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FINANCIAL OUTLOOK

SPRING 2025

LEAVING A LEGACY

Many of us want to do our part to leave the world a better place. Fortunately, there are many ways you can ensure you'll have a meaningful impact on the world and leave a legacy that lasts long after you're gone, including the work you do or how you raise your family. Of course, you can also leave a financial legacy, using the wealth you've accumulated in your lifetime to do good in the world. Below are five different ways you can leave a financial legacy.

1. Give gifts in your lifetime. If you have the financial freedom to do so, making financial gifts while you are still alive is a great way to leave a legacy. Money you donate to qualified charitable organizations can be deducted from your taxes, saving you money while also helping you support a good cause. If you want to leave a family legacy, consider giving gifts to loved ones while you are living, like helping pay for your grandchild's college education. Just make sure you're aware of annual limits on what you can give to individuals without triggering gift tax ($19,000 per person in 2025).

2. Make a bequest in a will. Many people use their will to make philanthropic bequests, leaving funds to their favorite charity, alma mater, or church. For people who have money to give, recognizing an organization in their will is a relatively easy way to leave a legacy. Bequests in a will don't require any additional planning and are exempt from estate tax, provided the recipient is a qualified charitable organization. However, if you plan to make a substantial bequest to a charity, you may want to inform them of your plans in advance. This is particularly important if you plan to donate physical property, like real estate or artwork, as not all charities will want or be able to accept such donations, or if you plan to place restrictions on how the gift is used.

3. Create a charitable remainder trust. If you would like to make a substantial gift to a charity but also want to provide for your heirs or continue to receive income during your lifetime, a charitable remainder trust (CRT) may be an option. Here's how it works: You

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STOCK MARKET MISTAKES TO AVOID

If you are new to investing, there is no doubt you will make some mistakes. However, you should familiarize yourself with these mistakes and take steps to avoid them.

No Investment Plan — It is important to have a plan to help keep you on track and help you ride out turbulent markets. Your plan should include:

- **Goals** — Define what you are trying to accomplish so you can measure your portfolio's performance in meeting your goals. You will want to be as specific as possible, such as accumulating $1 million for retirement by age 60.
- **Risk Tolerance** — Define how much risk you are comfortable with so you can determine an appropriate allocation for your assets. Stocks are riskier than bonds and will fluctuate more than other asset classes, so you want to figure out how much risk you are willing to assume. The younger you are, the more risk you can typically assume, since you have more time to overcome any declines in your investments.
- **Asset Allocation** — You will want to determine how to allocate your assets across different invest-

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Leaving a Legacy

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transfer property to the trust (and get a tax deduction at the time of the transfer), and you or your heirs receive income from the trust for a specified period of time. Then, when that period ends, the remaining assets go to the charity of your choice. A word of caution: CRTs are irrevocable, which means once you've made this decision, you can't reverse it.

4. Set up a donor-advised fund. Know you want to leave money to a charity, but not ready to hand it over just yet? Consider setting up a donor-advised fund. A donor-advised fund allows you to make contributions to a fund that is earmarked for charity and claim the associated tax deduction in the year you contribute the funds. You continue to make more contributions to the fund, which are invested and grow free of tax. Then, when you are ready, you can choose a charity to receive all or some of the accumulated assets. It's a great way to earmark funds for charity now while also accumulating a more substantial amount of money to leave as a legacy.

5. Fund a scholarship. Endowing a scholarship is a great way to make a difference in the life of a talented student. Here's how it typically works: You give a certain amount of money to the school of your choice, which earmarks it to fund scholarships, often for certain types of students (e.g., female math majors, former foster children, or people suffering from a certain disease). Other scholarships are established through community foundations. A seed gift of $25,000 or $50,000 may be enough to get started. Be aware, however, that while you may be able to have a say in selection criteria for the scholarship, there's a good chance you won't be able to select the recipient yourself. If you want to do that, you'll need to distribute the money in another way, perhaps by setting up your own nonprofit organization.

6. Start a foundation. Starting a family foundation is appealing to many, especially those who like the idea of having greater control over how their money is used as well as the prestige that comes with running a foundation. Well-managed private foundations can also endure for many generations after you're gone. But you'll need substantial assets to make setting up a foundation worth it. Plus, foundations are complicated and expensive to set up and administer. But, if you are committed to the idea of giving back and especially if you want to keep the entire family involved in giving (a concern for many wealthy families), a private foundation could be the way to go.

Curious about steps you can take to leave a meaningful legacy? Please call to discuss this topic in more detail. OOO

Financial Harmony in Marriage

If you find yourself engaged in a struggle with a spouse who is your opposite when it comes to saving and spending, there are steps you can take to achieve balance and harmony.

