VOLUME 12, ISSUE 4
WINTER 2024

THE NAVIGATOR

THE COMPASS WEALTH GROUP

Financial resolutions for 2025

RETIREMENT & LONGEVITY

Start the new year right by reviewing and revamping your financial plan.

Instead of hauling out those familiar New Year's resolutions about keeping a journal or drinking more water, how about focusing on your financial well-being? Here's a set of resolutions that can help ensure your long-term financial confidence.

UPDATE YOUR BENEFICIARIES

If you don't correctly document your beneficiary designations, who gets what may be determined by federal or state law, or by the default plan document used in your retirement accounts. When did you last update your designations? Have life changes (divorce, remarriage, births, deaths, state of residence) occurred since then?

Update your beneficiary listings on wills, life insurance, annuities, IRAs, 401(k)s, qualified plans and anything else that'd affect your heirs. If you've named a trust, have any relevant tax laws changed? Have you provided for the possibility that your primary beneficiary may die before you? Does your plan address the simultaneous death of you and your spouse? An estate attorney can help walk you through these various scenarios.

CREATE FLEXIBLE LIQUIDITY

Cash has inflation and opportunity tradeoffs, but a lack of access can cause greater problems if you find yourself needing to draw from your investments. Finding a balance in line with your life and goals is important to avoid disrupting your long-term plans.

The right liquidity strategy will be different for every investor and could incorporate cash reserves, cash alternatives, highly liquid securities, lines of credit, margin loans or even structured lending. Multiple institutions and account owners can be used to hold more than $250,000 with FDIC guarantees.

EVALUATE YOUR RETIREMENT PROGRESS

What changes are needed given your current lifestyle and the market environment? Don't fixate solely on your assets' value – instead, drill down into what types of securities you hold, your expected cash flows, your contingency plans, your assumed rate of return, inflation rates and how long you're planning for. Retirement plans have many moving parts that must be monitored on an ongoing basis.

DIGITIZE YOUR RECORD KEEPING

You likely receive emails, letters reports and updates from multiple accounts. Consider going paperless and centralizing important files in one place to reduce frustration and ensure easy access when needed. Your advisor may have access to secure storage tools that can help.

REVIEW YOUR ACCOUNT TITLING

Haphazard account titling can create problems down the line. If one partner dies and an account is titled only in their name, those assets can't be readily accessed by the survivor. The solution may be creating joint accounts, but it's not always that simple. Titling has implications across a range of estate planning issues, as well as other situations such as Medicaid eligibility and borrowing power, too.

DEVELOP A CHARITABLE STRATEGY

Investors should be less interested in politics and more interested in private-sector business leaders who are going to harness artificial intelligence and robotics. They may be able to help cure debilitating diseases, evolve the nation's energy sources, and develop new technologies and industries that aren't even on the radar.

History suggests that innovations and investment opportunities will continue irrespective of who wins a presidential election. The period since 2008, for instance, has included Democratic and Republican presidents. Many innovations were introduced during this time including 3D printing, cloud computing, gene editing, and virtual meeting software.

CONTRIBUTION LIMITS

2025 contribution limits for the following:

Traditional & Roth IRA Limits:	$7,000
IRA Catch-Up Limits (age 50 & up)	$1,000
Simple IRA Participant Minimum Compensation Limits For Contributions	$750
Simple IRA Employee Deferral Limit	$17,600 Or $16,500
Simple IRA Catch-Up	$3,850 Or $3,500
401(k), 403(b), SARSEP IRA and 457 Plan Employee Deferral Limits*	$23,500
401(k), 403(b), SARSEP IRA and 457 Plan Employee Deferral Catch-Up contribution	$7,500

ARE YOU CONTRIBUTING?

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SPARK A FAMILY CONVERSATION

Sustaining the benefits of wealth for generations is nearly impossible without a mutual understanding among family members. Consider creating a family mission statement that outlines the shared vision for your wealth and legacy. This should include nonfinancial topics, too, like your values, expectations and important life lessons.

INVEST WITH YOUR VALUES

Your portfolio should reflect what matters to you – and that can mean anything from avoiding particular industries to actively pursuing an ESG (environmental, social and governance) investing approach. So whether you want to promote the transition to clean energy, advocate for diversity and inclusion in the workplace, or support companies with strong data privacy practices, your portfolio can be tailored to reflect those priorities.

