

Personal Finance



Top Money-Saving Tips

As America's overall savings rate continues its downward trend, more and more people are at risk of facing a severe financial challenge in the face of an emergency.

Maintaining adequate savings provides the means to respond to vehicle break-downs, job loss or unexpected health issues.

Circumstances like these can happen unexpectedly, and you'll need a financial cushion if they do. Need to grow your nest egg? Here are the top money-saving strategies:

SHOPPING STRATEGICALLY

Approach grocery shopping with a plan. Organize meals based on what you already have at home, create a detailed shopping list, and resist impulse buys by adhering to the week's specific needs.

Take advantage of coupons and loyalty programs to make sure you get the best prices on necessary items. Some cash-back credit cards provide additional rewards for grocery spending, so be sure to pay off the full balance each month to avoid interest or other fees.

TAKE A BREATH

To prevent overspending,



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consider implementing a 30-day rule for significant purchases. This strategy introduces a “cooling-off period” before making a decision.

You may find yourself reconsidering the purchase. Even if you choose to proceed, this time can be spent searching for better deals, annual sales or money-saving coupons.

BUNDLE IT ALL UP

Look for opportunities to consolidate services or products for cost savings. For instance, you might consider merging your internet, phone and TV services into a single package — particularly if a provider offers discounts. Even if they don't, bundling often results in lowering your monthly bill. Monitor subscriptions and cancel any services

that are rarely or never used.

LOWERING KEY DEBTS

Make it a priority to pay off high-interest debts, which most often involve credit card balances. By reducing or eliminating these bills, you can direct more funds toward your savings. Spending cash on hand from your financial reserve is faster, easier and it saves money in the long run.

AUTOMATE THE PROCESS

Make saving easier by establishing automatic transfers from checking to savings. As you set aside money, your savings will grow — and you won't need to actively think about the process. This can be easily set up through your bank's website or associated apps. If you're unfamiliar with the technology, ask your local banker for tips.

If Your Identity Is Stolen

Significant financial turmoil can follow hacking incidents and data breaches — but sometimes it's simply a matter of losing your phone or wallet.

Suddenly, your identity has been stolen. About five million Americans experience fraud and identity theft each year, according to the Federal Trade Commission. Beyond the financial consequences, victims must deal with worsening credit scores and lots of stress. Here's what to do if you find yourself in this challenging situation:

REPORT THE CRIME

If you find yourself a victim of identity theft, the first step is to reach out to the Federal Trade Commission, either by calling (877) 438-4338 or visiting usa.gov/identity-theft. Representatives will assist you in completing a form that verifies your situation for banks, creditors and reporting entities. They will help you create a personalized recovery plan tailored to your specific circumstances. Be aware that some creditors may ask for a police report, so it's smart to contact local law enforcement next.

FIXING YOUR CREDIT

The next step involves reaching out to national credit bureaus such as Equifax,

TransUnion, and Experian. You only need to place a fraud alert on your credit report with one of these bureaus. The others will be automatically notified. If the identity theft leads to ongoing issues, however, you may need to provide a copy of the Federal Trade Commission theft report to each national credit bureau to initiate a special alert that can

remain in effect for up to seven years.

CONTACT LENDERS

Reach out to the fraud department at your personal credit card and banking institutions. Contact retailers and others where you hold credit accounts. Depending on your position within the company, it may be necessary to notify

your current or prospective employers. If you have experienced IRS tax ID theft, Medicare fraud or unemployment identity theft, contact the appropriate offices directly.

NEW SAFETY PRACTICES

It may be smart to implement new safety practices to reduce the risk of this

happening again. Avoid carrying your Social Security card in your wallet or purse. Be cautious when sharing sensitive personal information like your birth date, and keep all bank information confidential. Regularly review your account statements for any unusual or unexpected changes. Never conduct banking transactions over public Wi-Fi.



Tax-Smart Investing

You're never going to completely avoid taxes. Nevertheless, investors can lower their obligations through effective strategies and careful planning.

Focus on minimizing tax liabilities and creating more efficient investment growth over time to build wealth and keep your hard-earned money. Tax-efficient investing also involves staying informed about potential changes in tax legislation and seeking our professional advice, as needed.

