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VERO FINANCIAL GROUP NEWS DIGEST

MONEYLINE

Your Money and Your Happiness

Courtesy of Melissa Siesto, RICP, FSCP

Some insights from Morgan Housel, author of "The Art of Spending: Simple Choices for a Richer Life."

"I don't think a formula for how everyone should spend exists. The spending that works for me and makes me happy might be wrong for you, and vice versa."

"Research shows that if you are already content, you have friends and are healthy, having more money is like rocket fuel, because you can use that money to spend more time with those friends and do the projects you want to pursue. But if you're not — if you're unhealthy, you're in a bad marriage or you don't like your job — earning more money is probably not going to do much for you."

"Many years ago, a gerontologist named Karl Pillemer interviewed 1,200 Americans, most of them 80 to 100 years old. Not a single one, looking back at their life, said, I wish I made more money. But every single one said, I wish I spent more time with my family, I wish I was nicer to my friends, I wish I took care of my health more. When I try to figure out my work-life balance, that's something I try to keep in mind."

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MELISSA SIESTO, RICP, FSCP
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What is your "money temperament?" Using the hypothetical example of buying a car can give you insight into how you think about money… and help you decide if you should change your approach.
Spenders are willing to make a big down payment on a dream car, and then make payments, to get exactly what they want, even if it means paying twice the price once interest is figured in. They like to leverage credit and prioritize having the things they value.
Savers might also pay full price, but they pay with cash. They don't mind spending money, but haggling or making deals doesn't interest them, they just want to buy the car and be done with it.
Deal Seekers wait around, looking for the best bargain before buying a used version of the car they want when they find it at half the price, and paying cash. Deal Seekers like to work the system. They savor the satisfaction of striking a deal and don't mind working and waiting for it.
Source: everydaycheapskate.com

"The safest way to double your money is to fold it over and put it in your pocket."
-Kin Hubbard

Your Questions Answered

By Jill Schlesinger, Jill on Money

Q. My husband and I are in our 50s and we have one teenager. It is likely that one day, she will inherit a lot of money. Without knowing at what age she will be when it comes to handling money, is there anything we can do now to help her, should she find herself overwhelmed?

A. It's smart to think about this today. Find a qualified estate attorney who can walk you through the process and will present you with a variety of options for assisting your daughter in the future. In the process, you will likely have to identify someone (or an institution) who can assist her with money management in the future. Once the plan is intact, discuss it with her so she understands the basics.

Q. My wife and I just sold our house for over $1 million and are (luckily) living rent-free while we search for our new home. In the interim, we would like to have the money in the bank, earning some interest so we can have it work for us. I have seen a bunch of options for online banks. Are they legit?

A. The key is to make sure that whichever bank you choose, its accounts are FDIC insured. One note: you shouldn't put the entire million dollars into one account. Instead, spread it out to make sure each account is covered by **FDIC insurance**, which is currently $250,000 per depositor, per ownership category at each FDIC-insured bank.

Q. With the recent negative headlines about Social Security changes that could be coming, why should I wait until 67 or 70 to start claiming benefits? I was planning on taking mine as soon as I can, because I don't think that it's a good investment — and I have zero confidence that the program is going to be around for the long term.

A. If you consider a guaranteed eight percent return for each year that you wait a bad investment, well that's a bad investment that I'll take every day of the week. That eight percent is the added annual benefit for waiting to claim Social Security. Additionally, Social Security benefits come with a cost-of-living adjustment, to account for inflation in the future. Unless your health isn't great or you absolutely need the money, waiting is beneficial.

Q. Can I skip maxing out my workplace retirement contributions this year and use the same amount to rebuild my cash savings instead? We recently had to use quite a bit of our emergency cash for house repairs, and I would like to get back up to just over six months of emergency savings. We would still be able to max out our Roth IRA contributions

A. I have no problem with your game plan. Think of it as a temporary pause, and it's not even a full pause as you'll still be contributing to your Roth IRAs. You'll be back on track in no time.

Guilt-Free Retirement Spending

By Donna Fuscaldo, Kiplinger's Personal Finance

If you have cash to spend in retirement but are reluctant to, don't be. You've earned the right to enjoy what you've worked hard to achieve.

If you're ready, here are six guilt-free ways to do it.

1. Go on those bucket list trips -

Maybe it's a trip to Iceland to see the Northern Lights, or a trek across the Serengeti to see lions and leopards, whatever your dream, taking that trip is a way to enrich yourself.

2. Get in shape to save -

Staying healthy is a big deal, given the costs associated with getting sick.

Spending on your health can include a gym membership, exercise classes, stocking up the fridge with healthy foods, buying equipment and gear and exploring the outdoors. Adventure and fitness-focused trips also fall into this category.