1. Agree to be a team. That starts by giving up individual possessiveness about money: there's no "your money" and "my money." It needs to be "our money."

2. Agree on your goals. Start your teamwork by articulating your long-term goals; they're the most important and the easiest to agree upon. Be sure to be specific. Once you've reached an agreement on your long-term goals, try to set out the same kind of specific plans for your intermediate- and short-term goals.

3. Practice full disclosure. Being a team means each of you is empowered to act on behalf of the other with implicit approval. That requires that each of you has full command of the facts: how much money you make, how much you owe, and how much you spend.

4. Budget and pay bills together. Create a monthly budget that compares the total of your bills and expected out-of-pocket expenses with every penny of incoming cash. Include an itemized list of your debts and scheduled payment amounts, as well as your asset accounts and their balances. Pay your bills at the same time in the same place, and then update your budget spreadsheet as you do. This means revisiting your monthly budget at least once a month.

5. Update your checkbook(s). One way spenders rationalize their behavior is by keeping themselves in the dark about how much they really have to spend. If you're going to be faithful to the budgeting process, you have to keep careful track of your cash on hand and that means being sure your checkbook entries are up to date.

6. Agree on spending rules. You both need to agree on how much you can spend on purchases without consulting each other. Beyond this preset amount, you should talk about the purchase in advance and adjust your budget accordingly.

7. Create a financial plan. Everybody should have a professionally prepared plan, but for couples with polarized spending and saving habits, it's especially important. A professional can provide the expertise and tools you may lack. He/she will also serve as an impartial third party to help you defuse your money debates.

For help creating that financial plan or putting any of the other financial steps into practice, please call. OOO

Stock Market

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ments, such as stocks, bonds, etc.

- **Diversification** — Once you determine your asset allocation, you will want to diversify within each individual asset class. For example, when investing in stocks, you will want to spread your funds across large-, mid-, and small-cap stocks.

Time Horizon — Don't wait too long to start investing because time is your friend. If you are saving for retirement, plan on 30 years of investing to meet your goals. If you don't allocate enough time to meet a specific goal, you will need to adjust your asset allocation to help you meet the goal within a shorter timeframe. For example, if you start saving for a child's college education when he/she is a freshman in high school, your assets will most likely need to be allocated more heavily to stocks in an attempt to meet your goal in that timeframe.

Stop the Noise — Be careful with how much time you spend and the credence you lend to the financial media. Media noise can be hard to turn off, but remember the best advice is to stick to your plan.

Not Rebalancing — You will want to review your portfolio regularly and rebalance it if it strays from your target asset allocation. When you allow your portfolio to drift based on market returns, some asset classes will be overweighted at market peaks and underweighted at market lows, which may lead to poor performance. While it will sometimes feel counterintuitive to sell assets that are performing well for those that are not performing as well, your target asset allocation will lead to a stronger performance in the long term.

Chasing Performance — Many investors are always trying to find the next big investment. They will rely on recent strong performance as the single factor in purchasing an investment. If a certain stock has been doing extremely well for a number of years, you should probably have invested in it years ago, since it may be nearing the end of its high performing cycle.

When an investment is doing extremely well, many people will not sell and take the profit because they are afraid it will continue to increase in value. But there is also the risk that the investment will decrease in value.

You should also consider identifying a target value at which you will sell your stocks. This will help take the emotion out of your sell decisions.

Becoming Too Emotional — It's hard not to get emotional when the market encounters a severe correction, but the investors who have the ability to remain calm during these times more consistently outperform the market. If you start selling off investments at the worst possible time, you may then be out of the market when it starts to rebound.

While it is easier said than done, you have to build a resistance to those things that create emotional triggers so you don't make bad decisions. Thoughtfully consider new information, don't just follow the crowd, and make decisions when you are calm based on your long-term plan. Please call if you'd like to discuss this in more detail. ❍❍❍

Your Parents' Estate Plans

Estate planning can be a difficult subject to discuss with your parents. You don't want to seem concerned about how much money they may eventually leave you, while they may fear you are interfering with their finances. You don't need to know the specifics about who will receive what, but you should find out:

- **Where important estate planning documents are located.** Make sure documents are in place so their wishes will be carried out. Find out if they have a durable power of attorney and a health care proxy. With a durable power of attorney, they designate someone to control their financial affairs if they become incapacitated. A health care proxy delegates health care decisions to a third person when your parent is unable to make those decisions. Usually, this document also outlines procedures to be used to prolong life.
- **How to contact their advisors.** Ask for a list of names, addresses, and phone numbers of lawyers, accountants, and financial advisors.
- **Their rationale for distributing their estate.** Often, when heirs understand why an estate is being distributed in a particular manner, it can prevent problems among those heirs. If your parents are reluctant to discuss these things now, suggest they leave a personal letter with their estate planning documents explaining their rationale for distributions. This is a good place to explain unequal bequests or large charitable contributions.
- **Preferences for the future.** Find out where your parents would like to live if they're not physically able to live in their current home. Do they want to move in with relatives or live in an assisted-living facility? Discuss what procedures they want performed to prolong life in the event of a terminal illness. Determine their preferences for funeral arrangements. ❍❍❍