CHOOSING WISELY

Choose investment funds that prioritize tax efficiency. Index funds and exchange-traded funds are often celebrated for their tax-friendly nature. They generally produce fewer capital gains than actively managed funds. Consider distributing investments across different account types, including tax-free, tax-deferred and taxable accounts. Remember that various assets come with their own tax implications. Learn the differences to help mitigate your overall exposure. Additionally, consider tax-managed funds, which are actively overseen with an emphasis on minimizing taxable distributions. These funds employ selective



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selling of securities to lower capital gains.

NEW STRATEGIES

Tax-loss harvesting involves the deliberate sale of underperforming investments to counterbalance gains within your portfolio. This approach can help lower your taxable income and potentially decrease your overall liability. By leveraging deductions or tax-free growth opportunities, you can grow your wealth

while postponing tax obligations until retirement. Avoid frequent trading in your investment portfolio, as this can lead to capital gains taxes. Instead, consider a buy-and-hold strategy to minimize taxable events. Long-term investment can qualify you for more favorable capital gains tax rates, as assets held for over a year generally benefit from lower rates. That promotes a more patient investment philosophy.

Municipal bonds can also yield tax-free interest income. Make regular contributions to tax-advantaged retirement accounts like IRAs or 401(k)s to gain other benefits.

GETTING STARTED

Establishing a tax-efficient strategy from the beginning will help you avoid unnecessary tax repercussions in the future. To get started, create a tailored strategy with a tax advisor or financial planner

who specializes in tax-efficient investing. Diversifying your investment portfolio can help mitigate risk. Stay informed about changes in tax laws and regulations that could affect your investment approach. Regularly review your portfolio and look for opportunities to make tax-efficient modifications, including tax-loss harvesting or rebalancing. Choose funds known for their tax efficiency and low turnover rates.

Health Care and Your Wallet

Insurance protects your health and provides financial security against medical costs.

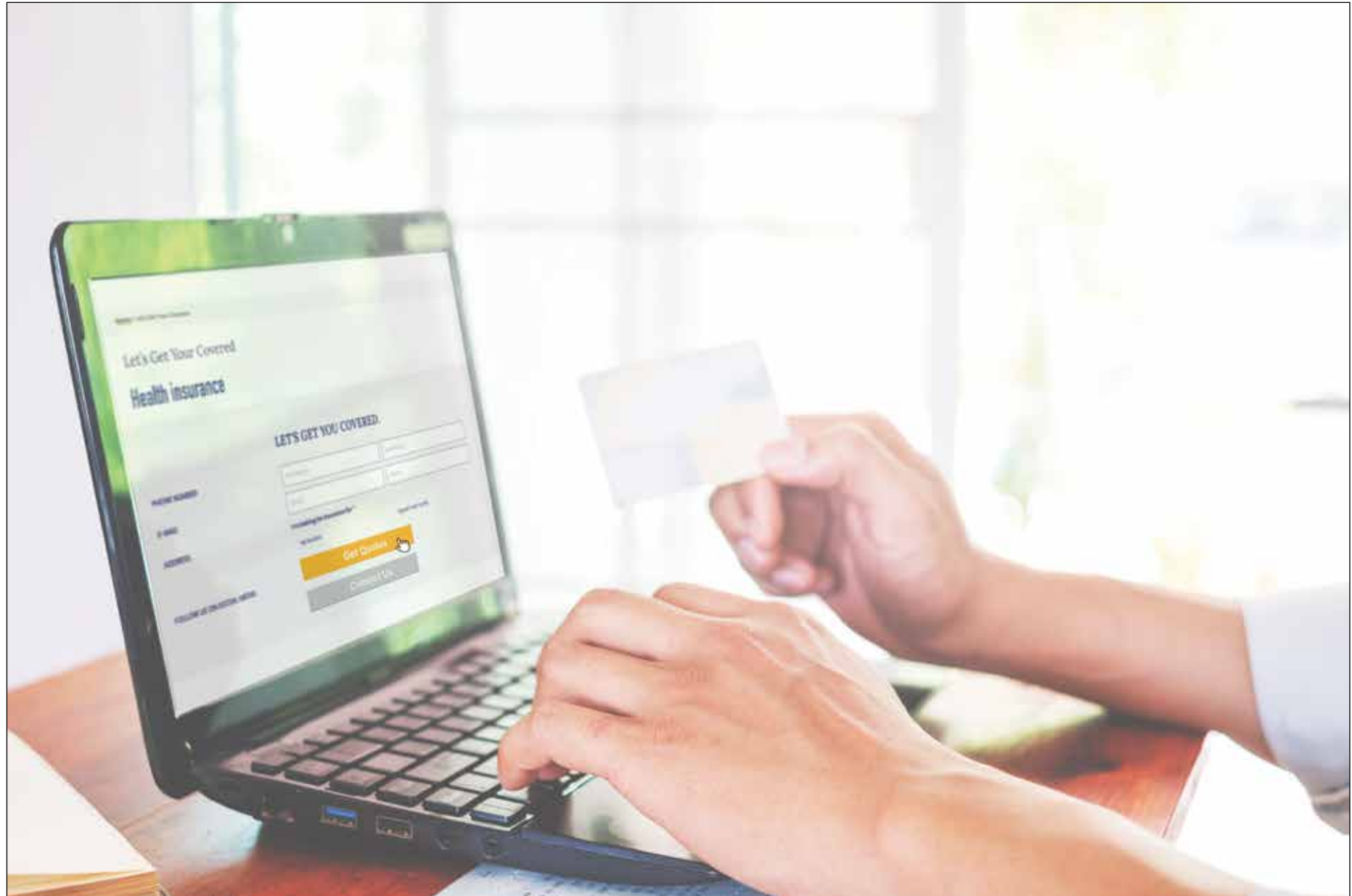
Still, navigating the intricacies of coverage plans, policies and terminology can be daunting. Start by familiarizing yourself with key terms and the various coverage types. If you get stuck, contact your health insurance provider for clarification.

