



# FINANCIAL STUFF

MAY 2026

a publication of JFR FINANCIAL SERVICES, INC.



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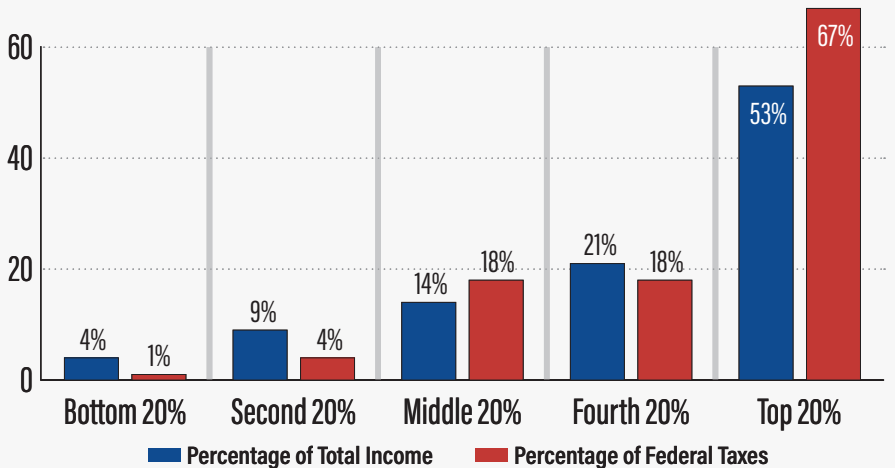
CJ — Social Chairman

## LIFE INSURANCE

Many people keep policies purchased decades ago without any changes. It's important to review them periodically. Do you still need the coverage? If it is a universal, whole or variable life policy, what has the performance been? Is it keeping up with the illustration provided when the policy was opened? Has your health changed? If it is term insurance, when does the policy expire and what are the options? Request an *"in force ledger"* for your universal, variable or whole life policies. Review any riders on the policy. Are they still needed? Have the rider costs increased? If your policy no longer meets your needs, there are likely options to make changes without a medical exam. The best news is we can help! (Source: Kiplinger, Barron's)

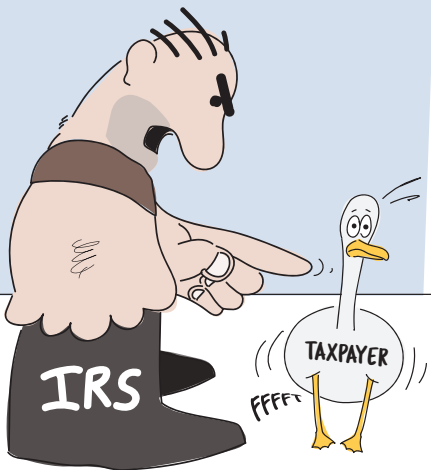
## WHO'S PAYING TAXES AFTER OBBBA (One Big Beautiful Bill Act)?

Based on income, the bottom 20% of taxpayers make 4% of the income and pay 1% of the Federal taxes. The second 20% make 9% of the income and pay 4% of the taxes. The middle 20% make 14% of the income and pay 18% of the taxes. The 4th 20% make 21% of the income and pay 18% of the taxes. Added together, the bottom 80% of taxpayers make 48% of the income and pay 33% of the taxes. The top 20% of taxpayers make 53% of the income and pay 67% of the Federal taxes. The bottom 80% of taxpayers will see their taxes cut by 14% and their after tax income increase by 3%. The top 20% will see their taxes cut by 9% and their after tax income increase by 3%. (Source: WSJ, Joint Committee on Taxation, Tax Policy Center)



### The Golden Goose Saga (A.K.A. the U.S. Taxpayer)

Life Expectancy of the Goose: Unknown



"Get dem eggs movin', Goose... Yer Uncle needs new shoes."