FINANCIAL DATA

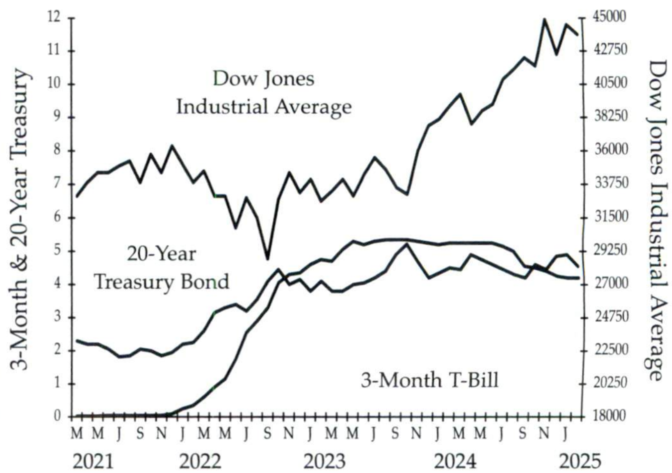
	Month-end				
Indicator	**Dec-24**	**Jan-25**	**Feb-25**	**Dec-23**	**Feb-24**
Prime rate	7.50	7.50	7.50	8.50	8.50
Money market rate	0.42	0.40	0.41	0.48	0.51
3-month T-bill yield	4.23	4.20	4.20	5.26	5.26
10-year T-bond yield	4.58	4.58	4.24	3.88	4.25
20-year T-bond yield	4.86	4.88	4.55	4.20	4.51
Dow Jones Corp.	5.45	5.37	5.24	5.17	5.49
30-year fixed mortgage	7.33	7.29	7.05	7.09	7.47
GDP (adj. annual rate)#	+3.00	+3.10	+2.30	+3.40	+2.60

	Month-end			% Change	
Indicator	**Dec-24**	**Jan-25**	**Feb-25**	**YTD**	**12-Mon.**
Dow Jones Industrials	42544.22	44544.66	43840.91	3.0%	12.4%
Standard & Poor's 500	5881.63	6040.53	5954.50	1.2%	16.8%
Nasdaq Composite	19310.79	19627.44	18847.28	-2.4%	17.1%
Gold	2616.45	2812.05	2834.55	8.3%	38.4%
Consumer price index@	315.49	315.61	317.67	0.7%	3.0%
Unemployment rate@	4.20	4.10	4.00	-4.8%	8.1%

— 2nd, 3rd, 4th quarter @ — Nov, Dec, Jan Sources: *Barron's*, *Wall Street Journal*

4-YEAR SUMMARY OF DOW JONES INDUSTRIAL AVERAGE, 3-MONTH T-BILL & 20-YEAR TREASURY BOND YIELD

MARCH 2021 TO FEBRUARY 2025



It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

FROM THE DESK OF: TOBIN HOM

DON'T FORGET DIGITAL ASSETS

When preparing an estate plan, people often forget about their digital assets. But with so many managing their lives online, digital assets are an integral part of your estate plan. There is a myriad of digital assets to think about as part of your plan, including:

❍ Computers, external hard drives, smart phones, cameras, flash drives, and other electronic devices.

❍ Online accounts such as bank accounts, investment accounts, utilities, mileage and reward accounts, and social media accounts.

❍ Any important documents you have stored in electronic files, such as tax returns, insurance documents, wills, and trusts.

The first step is to conduct a thorough inventory of all your digital assets. Make a list that includes the type of asset it is, the location, website addresses where applicable, usernames, and passwords. You should provide the written list to the person you are entrusting to take care of these assets or keep a copy with your will.

Other options to consider for storage of these assets is an online vault and a password manager. The online vault allows you to store all of your important documents in one secure online account. The password manager stores all of your usernames and passwords for all of your online accounts. Then only access to one password gives information for all of your other accounts.

In your estate plan, you will want to provide clear instructions as to who is responsible for your digital assets and how you want them handled. You will want to select someone you trust, because you may have private details that you want kept private. Make sure you indicate if you want accounts closed, documents deleted, and any accounts or documents to go to a certain person, especially if there is any associated monetary value. ❍❍❍

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As a Financial Advisor of Raymond James & Associates, I am not qualified to render advice on tax or legal matters. As federal and state tax rules are subject to frequent changes, you should consult with a qualified tax advisor prior to making any investment decision.