DIFFERENT PLANS

There are several categories of health insurance plans, including health maintenance organizations (HMOs), preferred provider organizations (PPOs), and exclusive provider organizations (EPOs). HMOs require members to select a primary care physician and get referrals for specialist services within a designated network. This can result in lower out-of-pocket expenses, but also restricts flexibility in provider choice.

PPOs permit members to access both in-network and out-of-network providers without a referral. That means more flexibility but there's also usually a higher cost for out-of-network services.

EPOs blend features found in HMOs and PPOs, requiring members to see in-network providers while generally eliminating the requirement for a referral.



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COVERAGE AND BENEFITS

When deciding among different health insurance plans, consider its networks of doctors and hospitals, preventive care, mental health services, prescription drug coverage and specialty care. You're looking for a plan that offers sufficient coverage in areas where you need it most. Next, compare premiums, co-payments, deductibles and co-insurance amounts across the various

policies. Pay particular attention to the out-of-pocket maximum, which indicates the highest amount you will need to pay for covered services within a calendar year.

PRESCRIPTION CONSIDERATIONS

If you take prescription medications, pay close attention to the different coverages. Different plans will have their own formularies, which outline the covered medications along

with any applicable co-payments or coinsurance. Many plans cover preventive services, including vaccinations, screenings and wellness check-ups.

IN OR OUT-OF-NETWORK

There's an important distinction between in-network and out-of-network providers. In-network providers have established agreements with your insurance company, typically resulting in lower costs.

On the other hand, out-of-network providers may result in higher out-of-pocket expenses — or may not be covered at all. Make sure your preferred health care providers are part of the network associated with your selected insurance plan. Be on the lookout for coverage limitations or exclusions, as some plans may impose restrictions relating to certain treatments, specific pre-existing conditions or experimental therapies.

Ready to Retire?

For decades, older Americans could rely solely on Social Security as a primary source of retirement income.

But nowadays, uncertainty about the sustainability of this government-managed program has many American workers worried.

Consider opening and maintaining a retirement account now to build a bigger nest egg. You don't want to spend your golden years obsessively worried about money.

INDIVIDUAL RETIREMENT ACCOUNTS

Individual Retirement Accounts, or IRAs, enable investments on a tax-deferred basis over the life of your employment. There are two principal categories to help secure your financial future in retirement: Traditional IRAs and Roth IRAs. Traditional IRAs are funded through personal savings, and contributions may be eligible for tax deductions. In contrast, contributions to Roth IRAs are not tax-deductible, but qualified withdrawals can be made tax-free.

There are other, less



prevalent types of IRAs, as well. Payroll deduction IRAs and Simplified Employee Pension plans are established by individual employers. Simple IRAs involve employee contributions through salary deductions, while employers provide matching or non-elective contributions.

401(K) PLANS

A 401(k) is a qualified profit-sharing arrangement that enables employees to allocate a portion of their earnings into individual investment

accounts. Contributions made to these accounts are not subject to income tax at the time of contribution. However, any distributions, including accrued earnings, are taxed as income upon retirement.

