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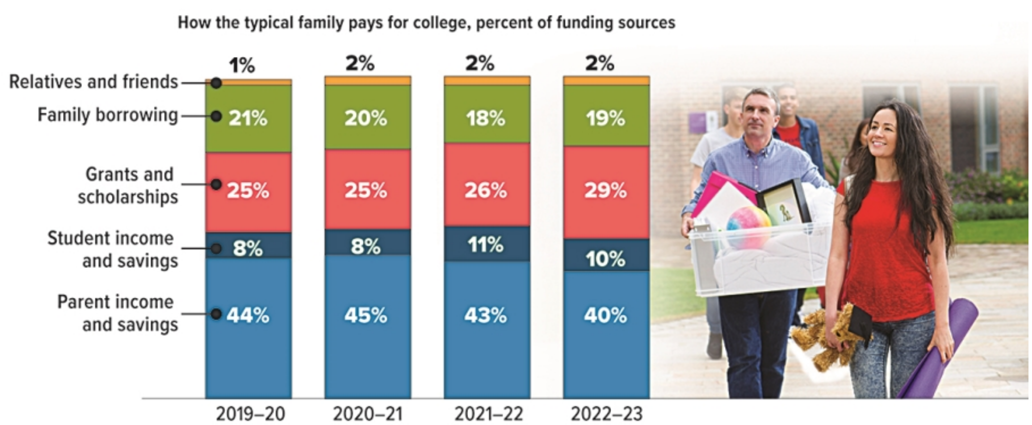
Hello Everyone, hope all of you will have a good labor day weekend. A lot happening since the last letter, and especially the Labor figures small miss of ***817,000 jobs*** ....just kidding. This was a big error, and has political overtones to it. We have had minor mistakes/corrections in the past, but never like this...hiding 817k reduction. So the result is that the FED will be moving up its scheduled interest rate cuts for sure now. The first probably in September. Remember the FED has a dual mandate: **price stability and maximum employment** . So while the inflation rate numbers have been declining due to high interest rate cost of money reducing activity; the labor unemployment numbers have now gone up faster than previously expected. The markets had a brief uptick in volatility as a result. The good news is that interest rates will be coming down and the high cost of borrowing along with it....we all want a soft landing and then another upward trend in GDP to begin into next year.

How the Typical American Family Pays for College

The typical family uses a combination of income, savings, grant aid, and loans to pay for college. For the past several years, income and savings from parents and students have consistently covered about half of the total cost, with grant aid covering about one quarter of the total cost and loans covering most of the remainder.

Starting a college fund early and aggressively looking for grant aid from colleges can help families reduce the amount they may need to borrow. A net price calculator, available on every college website, can help families estimate how much grant aid a student might receive at a particular college.



Source: *How America Pays for College 2023,* Sallie Mae

Eight Great Investing Quotes

Investing can be daunting, whether you are experienced or a beginner. Even if you feel confident about your investing strategy, it can be easy to lose focus or make decisions based on emotion. Here are eight quotes from successful investors, economists, and other insightful thinkers that may help provide perspective and focus for your own investing strategy.

"The individual investor should act consistently as an investor and not as a speculator."[1]
— Benjamin Graham, investor, author, and teacher known as the "father of value investing." A speculator takes large risks in the hopes of making large quick gains. An investor focuses on risk-appropriate strategies to pursue long-term goals.

"Don't try to buy at the bottom and sell at the top. It can't be done except by liars."[2]
— Bernard Baruch, investor and presidential adviser. Trying to time the market may be tempting, but it rarely works, because no one really knows when the market has reached its top or bottom.

"If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes."[3]
— Warren Buffett, investor, businessman, and philanthropist. Buffett, a former student of Benjamin Graham, is perhaps the most famous proponent of patient "buy and hold" investing.

"Take measured risk."[4]
— Doris P. Meister, investment manager and business leader. All investing involves risk, but risk can be managed through careful research and proven strategies such as asset allocation and diversification.

"Regardless of what happens in the markets, stick to your investment program. Changing your strategy at the wrong time can be the single most devastating mistake you can make as an investor."[5]
— John Bogle, investor and mutual fund industry pioneer. A sound investment strategy should be designed to carry you through market ups and downs.

