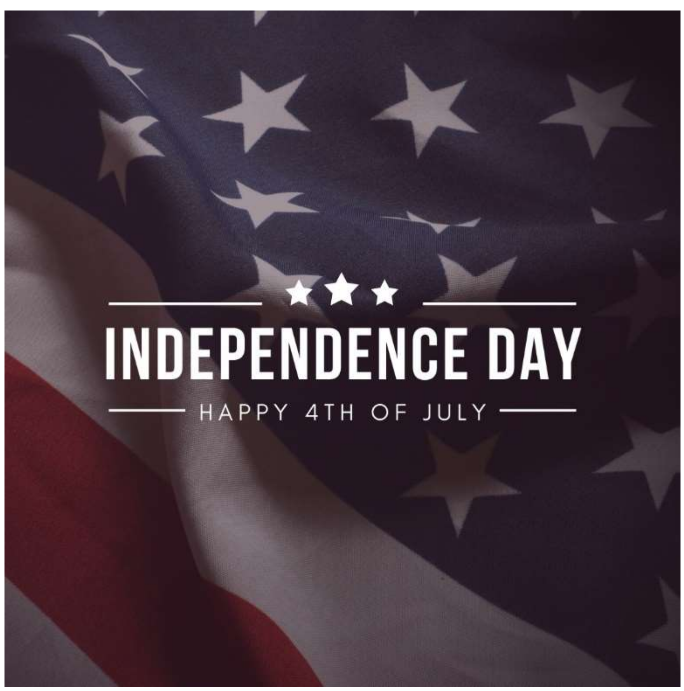
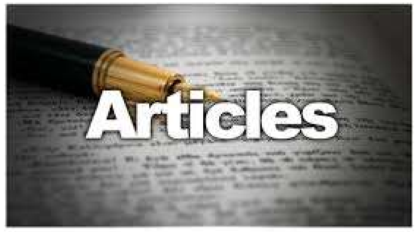
Welcome to Transition Insights!

The Wealth Transition Collective extends their warmest wishes for a memorable 4th of July. Whether you're enjoying a barbecue, watching fireworks light up the sky, or a combination of both, we hope you have a wonderful day with family and friends.

Please note our office will be closed in observance of Independence Day.
We will return on Friday, July 5, and respond to any communications received over the holiday as soon as possible.





Financial Considerations for College Students and Parents

If you or someone in your network is a parent of one of the over 18 million students headed off to begin or continue their undergraduate studies this fall, we want to highlight an important aspect that often arises during this time of year: **financial considerations for college students.**

With tuition more than doubling since the 1960s, it's essential to plan wisely to ensure a smooth transition in and through the college years. Here are some practical tips and considerations that will help:

1. **Budgeting basics**: Encourage your student to create a budget, outlining their expenses (i.e., tuition, books, housing, food, and miscellaneous costs) and adjusting it each year as necessary.
2. **Educate about responsible borrowing**: Knowing the implications of student loans and the importance of borrowing responsibly is crucial. Talk honestly and regularly with your student about the long-term impact of student loan debt on financial goals post-graduation.
3. **Explore or revisit financial aid**: Securing financial aid isn't a one-time affair — it's an ongoing process. Every fall, revisit your student's financial assistance, from scholarships and grants to student loans. Keep in mind the Free Application for Federal Student Aid (FAFSA) must be completed annually to ensure continued support throughout college.
4. **Understand your tax-advantaged savings plans**: If you have a 529 plan or Coverdell Education Savings Account (ESA), ensure you and your student know how to use it. These accounts offer tax benefits and can help offset the burden of tuition and related costs, but distributions must be used for qualifying expenses.
5. **Encourage part-time work**: While focusing on academics is essential, encourage your student to consider part-time work or internships to supplement their income and gain work experience.
6. **Take advantage of student discounts and resources**: Apple, Verizon, Sam's Club, and Amazon Prime are just a few of the companies that offer education discounts. You can find a comprehensive list here to help your student maximize these opportunities. Additionally, encourage your student to utilize campus resources such as career services and financial literacy programs.
7. **Plan for post-graduation repayment**: Whether graduation is one or four years away, help your student develop a plan for post-graduation loan repayment, considering factors such as income-driven repayment plans, loan consolidation, and strategies for accelerating debt repayment.
8. **Prepare for emergencies**: Establishing an emergency fund is crucial to prepare for unexpected expenses that may arise during the college years. Additionally, consider creating essential legal documents such as a power of attorney, a living will, and a HIPAA authorization for your young adult.

We hope these tips provide helpful insights for college students and parents alike.

