



SULLIVAN ASSOCIATES

AN INDEPENDENT REGISTERED INVESTMENT ADVISOR

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Reemerging Animal Spirits

**Why Women Should Know
Their Personal Finances**

**What Time Is The Right Time for
Retirement?**

**A wealth management practice providing tailored solutions
through a collaborative client experience for over 40 years**

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The Financial Advisor Newsletter

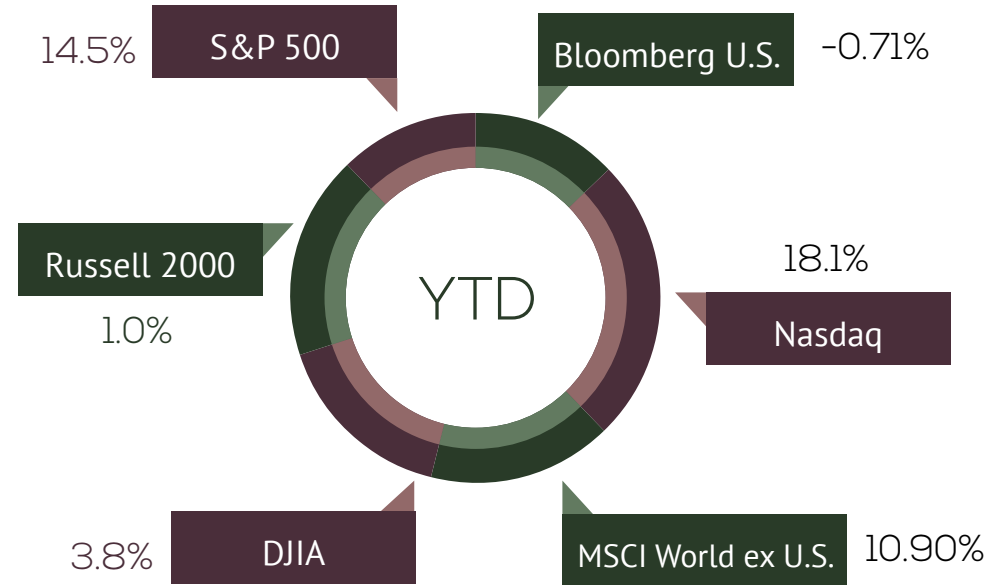
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Front cover photo taken by Patrick L. Sullivan

ECONOMIC SNAPSHOT



Source: WSJ, 07/01/2024 & FactSet, 06/28/2024. Inclusion of these unmanaged indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will effect actual investment performance. Individual investor results will vary. Past performance does not guarantee future results. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing the stocks of 30 companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Nasdaq composite is an unmanaged index of securities traded on the Nasdaq system. (The Dow Jones Global ex US is a stock market index measuring equity securities traded globally in 64 countries, excluding the U.S.). The Bloomberg US Aggregate Bond Index is a benchmark index composed of US securities in Treasury, Government-related, Corporate, and Securitized sectors. The Russell 2000 index measures the performance of the 2000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

KEVIN'S VIEW

REEMERGING ANIMAL SPIRITS

As we move into the second half of 2024, we marvel at a great start to the year. The stock market indices continued their march to new highs for the last six months with a few missteps here and there. This has been supported by good economic data, including strong employment and GDP numbers. However, personally, there is a growing sense of Déjà vu. Let me explain.

I started full time in this business in August of 1999. My preceding job was at a consulting firm where I was busy doing computer programming. For those of you who don't remember, 1999 was the height of the dot.com boom. Coming out of technology myself, it is safe to say I was a "True Believer" that the explosion of the internet was going to change everything. It's safe to say I was right, but things didn't exactly work out in the way I expected.

At that time, there was a pervasive belief that the Internet would bring with it an almost never-ending level of prosperity, and the typical business cycle of expansions and contractions was over. I attended presentations at conferences justifying the valuations of high flying "Cocktail Party" stocks. I distinctly remember sitting in a meeting and hearing the quote, "all you



need to get a good return is a few technology stocks.” The overall consensus was that “it’s different this time.” Of course, that was wrong.

Once we made it through the potentially world ending event that was Y2k (kids, ask your parents), the business cycle came back with a vengeance. The next three years the S&P 500 index saw negative performance and high-flying technology stocks were laid low. Some have never reached their highs again - almost 24 years later. A few years later, in the late 2000s, I saw similar behavior in the real estate markets which culminated in the Global Financial Crisis.

Now, to be clear, I am NOT saying we are on the precipice of another financial crisis or a similar dot.com crash. However, I am starting to see some clear signs of what the great economist, John Maynard Keynes, described as “Animal Spirits,” or to put it in current terms, there is a lot of FOMO (parents, ask your kids) going on. I just got back from a conference in beautiful, Beaver Creek, Colorado and one of the presentations was on how the high-flying stocks of this year can continue. There is a lot of focus on just a few popular stocks right now that are seen as a “sure thing,” when we know there is no such thing.