## RETIREMENT PLAN BENEFICIARY MISTAKES

The beneficiary should not be your estate. The entire account will go into probate and likely be paid out in a lump sum. The same thing could happen if the primary beneficiary dies first and there are no contingent beneficiaries. Many beneficiary mistakes happen when an account is moved from one custodian to another. The new custodian will need beneficiary paperwork completed. For married couples who do not want their spouse to get a percentage or all of their account, they must complete and submit a spousal waiver. For example, if a husband dies and the spouse remarries, but wants her children as beneficiaries, then the new spouse needs to sign a spousal waiver. Same applies in a divorce. Each state has its own laws, so once the breakup is official, new beneficiary forms should be completed. The company or custodian holding the account can have their own rules of who gets the money if there is a problem with the beneficiaries. The most common hierarchy is spouse, children, parents, siblings. If a trust is the beneficiary, then make sure it is listed as the beneficiary. It is very common for people to pay for a trust to be created, but then do not update the necessary accounts and paperwork. Most assume the attorney who created the trust took care of everything, but they often do not. (Source: WSJ, JFR)

*Far more money has been lost by investors preparing for corrections or trying to anticipate corrections than has been lost in the corrections themselves.*

PETER LYNCH

## INFLATION

As the seasons change, we start to notice drafts. Or a leaky faucet. At any given moment they may not seem like a problem, but over time the costs add up. Inflation works the same way. 2-3% inflation can cost 25-33% over 10 years. If 4% inflation becomes normal again, then our purchasing power will drop by 40%+ in just 10 years. **Ouch!** Inflation spiked during the pandemic. It has settled down since, but prices don't go back down. *So what John!* So, remember inflation when you review your cash holdings. Most of us are getting 3-4% on money in the bank or credit union, but after taxes that likely won't keep up. *We all need cash as part of the overall financial plan, but it is not a long-term investment.* Cash is safe and it feels good to see the balance each month, but inflation is eating away at it. Holding 3-6 months cash for essential expenses is always recommended. And more if there is a large expense coming in 1-3 years. More is also necessary if your current expenses exceed your income. The next step up is bond funds, which today are paying 4-6% dependent on the type of bonds they invest in. Be

cautious with anything paying more than 6% today. For any expenses seven or more years down the road, stocks are likely the best inflation hedge. *Spending too much? Tighten the faucet!* Inflation never goes away. Live and plan accordingly. (Source: Advisor Perspectives, JFR)

## LIVING FOREVER

While there are indicators, none of us know when the Lord is going to call us home. Hence, we assume you're going to live forever and plan your retirement income accordingly. Another part of the mystery is not knowing what the actual return will be on our investments. This is a reason why annuities are popular. Their weakness is inflation. *"Experts"* are crunching numbers daily to try and figure out how retirees can spend more. Another popular goal! The primary factor is flexibility. For example, withdrawing a percentage each year as opposed to a set amount. You receive more in a good year and less in a bad. Many retirees spend more early in retirement and less later. This can be planned for and accomplished. Travel is a good example. What if you take the expensive trips now? The next spending surge can happen later in retirement when there are more health related expenses. Life expectancy is another moving target. At birth, Americans are expected to live to age 77 according to Social Security Administration data. However, at age 76 men can expect to live another 10 years while women likely have 12. We are working with these situations every day. We can help. (Source: Blackrock, Kiplinger, SSA, JFR)

## GETTING SCAMMED

Do you open junk mail or email? Enter sweepstakes? Answer the phone when you don't recognize the number? Talk to telemarketers? If so, then you're more likely to be ripped off according to a recent study from the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation. Your daily routine can increase or decrease how vulnerable you are. Approximately 70% of us have been a victim at least once. Approximately 30% more than once. The Federal Trade Commission reported 2.5 million fraud cases in 2024, with losses totaling \$12.5 billion, which is 255 more than in 2023. Americans over 60 are much more likely to be scammed than younger people. Imposter scams are becoming more common, where computer thieves pose as someone else; a family member or government official. Computer thieves are very good at stealing your information via fake emails and/or hacking into your computer when you're using a WiFi connection at a hotel or Starbucks. Many still use the telephone and regular mail. **As mentioned before, keep your affairs simple and avoid being adventurous on the computer.** (Source: Kiplinger, FINRA, FTC)