CHECK IN WITH YOUR ADVISOR

Your advisor can offer specialized tools, impartiality and experience earned by dealing with many market cycles and client situations. Communicate openly about what's happening in your life today and what may happen in the future. It's difficult to manage what they aren't aware of, so err on the side of over-communicating and establish a regular check-in schedule for the year ahead.

These suggestions are a helpful starting point, but no two long-term plans are identical – so reach out to your advisor for more specific guidance about progressing toward your goals in 2025.

Investing involves risk, and you may incur a profit or loss regardless of the strategy selected. Not all investments or strategies mentioned are suitable for all investors.
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Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a donor advised fund for federal and state tax purposes.

To learn more about the potential risks and benefits of donor advised funds, please contact your advisor.

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

Giving is a Family Affair

Estate & Giving
How to inspire charitable values for generations to come.

As wealth grows, so does the desire to increase charitable contributions – and leave a legacy of generosity. Involving your family in such a noble effort can bring even greater joy. It's a heartwarming feeling when you pass down your value of helping others, to live on long after you're gone.

Before money actually reaches your heirs' hands, you'll want to prepare them for this great responsibility and invite them to actively participate in your giving. There are many ways to do this, casually and formally, but doing it alongside them will set the tone for your expectations later on – and inspire them to perpetuate your benevolence.

VALUES, MORE THAN MONEY

It's easy to get caught up in the details of how best to earmark money for your family to facilitate charitable contributions. But before we consider the how, think about the why. Reflect on why it's important to involve your family in charitable affairs (which may help guide your strategy for execution).

Share with your family why charitable giving is a value you want to pass on to them. They should understand your motivations for doing it and what programs you're passionate about. Educating them on why charitable contributions are important to you will inspire them to make the same impact. If you share stories of how you were able to affect some of the causes close to your heart, they'll also be able to be better stewards for your money (and theirs), later on.

Everyone's talking about this Great Wealth Transfer, in which an estimated $84 trillion is set to transfer from the hands of baby boomers to their heirs. While $72 trillion is projected to go to the next generation, $12 trillion is expected to be donated to charities over the next 20 years. Prepare your family for the plans you've put in place by starting conversations about your expectations.

You can create a family mission statement to guide your giving but allow your children and grandchildren to start building their own philosophy as well. After all, one of the reasons they'll take interest in participating is that they can decide where some of the funds go. They may see different causes that will benefit from the donations and making a real difference for these charities will spark continued generosity.

VEHICLES FOR DONATING

Knowing about the charitable vehicles available will help facilitate your family's active participation in giving. Each vehicle offers its own benefits, so speak to your advisor about which option is best for your situation.

Private foundation: One of the biggest draws of private foundations is their ability to offer customized and high-touch charitable giving options, including scholarships and competitive grants. You can establish a private foundation and invite your family members to become board members or to vote on where charitable funds will be distributed. Private family foundations can be funded on an ongoing basis through cash, publicly traded securities, private stock, real estate and other family-controlled assets (distributing at least 5% of assets to charities or qualifying individuals each year). Depending on the level of involvement your family members want, you can elect one of them to manage the foundation or hire a professional operating partner to oversee administrative tasks, as they can become complex and burdensome.

Donor advised fund (DAF): Another option to involve family members (perhaps with less of an administrative burden than that of private foundations) is a DAF. These are a popular choice because they offer great tax benefits and desirable flexibility. Unlike private foundations, DAFs aren't required to meet annual distributions requirements, and you can take the immediate tax deduction when you contribute to the fund. In fact, the deduction for contributing cash can be up to 60% of adjusted gross income and 30% for long-term publicly traded securities. (That compares to 20% and 20% respectively for a foundation.) You can use your family name or moniker to name the fund, and even remain an anonymous donor if you wish.
While involving your family in the giving decisions for these family charitable endeavors is a good start, you may consider starting a separate foundation or DAF for family members if there's interest down the line for increased involvement – doing so may mean leaving a more profound family legacy. This will give your children or grandchildren full ownership over choosing the causes to support, and a sense of pride that they were able to make a difference.

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LEAVING A FAMILY LEGACY

Regardless of the approach you take to family giving, the end goal is to leave a family legacy of generosity. This starts with a conversation and living and breathing the values of caring and giving on a regular basis. In fact, according to More than Money 360, lack of communication and trust are at the top of the list of risks to family's wealth (along with deficiency in legacy planning).

Communication about financial wealth should not just focus on money. Instead, incorporating core values, legacy, philanthropy and defining life experiences will refocus the conversation on the family unit – what matters most. Coupled with active participation in giving, this practice helps foster a spirit of gratitude over entitlement.