So, what are investors to do in times like these? My advice is three-fold. First, focus on your overall plan and remember investing is a long-term effort, not a sprint. Second, if you start hearing about stocks or other investments from people who don’t normally talk about stocks, it’s probably too late. Finally, these are great times to revisit your risk tolerance, and make sure that it fits in line with what you are comfortable with.

Please reach out to us with questions or concerns or if you’d like to discuss things further.

We appreciate your trust and confidence.

Coming attractions: Our next newsletter in October will be focused on the Election from an economic and markets point of view. If you have any questions you’d like to see answered please feel free to reach out to me! ☐

The highest compliment we can receive is when you let your families and friends know about us.
Referrals Welcome!

KATEE'S KORNER

WHY WOMEN SHOULD KNOW THEIR PERSONAL FINANCES

I've been discussing **"Why Women Should Know Their Personal Finances"** a lot lately. Recently, I was told a story of a 35-year-old woman whose spouse was in the hospital. Her paycheck goes directly into *his* bank account, not a joint one. Unfortunately, he's been sick, and she has no way to pay their mortgage or bills. Now, imagine if they had little children as well. Sadly, this happens all too often. Understanding personal finances is crucial for everyone, but it is especially important for women. Here are several compelling reasons why women should be proactive about managing their finances.

Financial knowledge provides women with the tools needed to achieve independence and security. By understanding how to budget, save, invest, and plan for the future, women can make informed decisions that safeguard their financial well-being. This independence ensures that women can support themselves and their families, regardless of life changes (marriage, divorce, or death of a spouse).

Women, on average, live longer than men, making retirement planning particularly important. We also face the ever-persistent gender pay gap.

Being well-versed in personal finance allows women to advocate for themselves and for fair pay. By understanding personal finance, women can better support their families' financial goals, such as buying a home, funding education, or saving for emergencies. For women, understanding personal finances is not just about managing money; it's about achieving independence, security, and confidence.

If you or any women you know (mother, spouse, daughter, sister) wants to understand your finances better or would like a Finance 101 class, please reach out to us! ☐

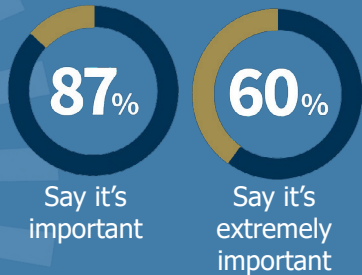


What Do You Want for the Future of Your Wealth?

COMMUNICATION

Open, consistent communication is a critical element of passing on wealth successfully - and our respondents seemed ready to talk.

Maintain Family Harmony



Ensure Heirs Are Ready

45%

Are concerned about their heirs' lack of preparation for managing inherited wealth

Start the Conversation Early

7 in 10

Say proactive communication from a loved one ahead of a significant inheritance is important

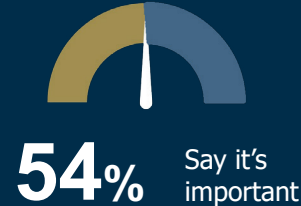
Be Transparent About Expectations and Who Gets What

89% Say it's important

PHILANTHROPY

Charitable giving is a fundamental - and growing - part of sharing success. And beyond knowing where money should go, respondents want to know the whys.

Make a Positive Philanthropic Impact



Give Big

12%

Plan to leave more than a quarter of their wealth to charitable causes.

Know the Story

3 in 5

Would want to hear the impactful stories that shaped the values and character of the person leaving an inheritance.

TAXES

Taking a strategic approach to taxes can help to preserve wealth at transfer. Respondents know that – but it doesn't necessarily mean they're ready.

Consider the Impact on Taxes

91% Agree that tax efficiency is an important part of the transfer planning process

37%

either don't have tax efficient strategies in their plans or aren't sure, but...

69%

of those respondents are "somewhat" to "very" interested in exploring tax planning.

Close the Preparedness Gap

YOUR TEAM

When it comes to achieving what we want for our wealth, the key could be the people we surround ourselves with. Respondents who worked with a financial advisor and other professionals were likelier to feel ready for wealth transfer.

Prepare For Wealth Transfer

- work with a financial advisor
- don't work with a financial advisor

Have a Document Transfer Plan:



Incorporate Tax-Efficient Strategies:



Feel Extremely Prepared:



Work With an Advisor

82%

Say working with an advisor increased their confidence in their plans

Keep Your Wealth Going

Preserving your wealth's momentum from one generation to the next (and the next and the next) starts with a plan. We can help you make the first move.

WHAT TIME IS THE RIGHT TIME FOR RETIREMENT?

A recent survey by the Employee Benefit Research Institute found that only 11% of workers plan to retire before the age of 60. But with the right preparation, you can create a retirement plan that will provide you with financial resources and freedom to pursue your passions, whether you flip the switch at 65, 60 or sooner.