# The Power of Active Management

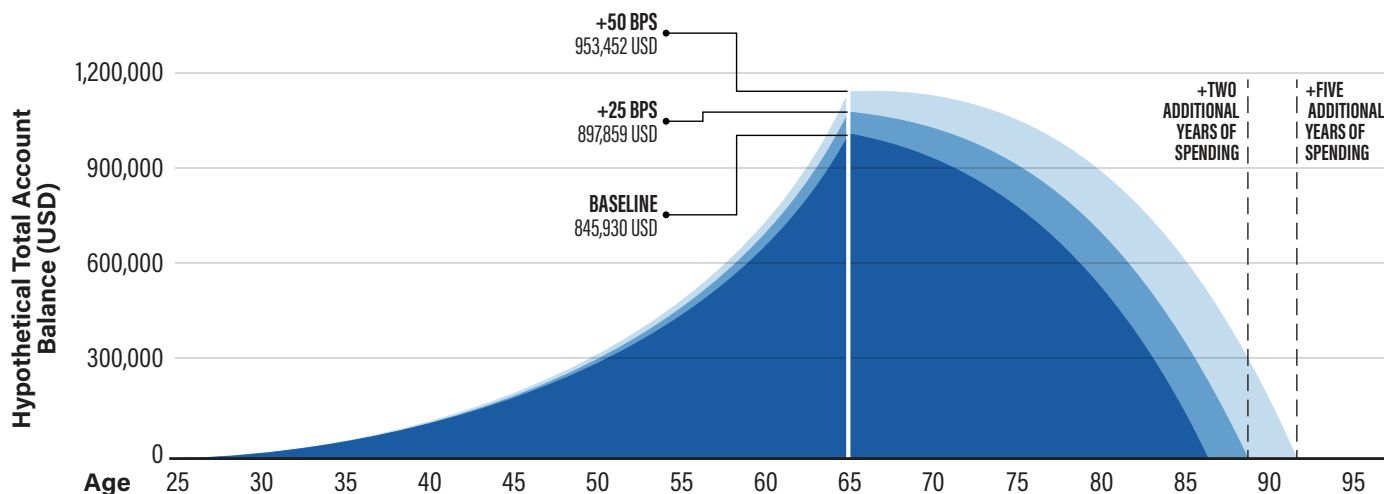
ETFs have moved beyond being exclusive to passive-only indexed strategies. Many of today's investors turn to actively managed solutions for help navigating the complexities of the markets. Through a combination of risk management and thoughtful opportunity seeking, active management has the potential to align across a variety of investment objectives.

## A little out performance can add up

Active management provides the potential for out performance relative to passive benchmarks. It may seem obvious that when an active portfolio is able to outperform its benchmark, then the result could be higher cumulative growth. But perhaps less obvious is just how much the difference even a small amount of incremental outperformance can really make over time.

The hypothetical illustration below shows the impact of earning as little as 0.25% or 0.50% additional return per year. Although 25 or 50 basis points (bps) of additional performance doesn't seem like much, over time it can add up to a significant difference. Not only does that lead to potentially higher account balances, but it also may help those assets last longer when they're needed.

## Even a small amount of excess returns can have a profound impact on results over time



DEMOGRAPHIC ASSUMPTIONS		SCENARIO ASSUMPTIONS	BASELINE	+25 BPS	+50 BPS
Starting Balance	0 USD	Returns Before 65	7.00%	7.25%	7.75%
Starting Age	25	Returns After 65	5.00%	5.25%	5.50%
Starting Salary	\$30,000 USD	Account Balance at 65	\$845,930 USD	\$897,859 USD	\$953,452 USD
Annual Salary Growth Rate	3%	Withdrawal (% of Ending Salary)	50%	50%	50%
Annual Contribution Rate	9%	Annual Withdrawal Amount	\$48,931 USD	\$48,931 USD	\$48,931 USD
Retirement Age	65	Withdrawal Increase	3%	3%	3%
Ending Salary	97,861 USD				

Past performance cannot guarantee future results. Results will vary for other periods, and all funds are subject to market risks. The results shown above are hypothetical, do not reflect actual investment results, and are not a guarantee of future results. Hypothetical results were developed with the benefit of hindsight and have inherent limitations. Hypothetical results do not reflect actual trading or the effect of material economic and market factors on the decision-making process. Results do not include the impact of fees, expenses, or taxes. Results have been adjusted to reflect the reinvestment of dividends and capital gains. Actual returns may differ significantly from the results shown. The demographic assumptions, returns, and ending balances are shown for illustrative purposes only and not intended to provide any assurance or promise of actual returns and outcomes.

