

FINANCIALink

Your Money Management Newsletter

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Up FRONT

\$17.2 billion

Estimated state sales tax revenue lost on Internet purchases in 2016. When an online business has no physical presence in a state, generally no state or local sales taxes are collected; many states are working to increase tax revenue from Internet retailers.

Source: CNNTech, March 29, 2017



FAST FACTS

American drivers spend an average of 17,600 minutes on the road each year. That's equivalent to about 293 hours — more than seven 40-hour work weeks.

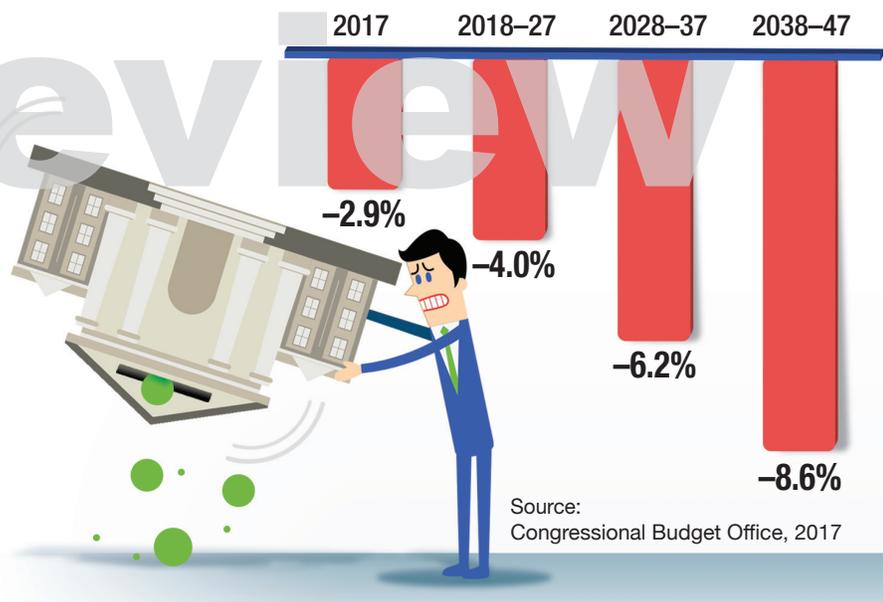
Source: AAA Foundation for Traffic Safety, 2016

Quick VIEW

DEEPER INTO THE RED

Annual federal budget deficits are projected to triple over the next 30 years, assuming that laws regarding spending and revenue remain generally the same and gross domestic product (GDP) continues to grow at about 2% annually.

Projected average annual deficit as a percentage of GDP



Practical insights for your **FINANCIAL GOALS**

Yours, Mine, and Ours:

FINANCIAL TIPS FOR BLENDED FAMILIES

Combining finances can be complicated for any couple, but the challenges become more complex the second time around, especially when children are involved. About one out of eight currently married adults has been married more than once.¹ And 15% of children live with parents who are not in their first marriage.²

Here are some ideas to consider if you are already part of a blended family or looking forward to combining households sometime in the future.

BE CLEAR AND COMPREHENSIVE

It's important to reveal all assets, income, and debts, and to discuss how they should be treated in your combined family. A prenuptial agreement may seem unromantic, but it could prevent acrimony and misunderstanding if the marriage ends through divorce or the death of a spouse. If you don't want a legal agreement, have an open and honest discussion; it's not too late to clarify the situation after you've tied the knot.

Do you plan to combine bank accounts or keep separate accounts,

perhaps with a joint account to pay bills? To which accounts will each of your salaries be deposited? Will one spouse help pay off the other spouse's debts such as student loans, auto loans, and credit cards?

CONSIDER THE KIDS

Discuss how you plan to treat children from a previous marriage and any children you have together. Are they going to be "your kids, my kids, and our kids," or are they all "our kids"? Be clear about alimony payments, child support, and other financial responsibilities. For example, what is each spouse's intention and/or legal obligation to pay college tuition costs for children from a previous marriage? Are there assets that one spouse wants to reserve for the benefit of his or her

children? Is the other spouse willing to waive the rights to those assets?

Be sure you understand tax rules for claiming a child as a dependent, and consider who is the "custodial parent" for purposes of financial aid on a college application. A dependent deduction may be more valuable for a parent with higher earnings, but a custodial parent with lower earnings may enable a student to qualify for more financial aid.