PREPARE FINANCIALLY

Meeting with our office can help you evaluate your situation and create a plan for managing your assets and liabilities. We can also help you understand your income sources in retirement – such as Social Security, pensions, or investments – and help ensure you're on track to meet your retirement goals. Getting clear on the kind of retirement you want helps create the groundwork for getting a financial plan that's aligned with your end goal. Do you envision traveling, pursuing hobbies, or spending time with family? What kind of lifestyle do you want to maintain? If you plan to travel extensively or pursue expensive hobbies, for example, you may need to save more than someone who plans to live a more modest lifestyle.

GEAR UP EMOTIONALLY

Not only does assessing your retirement readiness involve evaluating your financial situation, but it also requires an honest assessment of your emo-

tional readiness to leave the workforce. Retirement can be an emotional time, particularly for those who have spent their entire lives focused on their career or building a business. It's important to think about how you'll adjust to find fulfillment and fill your time in retirement. Will you miss the social interaction and sense of purpose that comes with work? What activities will you pursue?

FIND A SENSE OF PURPOSE

One of the keys to redefining retirement is to approach it with a sense of purpose. Retirement provides the freedom to explore new interests, take risks, and make a difference in the world. Especially, if you're retiring early, there's more opportunity and more time to try new things. By focusing on what matters most to you, you can create a retirement that's fulfilling and meaningful – which is important for your overall happiness and well-being.

PRIORITIZE YOUR WELL-BEING

While physical health is important, finding a creative outlet can help you support your mental health as well. Consider activities that you don't have as much time or energy for while working full-time. What do you wish you could do during your day? It's even better if one of your creative outlets

includes social interaction. Research from the Yale Medical Group shows that social connections are correlated with improved immune system, lower risk of heart problems and high blood pressure, fewer incidences of cancer, and deterring osteoporosis and rheumatoid arthritis. Setting yourself up now to stay connected in retirement can benefit your mental and physical health and provide chances for personal growth and fulfillment well into your retirement years.

PLAN FOR HEALTHCARE COSTS

Once you reach the age of 65, Medicare becomes available to you. But if you retire sooner, healthcare insurance to tide you over to 65 can be quite expensive. Healthcare options for early retirees include COBRA, government health insurance marketplace plans, private policies and keeping some form of employment that offers health insurance. There are also ser-

vices which can assist with finding a health insurance plan that is right for you. Each option comes with its own costs and benefits, so it's essential to weigh your options carefully. For example, if you opt for a private policy, you may have more from which to choose, but the costs can be high. It's also important to consider the potential healthcare costs or insurance options associated with caring for an ill spouse or adult children.

ENJOY A GOLDEN OPPORTUNITY

By taking the time to rediscover yourself, assess your situation, and plan accordingly, you can retire on your own terms whether you're at retirement age or not – and feel confident doing so. When we retire from work, we don't retire from life – we're simply moving on to another phase. You will have opportunities to redefine your purpose, find causes that light you up, and embark on adventures that remind you age is indeed just a number.

NEXT STEPS

If you're planning to retire before 65, here are a few tips:

- Think about what you want to do with your time that you haven't been able to focus on.
- Find activities that align with your interests and skills, including volunteering, starting a new career, traveling, or pursuing a hobby.
- Plan for health insurance and the associated costs.
- Keep physically active and mentally engaged by trying activities that challenge you and keep you motivated. ☐

Source: Raymond James



DID YOU KNOW?

August 1st is Information Security Day

Criminals are getting more sophisticated. But you can combat the risk by putting these protections in place:

- Use multifactor authentication, which requires two or more authentication factors to access devices, applications, or online accounts.
- Use secure passwords that include a mix of uppercase and lowercase letters, numbers, and symbols. Make sure each password is at least 12 characters and doesn't contain personally identifiable information.
- If you are unsure if a call you answer is a vishing scam, hang up and dial the company you believe is trying to reach you – for example, your bank – directly.

Sullivan & Associates Commitment to Secure Communication

At Sullivan & Associates, we prioritize the security & confidentiality of your information. Ensuring your peace of mind is fundamental to our approach. To maintain the highest standards of security, we communicate only through secure channels. For your protection, we do not engage in communication via personal text message, iMessage, or any other non-secure platforms. Please use the following forms of communication to reach our office.

- Phone: (719) 576-4500 or (877) 423-7237

- Email: All emails are listed on the back of the cover of this newsletter.
- Text: (719) 625-2533. This is the only number available for text messages. Please be sure not to text any others, including personal cell numbers.

Please keep in mind that any request for change to an account (including moving money & placing trades) can not be done with a message left in voicemail or any alternative method, and that you must speak with a member of our team directly.

Dates to Remember

- Sept. 15: Third quarter estimated tax payments are due.
- Oct. 1: Last day to establish a SIMPLE IRA plan or a safe harbor 401(k) to be effective for 2024.
- Oct. 15: Open enrollment for Medicare Parts C and D begins. Make any changes to your coverage by Dec. 7.
- Oct. 15: The final day to file a 2023 income tax return for those issued an extension.



SUMMER/FALL 2024 MARKET CLOSURES

Sept. 2: Labor Day

Source: Raymond James

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Your Dreams. Your Goals. Our Priority.

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