

Are you carrying a mortgage? If you borrowed to purchase your home or have refinanced and are carrying a mortgage, the proceeds for a life insurance policy may help your heirs manage the mortgage payments.

August is Make a Will Month



August is make a will month, a time dedicated to strategizing for the future. You may have seen in the news that Aretha Franklin's loved ones are still caught in a legal battle due to the existence of multiple wills. The lesson from this situation is clear: creating a thorough estate strategy might help families handle stress while attempting to manage the legal process after our passing.