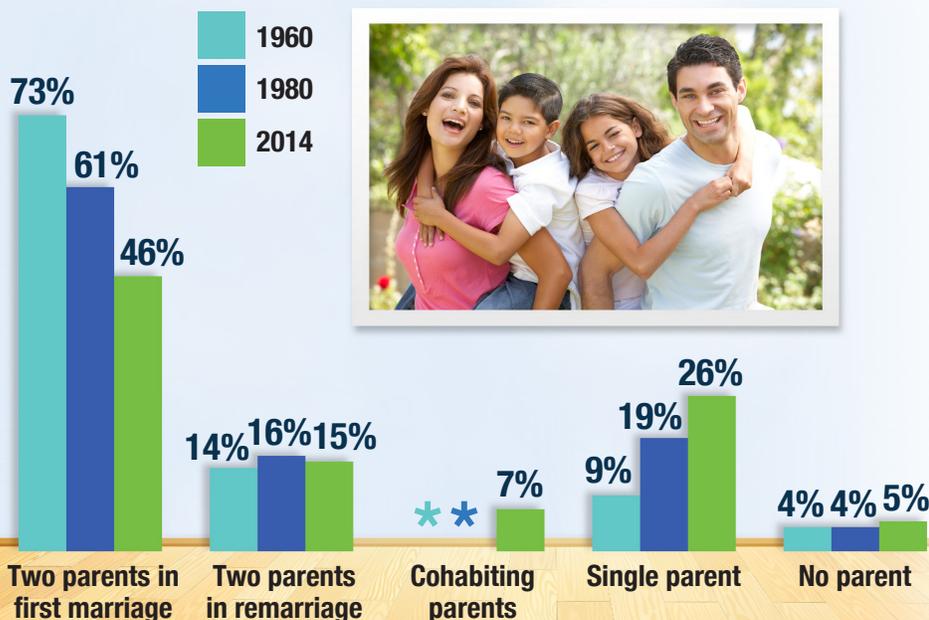
UPDATE WILLS AND BENEFICIARY FORMS

Be sure that your will and all beneficiary forms reflect your new situation and current wishes. A will can designate heirs and facilitate distribution of assets when an estate goes through the probate process. However, the assets in most pension plans, qualified retirement accounts, and life insurance policies convey directly to the people named on the beneficiary forms — even if they are different from those named in your will — and are not subject to probate. By law, your current spouse must be the beneficiary of an ERISA-governed retirement plan such as a 401(k) plan. If you want to designate someone else as beneficiary, such as a child from a previous marriage, you must obtain a notarized waiver from your current spouse.

Blending families can be challenging on many levels. The financial side may be easier than the personal side as long as you take appropriate steps to identify the issues and agree on your shared financial goals.

Changing Households

The number of households in which children under age 18 live with both parents in their first marriage has dropped since 1960.



*In 1960 and 1980, cohabiting parents were included with single parents.

Source: Pew Research Center, 2015 (most current data available)

1) U.S. Census Bureau, 2015

2) Pew Research Center, 2015

(2015 is most current data available)

Buying and Selling: **TRADING BASICS**

The New York Stock Exchange Group averaged more than 7.4 million trades per day in 2016, with an average of almost 1.8 billion shares changing hands.¹ Many of these trades are more complex than most investors need to consider, but it may be helpful to understand some basic terms and types of trades.

Bid and ask — The bid price is the maximum a buyer is willing to pay for a security. The ask price is the minimum a seller is willing to accept. The difference between them, called the spread, may be as low as a penny for the stock of a large well-known company, but wider for a smaller, more obscure company.

Market order — An order to buy or sell a security immediately at the best available price (though there is no price guarantee). A market order generally will execute at or near the current bid price for a sell order, or the ask price for a buy order. However, the last-traded price, typically the price you see listed on an exchange, is not necessarily the price at which a market order will be executed.

The following order types do not guarantee that the trade will be executed. They typically allow the investor to set a time limit that may range from a day to a year.

Limit order — An order to buy or sell a security at a specific price or better. For example, if an investor wants to purchase shares of XYZ stock for no more than \$10 per share, the investor could submit a buy limit order for \$10 and the order will execute only if the price of XYZ stock is \$10 or lower. If the investor wants to sell at a price of at least \$20 per share, a sell limit order for \$20 would execute only at a price of \$20 or higher.

Stop order (or stop-loss order) — An order to buy or sell a security once the price reaches a specified level, known as the stop price. Investors generally use a sell stop order to limit a loss or protect a profit on a stock they own. For example, if you own shares of XYZ security that are currently trading at \$50 per share, and are concerned about holding the shares in a declining market, you could set a stop-loss order at \$48 per share. If the share price declines to \$48, your shares would sell at the next market price, which would typically be a little below \$48 if the market decline is gradual. However, if trading is interrupted or there are large changes overnight, you could end up selling at a lower price than anticipated.