## MONEY & MARRIAGE

The Bible describes marriage as two becoming one. This is the best approach with money and financial decisions, but we see plenty of twists and turns. It's important to know and understand how your spouse thinks about money, which is accomplished by talking about it! Before marriage, get to know how each other handles money. Have they made good decisions? Bad? Are they afraid of money? What do they think about money? Do their parents handle money well? What did their parents teach them about money? Review each other's credit report. For better or worse, the majority of divorces are due to money problems. This always seems surprising, but money impacts virtually every aspect of our earthly existence.

(Source: CFP Board, JFR)

## WHAT IF...?

Are you prepared for trouble? Life happens. This is why it's important to have an emergency fund. The standard number is 3-7 months living expenses. **How? Spend less than you earn.** Hand in hand with that is *Be or become debt free.* The ideal is to pay cash for everything except your home. Have a plan to payoff your mortgage before retirement. Never carry a credit card balance. If you have debts, then line them up by interest rate and kill them as quick as you can. Divide your portions, *a.k.a. don't put all of your eggs in one basket.* COVID was a recent lesson in essentials versus extras. Most of us found our base line budget to be much lower than we realized. It's good to understand how little you can get by on if necessary. Do you have opportunities to increase your income? Should you be pursuing them? What risks do you need to transfer? Homeowners insurance? Disability? Preserving your future requires planning and flexibility. Be prepared for whatever tomorrow brings. (Source: JFR)

## COGNITIVE DECLINE

We have clients in this situation constantly. According to the Alzheimer's Association, 11% of Americans 65 and over have some form of dementia. By 2050 there will be 80 million Americans 65 and over compared to 60 million today. Many Americans are forced to retire early due to dementia. Lost income combined with increased out of pocket health care expenses of \$10,564 annually is a situation less than 20% of Americans are financially prepared for. We can help. 50% or so of Americans refuse to meet with a financial advisor. It is possible to handle it all yourself, but usually good to at least get a second opinion. We have a very thorough financial profile for \$350-700. (Source: Alzheimer's Association, Allianz Life Insurance)

## STARTING A NEW BUSINESS?

More than half of new businesses fail in the first 2 years. Only a third make it 5 years. One reason is they don't get help. Couples have a much higher success rate simply due to the principle of

2 being better than 1. Some new businesses grow too quickly and the new owner can't handle it. Others fail due to a lack of experience. Family businesses are much more likely to survive than individuals. Too much passion can result in not cutting your losses quickly enough. Arguments can be a blessing and a curse. Healthy conflict is good. Lack of money and/or time can end a good business before it gets on it's feet. My friends and I experienced this while starting a business after college. Do your homework before you begin. Many make the mistake of assuming there is a demand when there might not be. 9% of businesses failed during the pandemic. Some call this an "external shock." Can you survive one? More businesses would have failed during the pandemic had they not been able to adjust (aka flexibility). Too stubborn? Your own worst enemy? Got an idea? Get second opinions before you start. (Source: WSJ, JFR)