3. Chase your dreams -

The key to success in retirement is having a sense of purpose, a reason to get up every day. A hobby might give you that and should be high on your guilt -free spending list.

Your hobby could require you to invest in gear or cover the costs of classes to learn a new skill or improve on an existing one. If it brings you joy, it's worth the expense.

4. Enrich your loved ones -

Helping your family members is a great way to spend your money.

Consider opening a 529 college savings account for your kids or grandkids, or helping with the down payment for a home.

In 2025, you can give as much as $19,000 to any one person without having to report it to the IRS. If you're married, it's a combined $38,000.

5. Invest in your home -

Whether you're thinking about overhauling your home so it's easier to age in place or you want to do some renovations, investing in your home is a way to spend money without feeling bad.

If you upgrade your bathroom or kitchen or add a deck or room, you'll likely see a return on that investment, plus you get to enjoy it.

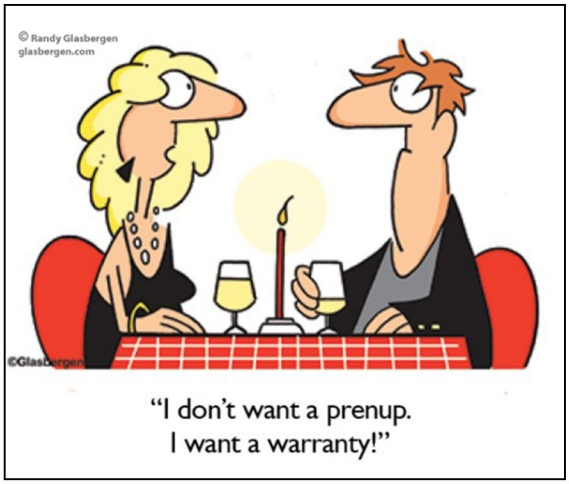
6. Give back -

What more selfless way to spend your money is there than donating to charities? Donating to charities can be a tax-smart way to spend money.

You can donate cash, stock, real estate, fine art, cryptocurrency and other assets with value and get a tax deduction for the contribution.

You don't have to feel guilty

Indulging can be hard, especially if it's out of character for you, but the benefits of doing so in retirement can't be ignored. If you spend right, you can enrich yourself, your family and friends or the causes you care about.



You can deduct business expenses and still take the standard deduction. The standard deduction does not replace deductions for business expenses. For tax year 2025 self-employed people and small-business owners are permitted to take the standard deduction – $1500 for single or separate filers… or $30,000 if married filing jointly. Additional amounts apply for people who are blind and seniors age 65 and older.
Source: bigideasforsmallbusiness.com.

Mutual fund tax trap – watch out for high turnover. Aggressively managed stock funds can generate big short-term capital gains distributions which are taxed as ordinary income instead of more favorable long-term capital gains rates. Look up a fund's turnover ratio – the amount of change in the fund's portfolio holdings in one year. The lower the ratio, the less the potential for short term capital gains distributions. If you want to invest in funds with high ratios, keep them in tax deferred accounts, such as IRAs and 401(k)s.
Source: Bottom Line Personal magazine

"Hard work never killed anybody, but why take a chance?"

-Edgar Bergen

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What To Know About Choosing A Trustee

By Ella Vincent, Kiplinger's Money Power

A trust allows you to create a clear plan to bequeath assets to your heirs and help your beneficiaries avoid probate. As the grantor, you must choose a trustee to take charge of the trust and handle its assets.

One option is to designate an individual — such as an adult child, another relative or a friend. On the plus side, someone who is personally close to you will know you well and may be adept at navigating your family's dynamics. And an individual trustee may not expect payment (or may ask for only a nominal fee).

However, a relative's or friend's personal connection with you could interfere with their ability to make the best decisions regarding your trust. If your trustee is also a beneficiary of the trust, for example, they'll have to balance their own interests with their responsibilities as trustee.

Additionally, a trustee may have to deal with such complex tasks as filing taxes on behalf of your trust and understanding state tax law in case your trust is audited.

Alternatively, you may choose a corporate trustee — usually a bank trust department or an independent trust company. A corporate trustee will have extensive experience in managing trusts and they'll be better positioned to act impartially. But you will pay a fee for a corporate trustee's services. Typically, it's a percentage of the trust's estate value, often in the range of 0.5% to 1.5%.

A third option: Name both an individual trustee and a corporate trustee, a strategy that can take advantage of each party's strengths. The individual trustee could offer insight into your goals, wishes and family values, and the corporate trustee could oversee the complex financial and legal responsibilities. Plus, the corporate trustee can provide backup if your individual trustee becomes unable to manage your trust. Be sure to check with an estate attorney for advice regarding your personal situation.