How to Mitigate Retirement Challenges

Clients have expressed that post-COVID, the future—and the financial risks it presents—felt uncertain. It's a sentiment that we've heard fairly often, and it's true that no one would have predicted on January 1st, 2020, what was to come in the year following!

With that said, it's worth remembering that hedging against risk is part of what we do for clients. In fact, we're constantly keeping tabs on the markets, the economy, and key trends on our clients' behalf.

Below are four risks many of our clients are facing, along with some general strategies that are often employed to combat these issues.

1. Outliving Your Money

Thanks to medical advancements and healthier lifestyles, life expectancy has increased. It's crucial to plan for a longer retirement to avoid outliving your resources.

There are a variety of strategies that can be employed to ensure income well into a retiree's golden years. For example, annuities can be an ideal option for some clients, as they offer regular lifetime income.

In some cases, we may recommend a person approaching retirement age delay taking Social Security, as waiting increases monthly payouts by 8% annually up until age 70. Additionally, if you are earning the most money of your career ahead of retirement (as many are), it may be even smarter to wait to take Social Security benefits, as your monthly payout is based on your 35 highest-earning years, adjusted for inflation. Once an American hits 35 years of employment, the annual earnings for every additional year of employment can cancel out a year of lower annual earnings.

2. Rising Medical Expenses

With more Americans living longer, demand for health care services and long-term care providers has increased — and so have associated costs. Higher costs are expected to continue, and planning for these expenses is essential. Long-term care insurance and health savings accounts (HSAs) are just two options that can provide financial security and ensure that health care costs do not deplete your retirement savings.

As noted above, retirement planning involves anticipating and strategizing for these risks to secure a stable and comfortable retirement. We are here to help you do just that.

3. Changes in Markets

Market volatility is an inevitable part of investing, especially challenging when you're nearing or in retirement. That is why, in many cases, the risk level of a portfolio decreases with age. When you're younger, your portfolio tends to be riskier, with more opportunity for reward, because you have time to make up for any losses. When you're older, your portfolio tends to have less risk but also less of a chance of outsized returns. This approach can offer key protection against market volatility in later years.

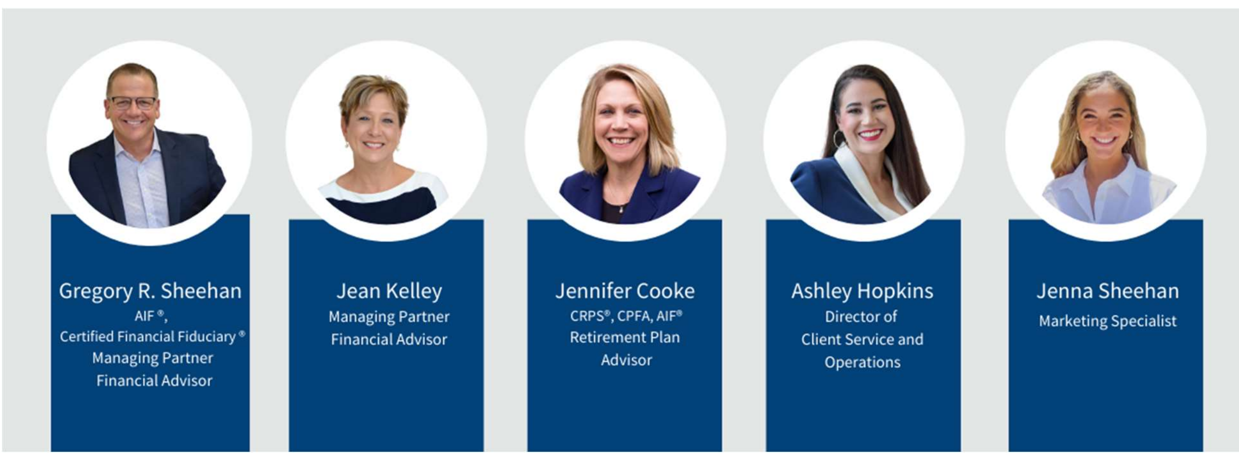
However, as some Americans have witnessed in recent years, it can be harder to keep a conservative risk level in investing during periods of high inflation.

4. Inflation

On the subject of inflation, maintaining a balanced exposure to growth-oriented investments like stocks is vital to keep up with inflation and preserve purchasing power. There are also other vehicles that can hedge against inflation, such as Treasury Inflation-Protected Securities (TIPS), which adjust returns based on inflation rates.

With that overview noted, if anything has changed in your life or if you would like to talk through any specific questions or concerns, know we are just an email or phone call away. Please reach out to our team with any questions or for financial advice. We are always here to help.

MEET THE TEAM



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