## ROTH IRA CONVERSIONS AND OBBBA

An ongoing hot box for many tax "experts" has turned hotter with the passing of the latest tax law known as OBBBA. The logic (aka assumption) is we should convert traditional retirement funds into Roth's because tax rates will be higher tomorrow. OBBBA eliminated higher tax rates for now. **AND...** There are some temporary incentives to save taxes on conversions from 2025-2028, but they are all income based and more efficient for small, multi-year conversions. There were no direct changes to the Roth rules. Benjamin Franklin said, "*The only two certainties in life are death and taxes.*" It helps to add, "*At least death doesn't get worse every time Congress reconvenes.*" Traditional and Roth retirement plans remain the best tax advantaged investment vehicle for nearly every American. Which is better depends on your individual financial situation. All other things being equal, the end result is the same. Will taxes be higher tomorrow? At the end of WWII, the maximum Federal tax rate was 90%. 70% in the 1970s. Very few paid at the top rate. The top marginal rate dropped to 50% in 1981 and bottomed at just 28% in 1986 along with the elimination of most tax shelters. **What to do?** Nothing is likely the best path, but we're happy to crunch some numbers for you. (Source: IRS, Financial Advisor)

## 1776-2026

We will celebrate our 250th birthday soon. **USA! USA!** In 1776 the labor force was ~800,000. The average wage was ~\$1 per day for a construction worker. In 1860, the workforce had increased to ~11 million, 20% of which were slaves. In 1860, 50% worked on farms at an average wage of \$0.50 per day. In 1950 the labor force was up to ~57 million, with 25% working in manufacturing. In 2000 there were ~130 million workers, half of which were women. Today there are ~150 million Americans working, ~20% of which are foreign born. (Source: US Census, WSJ)

## ANNUITIES. YES OR NO?

The retirement “*experts*” continue to debate the topic. The pros are attracted to “*insuring*” no one out lives their money. We as humans do not want to run out of money. The cons say that the cost to guarantee income is too high. The marketplace is complicated by all the possibilities. Fixed, variable, index, immediate, deferred, riders... The debate is likely best limited to either fixed immediate or deferred income. How much does one have to give the insurance company in exchange for a guaranteed income amount? Part of the research should include the health of the insurer. It's very infrequent, but insurance companies can fail. We've been involved with clients in this situation. They normally get their money back, but it requires time. Social Security is basically an annuity. Why would someone want more money in a similar option? Social Security is unlikely to fail, but it does have significant problems. Some may want to have another guaranteed option just in case. One big problem with most annuities during the payout period is if someone dies early, then the remaining funds are often kept by the insurance company. Your heirs get nothing similar to a traditional defined benefit pension. What about inflation? Inflation is a real problem. With 3% inflation, \$1,000 per month today will be worth only \$544 in 20 years and \$401 in 30 years. Most fixed income investments struggle with inflation risk, so a balanced approach (aka “*Divide Your Portions*”) is usually best. Some experts are recommending a TIPS (Treasury Inflation Protected Securities) ladder as a “*guaranteed*” income strategy, but they are very difficult to create for an individual investor. (Source: *Wall Street Journal, Simplicity Group, JFR*)

## “ALL I WANT FOR CHRISTMAS IS YOU...”

This is the most listened to song during the holidays. After 30 years it still generates ~\$3 million per year in royalties. The author, Mariah Carey, experienced a large financial loss on another album in the early 2000s. Few musicians survive the experience financially. She started by evaluating her assets to see how much they were growing each year and how much income they were generating. She also determined whether or not she owned the asset (stocks, real estate) or was it being loaned (CDs, bonds). If it is a loan, the next question was whether or not that is the best use of the money. She then put together a list of expected income per month to see if there were any slow times. The last step was to organize her charitable contributions to see how she could take better advantage of the tax laws. The latest legislation (OBBBA) tinkers with charitable contributions. We can help with that. (Source: *Financial Advisor, JFR*)

## EASY WAY TO SSSSTRETCH MONEY AT DEATH?

It is possible to control money after you're gone without a trust. Jackson National has a private letter ruling from the IRS allowing non-qualified annuities to stretch the money over the beneficiary's lifetime and possibly the beneficiary's beneficiary.