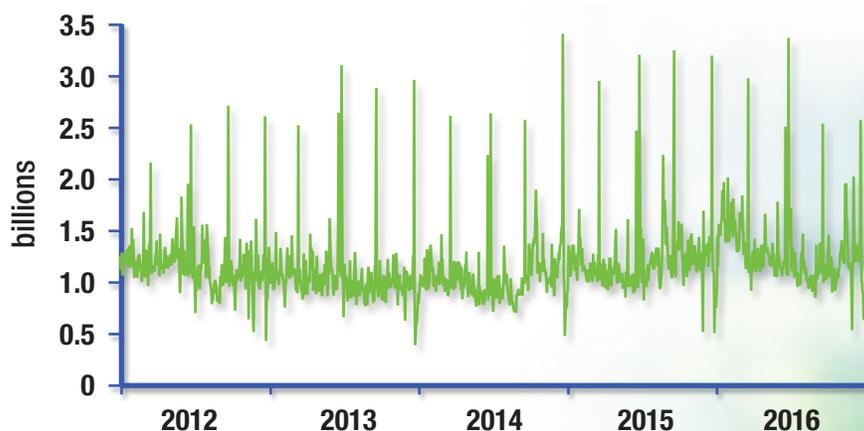
Stop-limit order — An order to buy or sell a security once the price reaches the stop price, as long as the trading price is at a specified limit price or better. This helps protect against the possibility of a stop order triggering a trade at an unwanted price. To use the example above, you could set a stop price for XYZ shares at \$48 per share and a limit at \$47 a share. The order would execute when the share price falls to \$48 but only as long as it remains above \$47.

All investments are subject to market fluctuation, risk, and loss of principal. When sold, investments may be worth more or less than their original cost.

1) New York Stock Exchange Group, 2017

Busy Exchange

The number of shares bought and sold on exchanges can vary widely from day to day. This chart shows the daily share volume of New York Stock Exchange (NYSE) listed securities traded on NYSE Group exchanges.



Source: New York Stock Exchange Group, 2016

The NYSE Group includes the NYSE and the NYSE Arca.

Shares listed on other exchanges are also traded on the NYSE.



Insuring Your COLLEGE STUDENT

Almost 18 million undergraduates are expected to enroll in U.S. colleges and universities in the fall of 2017.¹ Sending a student off to college can be hectic — and insurance might not be at the top of the to-do list. But every college student has insurance needs that should be addressed.

HEALTH INSURANCE

Health policies vary among schools, so be sure you understand the specific requirements and available options. Most schools offer a group health insurance plan, and some require coverage as a condition of attendance. However, the most cost-effective solution may be to keep your student on your family policy. (Young adults may be able to stay on their parents' health insurance policies up to age 26.) Medical care at campus facilities is typically provided to students at a relatively low cost, but you may want to check whether campus facilities and doctors are participating providers in your network.

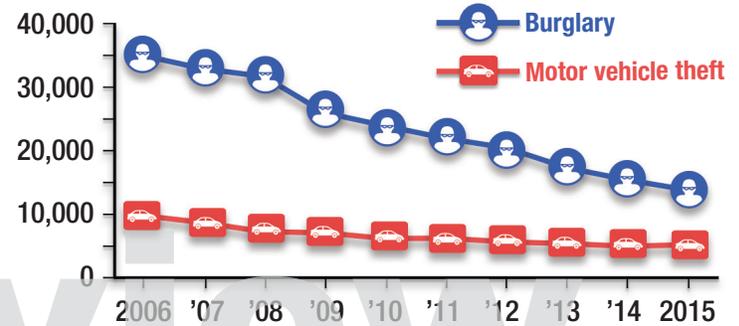
AUTO INSURANCE

If your student takes a car to school, it is typically less expensive to include the vehicle on your own policy than to purchase separate coverage. However, you should report the new location to your insurance company; your premium may go up or down depending on the location. If a car won't be taken to school and the campus is more than 100 miles from home, your student may qualify for a resident student discount on your policy. This would allow the student to drive your family vehicles when visiting home on vacations or weekends and may extend through the summer.

Declining Campus Crime

Burglaries and motor vehicle thefts on U.S. college and university campuses have declined steadily over the last decade. This may be due to increased security measures, heightened awareness, and strict reporting requirements.

Number of reported criminal offenses



Source: U.S. Department of Education, 2016

PERSONAL PROPERTY INSURANCE

Your homeowners insurance may cover personal property, up to a stated percentage of your total coverage, if your undergraduate lives in a dorm. Check your policy and compare any coverage limits on dorm-room protection with the total value of the items your child intends to take. You might consider purchasing a separate student policy that offers more specific coverage in dorms and on campus. These policies typically allow you to select from a menu of deductibles and coverage amounts. Some plans may offer coverage for accidental damage as well as for loss.

1) National Center for Education Statistics, 2016

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Have you reviewed your financial strategy to be sure it reflects your current goals? Have you had changes in your family or personal situation? Make an appointment for a strategic review.

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