403(B) PLANS

Commonly referred to as tax-sheltered annuities or TSA plans, 403(b) plans are retirement savings options available to public educational institutions and certain 501(c)(3) organizations. Both employers and employees can make con-

tributions to these accounts.

As with a 401(k), they allow employees to direct a portion of their salary into individual accounts, with taxes deferred until the funds are withdrawn.

PROFIT-SHARING PLANS

Profit-sharing plans permit employers to make discretionary contributions toward an employee's retirement. Contributions are not mandatory, and employers are not required to be profitable to make these contributions.

EMPLOYEE STOCK OWNERSHIP PLANS

Employee Stock Ownership Plans, or ESOPs, are primarily structured to invest in the stock of the employer. This allows employees to acquire an ownership stake in the company they work for through acquiring shares. Both the employer and the employee can benefit from the related tax advantages. The financial success of the company becomes aligned with the employee's retirement savings, providing a potential motivating factor for both parties.

Keeping Credit Cards Safe

You've probably noticed that cash transactions are becoming increasingly rare. New research indicates that less than 10% of Americans use physical currency to make their purchases.

This modern trend puts additional pressure on everyone to protect the credit and bank cards used in the vast majority of our transactions. Here's how to prevent someone from getting unauthorized access — and what to do if your cards are lost.

MONITORING THE ACCOUNT

Check all your bank and credit card accounts on a regular basis. Report any suspicious transactions immediately through the app or by phone, and then follow up in writing each time. Unusual activity may also appear on your credit report, so monitor those numbers as well.

YOUR CREDIT REPORT

You can request free copies of your credit report to identify any unfamiliar accounts or charges. Additionally, review your property insurance policy carefully, as it may offer coverage for losses resulting from card theft. Consider placing fraud alerts with the major credit bureaus to



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rectify any inaccuracies in your credit report.

CONTACTING YOUR BANK

If your card is lost or stolen, report the situation immediately. The FDIC recommends contacting your financial institution through their mobile app or by phone as soon as you realize the card is

missing. Under federal law, you will not be liable for any transactions that occur after you report the loss, so act as promptly as you can. You don't want to be subject to unauthorized charges simply because of a delayed report.

WHAT TO DO NEXT

After filing your initial report, the FDIC recommends

sending a written confirmation to the bank or credit card company that includes your account number, the date and time that your card was lost, and the date it was initially reported. Keep a copy of this correspondence and any related communications with financial institutions for your records. If you suspect identity theft or find unfamiliar

accounts, immediately reach out to the issuing companies. Those with lost bank or credit cards should place a fraud alert, inform the Federal Trade Commission and file a police report. If your Social Security number has been compromised, contact the Social Security Administration and the IRS, as this could lead to potential tax fraud issues.

Determining Net Worth

Becoming financially secure requires looking past the salary received each week. So does assessing your net worth.

If you'd like to get a clearer picture of your financial situation, take into account savings, the money tucked away in retirement accounts and personal assets of particular value. Add it all up, and you can develop more effective long-range financial goals — because you'll know just where you stand.

UNDERSTANDING NET WORTH

Calculating your net worth involves evaluating all your assets and then subtracting your liabilities. This creates a comprehensive view of your finances that will help you identify areas requiring attention. Additionally, knowing your net worth simplifies future planning. For example, when considering a property purchase, lenders will review your net worth to assess your ability to manage the loan. (They'll also be identifying any assets that could be at risk in the event of default.) If you are nearing and looking ahead to retirement, having a complete accounting of available assets also helps with preparation.

BALANCING ASSETS AND DEBT

Begin by gathering and

organizing your financial records so that all the necessary information is readily accessible. After that, reach out to a trustworthy financial advisor who can provide an evaluation of your assets and liabilities. They will assist you in a comprehensive review that identifies all bank and investment accounts, personal property, vehicles and

other assets. They can also help assess the value of items like insurance policies, which may have their own separate cash value. Next, compile a list of all your financial obligations and liabilities, including mortgage or rent, credit card balances and other debts. The difference between your total assets and liabilities then provides a

calculation of your overall net worth.

WHY IT'S IMPORTANT

Understanding your net worth is important since it goes beyond merely tracking your bank account balance. This narrow view can create a false sense of security regarding your financial future. Instead, closely evaluate your

net worth to get a clearer perspective on your financial situation. This insight can be vitally important when making decisions related to your investments, purchases, career and retirement.

Even if you don't have any big plans in the offing, getting a clearer picture of your net worth can lead to greater peace of mind.