Also referred to as second generation. The beneficiaries are required to make minimum withdrawals each year, but the balance of the money remains invested and growing. It is also possible to make this election irrevocable for those concerned with heirs squandering hard earned money and/or for some other reason. Sounds complicated John. Yes and no. We regularly discuss with clients how to control money after they're gone. Most common is the concern for their money not being well managed after they're gone. (Source: *Jackson National, JFR*)

## OBBBA

Bonus deduction of \$6,000 for taxpayers age 65+ until 2028. Increased sales, income and property tax deduction to \$40,000 until 2029. No taxes on tips and overtime through 2028. **BUT!** All subject to income phaseouts! Beginning in 2026, taxpayers can deduct \$1,000 of charitable donations “*above the line.*” \$2,000 for joint returns. Increased standard deductions. The annual gift tax exclusion is now \$19,000 and the estate tax exclusion is \$15,000,000 per person. Those facing estate taxes have several strategies available to reduce estate taxes. Get in touch with us to discuss. Increased contribution limits for retirement plans and IRAs. The IRS mission is to “*help America's taxpayers understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.*” Whether or not they achieve their mission is open to debate. (Source: *IRS, Jackson National*)

## TAX PLANNING

A recent study by “*experts*” concluded that poor tax planning can reduce your total return by 1% a year, which turns into 30% over 25 years. That's real money. Millions of investors and businesses are constantly searching for ways to reduce/eliminate taxes. There is no shortage of possibilities. A simple option is municipal bonds. If my taxes on income are 30% and I can get 4.0% tax free, then that is the same as 5.7% before taxes. The only problem is municipal bonds have interest rate and credit risk. A more recent creation are bond funds that pay dividends taxed as capital gains instead of ordinary income. Great idea! Will it work? Time will tell. The study focused on “*eliminating cash drag, deferring taxation, converting ordinary income to capital gains, and unlocking financial planning flexibility.*” With all the traps in OBBBA, tax planning can save money. Whether or not it's worth the bother depends on one's circumstances. Thankfully, you are working with advisors who include savings taxes as part of our daily routine. The popular tax saving pushes today are Roth Conversions and charitable funds. Both are effective options, **BUT!** their value is dependent on your situation. We all pay taxes one way or the other. Savings taxes is wonderful. There are many ways. The only problem is whether or not it's worth it. (Source: *Financial Advisor, Kiplinger, JFR*)

## FREE TAX PREPARATION!

The AARP Foundation Tax-Aide provides free tax assistance to those who qualify; primarily taxpayers who are 50+ with low to moderate income. The volunteers are located nationwide, trained and IRS-certified every year. The assistance varies by location, but most provide in person service as well as drop off. Some can work with you via the Internet and/or online coaching. There is also free software to prepare your own return independently and/or with help. Call 888-227-7669 or do a Google search for “AARP Tax Help.” (Source: AARP)

## SOCIAL SECURITY — NOW OR LATER?

Most Americans claim at age 65 or earlier. Some wait until their Full Retirement Age (FRA). Only a few wait until 70, but more “experts” are recommending waiting. Waiting does result in more money *IF...* Let’s suppose a man files for Social Security at his full retirement age (FRA) of 67. He begins receiving \$3,800 per month. He dies at 74. His wife steps up to his check and loses her \$2,200 check. Had he waited until 70, his wife would have been receiving \$4,712. \$912 more per month. **BUT!** By filing at 67 he collected \$136,800 of benefit’s (\$3,800 x 36) before turning 70. It will take 12.5 years at the extra \$912 per month to break even, or ~87 years old. What if he filed at 65 for \$3,192? He collects \$191,592 prior to 70. His wife would need to live to ~18 years, age 91, to benefit from him waiting until 70. As we’ve reviewed in the past, the best plan will not be known until the man and his wife both go home to be with the Lord. The advantage from waiting can be significant if someone lives into their 90s, but not so much at 85 or less. It’s a matter of how important income from Social Security is today versus tomorrow. The good news is we are crunching the numbers all the time. We can help! (Source: *Financial Advisor, WSJ, JFR*)

## RMD (REQUIRED MINIMUM DISTRIBUTION)

According to the 2020 census, 51 million Americans are 65+ years old. The total number of Americans 65+ in 2015 was 36 million. The baby boomers (born between 1946 and 1964) started turning 65 in 2011 and will continue at a rate of 11,000+ per day until 2030. Millions of this group age 73+ have the happy problem of withdrawing money from their IRA and/or other retirement plans. There are many options and strategies out there. The main reason is whenever money is in motion, there will be people trying to get a piece of it. The primary decision is taxes. Do we pay the IRS now or tomorrow? We are working with these situations daily. The simple decision for those who do not need the money and make charitable contributions every year, take advantage of the QCD (Qualified Charitable Contribution). Should you convert to a Roth so your children don’t have to pay the taxes? Maybe, but probably not. Keep in mind that the IRS gets their money today on a Roth Conversion. Paying them today versus 15-20 years from now may be to your advantage.