As your family members age, they may find new causes they care about and have the desire to support. If you lay the groundwork for charitable giving, they will carry it with them for the rest of their lives – and pass it down to the next generation. Talk about making a difference.

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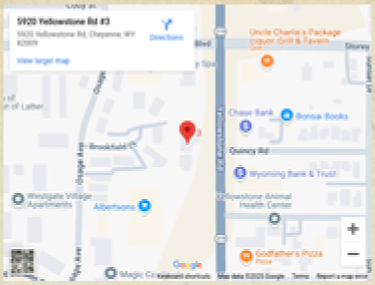

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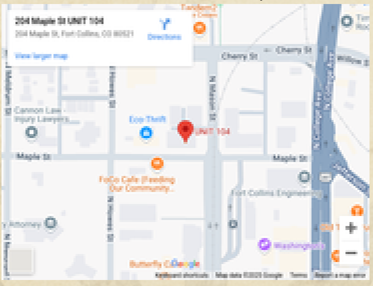

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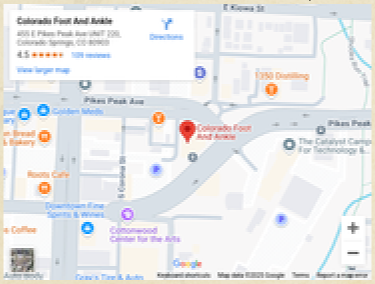
COLORADO SPRINGS, CO



455 E PIKES PEAK AVE., STE 301, COS CO 80903

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If you want to stay up to date on what's happening with The Compass Wealth Group, as well as gain access to interesting articles and the latest financial news, follow us on Facebook and LinkedIn. We post 2-3 relevant articles per week in order to give you our insights on interesting news and current financial trends.

Find Brian, Randy, and Jess on LinkedIn for their posts and insights

KNOW SOMEONE WHO WOULD BENEFIT?

We gladly accept referrals. If you know someone who might benefit from our services, please let us know. Here is a list of services that we offer:

- ⚓ Financial Planning
- ⚓ Retirement Planning
- ⚓ College Planning
- ⚓ Portfolio Management
- ⚓ Charitable Gift Planning
- ⚓ Business Planning
- ⚓ Long-Term Care, Life &Disability

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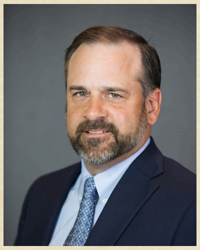
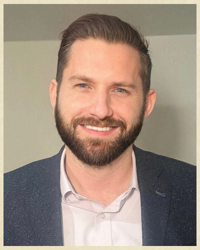
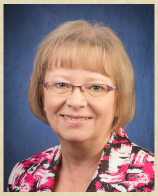


RANDY HALFPOP, CFP®, M.S.
OWNER - FINANCIAL ADVISOR
RANDY.HALFPOP@RAYMONDJAMES.COM

BRIAN EILERS, CFP®
OWNER - BRANCH MANAGER
BRIAN.EILERS@RAYMONDJAMES.COM

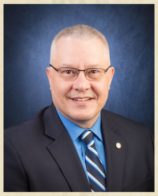


JESS RYAN, CFP®, AIF®
FINANCIAL ADVISOR
JESS.RYAN@RAYMONDJAMES.COM

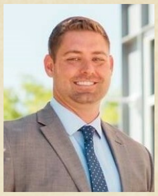


CHERIE PRZYMUS, FPQP™
FINANCIAL ADVISOR
CLIENT SERVICE MANAGER
CHERIE.PRZYMUS@RAYMONDJAMES.COM

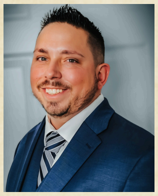
STEPHANIE SCHMITT
CLIENT SERVICE ASSISTANT
STEPHANIE.SCHMITT@RAYMONDJAMES.COM



TROY KIMBALL, CFP®
FINANCIAL ADVISOR
TROY.KIMBALL@RAYMONDJAMES.COM



AUSTIN KELLY
FINANCIAL ADVISOR
AUSTIN.KELLY@RAYMONDJAMES.COM



DRAKE GUERRA
FINANCIAL ADVISOR
DRAKE.GUERRA@RAYMONDJAMES.COM

T: (307) 635- 6644 F: (307) 635- 0695

5920 Yellowstone Rd, STE 3
Cheyenne, WY 82009