**BUT!** A lot can happen over the next 15-20 years that we cannot plug into a spreadsheet today. What if you forget to make an RMD? There are penalties, so you need to follow the rules. Don’t have a plan? Come and see us. We are crunching numbers daily for clients in all kinds of situations. We can help you. (Source: *Barron’s, WSJ, JFR, US Census*)

## RETIREMENT SAVINGS CREDIT

The IRS provides a credit of \$1-2,000 for filers with retirement plan contributions. Incomes up to ~\$40,000 for single filers, ~\$60,000 for Head of Household and ~\$80,000 for joint filers. Your children are the most likely benefactors. Suppose they qualified for the \$1,000 credit for 5 years. In 30 years the extra \$5,000 could be worth \$100,000. (Source: *American Funds, JFR*)

## IRS HOTLINE

In the first 2 months of 2025, the IRS website received approximately 200,000,000 inquiries requesting tax help. In the same period this year there have been approximately 300,000,000 inquiries. Has their website improved or is it more difficult to get through to a real person? (Source: *IRS*)

## PLANNING YOUR GIVING

*Many of you are looking for help with charitable donations. Answering the questions below will help.*

1. Is having control over the giving important? Charitable and Donor Advised Funds (DAF) are excellent operations for most of us, but they have very set procedures.
2. Do you want to involve your family? DAFs allow anyone over 18 to be involved.
3. Is the money going to registered charities?
4. Are you interested in running your own activities? A private foundation is much more flexible provided the activities fit within IRS guidelines.
5. Do you want to give anonymously?
6. Do you want to enforce the grant agreement?
7. Do you want to personally deliver your donations?
8. Do you want to be able to move money from one giving channel to another?
9. Do you want the donations to be tax deductible?
10. How much do you want to give away?
11. Do you want to fund with a variety of assets?
12. Do you want the assets to grow?
13. Are expenses and management important? DAFs normally charge 0.30-0.60% to handle everything. This is likely much less than setting up a private foundation.

(Source: *Fidelity, Vanguard, JFR*)

## IRA BENEFICIARIES

Reviewing same is now part of the annual review. We see some incredible situations. For most, the primary beneficiary is the spouse and the children or a trust contingent. Some have trusts as the primary beneficiary. With the recent elimination of stretch IRAs, the possibility of “*disclaiming*” an inheritance may be appropriate. Under Federal law, the deadline for disclaiming an inheritance is 9 months. Fidelity allows for this situation. If there is not a contingent beneficiary on the account, then the law determines the beneficiary. Some plan sponsors do not allow disclaimers. If an IRA account has multiple holdings, then it is possible to disclaim individual holdings and not the entire account. Be careful if minor children are next in line, since a court may need to appoint a guardian until the child becomes an adult. If a charity is next in line, then that results in a triple tax free donation. This also provides a path to a donor advised fund, which is not an option while the IRA owner is living. *Aren't tax laws fun?* Thankfully, we are here to help. (Source: WSJ, JFR, Estate Planning)

## LIFE EXPECTANCY

COVID caused the numbers to drop, but we're now back to “*normal*” based on the 2024 data. At birth we are expected to live ~79 years. At age 65, we can expect to make it to ~85. Suicide is now the 10th leading cause of death. COVID has fallen to 15th. One reason behind the rising suicide rate is isolation. One downside of technology is we can do more and more without help from others. It's in our nature to be with others. One simple option is walking with someone. Especially men. One expert described it as “*shoulder to shoulder*” as opposed to “*face to face*.” By nature we are social beings. (Source: CDC)

## WHAT ARE THE ODDS?

An Arizona State professor crunched some numbers on how to get rich investing in individual stocks. His study helped reconfirm the odds of picking the top performing stock is low. Picking the top performing stock comes in at a very low 0.02%. *Highly unlikely!* 50% of the wealth created by the stock market was due to 46 stocks. The top 25% 9 stocks. The top 10% 2 stocks. 2 excellent books, “*A Random Walk Down Wall Street*” and “*Winning the Loser's Game*,” were both written 50+ years ago. Their common message, the secret to owning a winning stock is to own all the losers too. (Source: WSJ, Henrik Bessembinder)

## GET RID OF STUFF!

There's no magic formula. As Nike says, “*Just do it.*” Start with one item, one box or one bag. Once a day? Once a week? It helps to identify the destination. Your kid's house? Church rummage sale? Salvation Army store close to home? Goodwill? **BUT!** It takes a little time to make it happen and we're all good

at punting on activities that can wait. *Where to start?*

Anything that hasn't moved in a year is a candidate to get rid of. Keep in mind the youngsters aren't interested in our stuff. They were not raised with the mentality of keeping everything because “*we might need it someday.*” Our junk is likely junk in their eyes. And nearly everyone else. Jesus taught to “*not become entangled*” and stuff that hasn't moved in a year is a good candidate. (Source: JFR, Detroit Free Press)

## SELL MY GOLD?

The recent runup has investors thinking about it. Don't forget taxes! Gold and other precious metals are taxed at the short term capital gains rate no matter how long you have held it. Dealers are now required to report sales on a 1099-B on most transactions. (Source: Forbes, Kiplinger, Fidelity)

## CHARITABLE GIVING

The *One Big Beautiful Bill Act* resulted in new strategies for giving money away. Donor Advised Funds will be a better option for taxpayers who no longer itemize their deductions. You can make a large donation in any given year and then distribute the money to charity over time. These contributions are not deductible “*above the line.*” One must itemize to benefit. A similar strategy is referred to as “*bunching contributions.*” The weakness here is the charity gets a large donation when most of us prefer to spread it out. No change to donating non-cash items, but again it's important to make sure you will benefit. More Americans are creating private foundations. Only catch here is they must distribute 5% annually to retain it's status. We have many clients who make contributions directly from their IRA to charity. Known as a Qualified Charitable Distribution “*QCD,*” people over 70½ are eligible. Charitable Trusts remain a possibility dependent on your situation and desires. Designating a charity as the beneficiary of a retirement account may be the best option if they were going to get money from your estate. Charitable giving is a great way to save taxes. Since starting JFR in my dad's basement, I've been helping people, businesses and churches with charitable planning. It is also a good way to introduce children and grandchildren to how you manage money and develop a passion for helping others. Call or email for more information. We can help! (Source: Financial Advisor, JFR)

*Extreme taxation, excessive controls, oppressive government competition with business, frustrated minorities and forgotten Americans are not the products of free enterprise. They are the residue of centralized bureaucracy, of government by a self-anointed elite.*

RONALD REAGAN

## HOW JFR FINANCIAL SERVICES CAN HELP YOU

*We are in business to serve you!* More specifically, we are in business to help you work toward your lifelong financial goals. Services available through JFR Financial Services include:

Financial Planning & Consulting	Estate Planning
Retirement Planning	Asset Management
Personal Coaching	Annuities, Fixed & Variable*
Business Planning & Development	College Funding Programs
Real Estate Investment Trusts	Management Training Classes & Consulting
Mutual Funds*	Fee-Only Investment Consulting & Asset Management
Stocks*; Bonds*; Brokered CD's*; Money Markets*	Employee Sponsored Retirement Savings Plans
Public Speaking & Educational Seminars	Retirement Plans: IRA, SEP, 401k, Keogh, 403b
Insurance: Life, Health, Disability, Long-Term Care	Full-Service Brokerage Accounts*

### We have the knowledge, tools and experience to help. *Call us today at (800) 315-2945 or (734) 692-1421.*

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