"Know what you own, and know why you own it."[6]
— Peter Lynch, investment manager, author, and philanthropist. Your portfolio should be assembled with an eye toward meeting your long-term financial goals, not by rushing to own the "flavor of the month."

"Investing should be more like watching paint dry or watching grass grow. If you want excitement, take $800 and go to Las Vegas."[7]
— Paul Samuelson, 1970 Nobel laureate in economic sciences. Investors often make poor decisions when they are driven by adrenalin; patience is more likely to produce positive results in the long run.

"Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it."[8]
— Albert Einstein, 1921 Nobel laureate in physics. Even though this and similar quotes are often attributed to Einstein, it's uncertain whether he ever said them. Either way, one of the most powerful tools for investors is reinvesting interest, dividends, and capital gains.

There is no guarantee that any investing strategy will be successful. All investments are subject to market fluctuation, risk, and loss of principal. When sold, they may be worth more or less than their original cost. Investments seeking to achieve higher returns also involve a higher degree of risk. Asset allocation and diversification are methods used to help manage investment risk; they do not guarantee a profit or protect against investment loss.

1, 6, 7) Investopedia, September 15, 2023

2, 5) BrainyQuote, accessed March 28, 2024

3, 8) Goodreads, accessed March 28, 2024

4) *U.S. News & World Report,* March 11, 2024

It's Complicated: Inheriting IRAs and Retirement Plans

The SECURE Act of 2019 dramatically changed the rules governing how IRA and retirement plan assets are distributed to beneficiaries. The new rules, which took effect for account owner deaths occurring in 2020 or later, are an alphabet soup of complicated requirements that could result in big tax bills for many beneficiaries.

RMDs and RBDs

IRA owners and, in most cases, retirement plan participants must start taking annual required minimum distributions (RMDs) from their non-Roth accounts by April 1 following the year in which they reach RMD age (see table). This is known as their required beginning date (RBD).

Likewise, beneficiaries must take RMDs from inherited accounts (including, in most cases, Roth accounts). The timing and amount of an individual beneficiary's RMDs depend on several factors, including the relationship of the beneficiary to the original account owner and whether the original owner had reached the RBD.

Three key points apply to both owners and beneficiaries: (1) individuals must pay income taxes on the taxable portion of any distribution, (2) the larger the RMD, the higher the potential tax burden, and (3) failing to take the required amount generally results in an additional excise tax.[1]

Date of birth	RMD age
Before July 1, 1949	70½
July 1, 1949, through 1950	72
1951 to 1959	73
1960 or later	75

The age that determines an account owner's RBD depends on the account owner's date of birth.

Spouse as sole beneficiary

Spouses who are sole beneficiaries have the most options for managing inherited accounts. By default, a surviving spouse beneficiary is treated as what's known as an eligible designated beneficiary (EDB) with certain advantages (see next section, "EDBs and DBs"). And if the deceased spouse died before the RBD, a surviving spouse EDB who is the sole owner can wait until the year the deceased would have reached RMD age to begin distributions.

Alternatively, a surviving spouse who is the sole owner can generally roll over the inherited account to their own account or elect to be treated as the account owner (rather than as an EDB). In these cases, the rules for account owners would apply. However, there is a potential drawback to this move: if the surviving spouse is younger than 59½, a 10% early distribution penalty may apply to subsequent withdrawals unless an exception applies.

EDBs and DBs

The SECURE Act separated other individual beneficiaries into two groups: EDBs and designated beneficiaries (DBs). EDBs are spouses and minor children of the deceased, those who are not more than 10 years younger than the deceased, and disabled and chronically ill individuals. DBs are essentially everyone else, including adult children and grandchildren.

EDBs have certain advantages over DBs. If the account owner dies before the RBD, an EDB is able to spread distributions over their own life expectancy. If the account owner dies on or after the RBD, an EDB may spread distributions over either their own life expectancy or that of the original account owner, whichever is more beneficial.[2]

By contrast, DBs are required to liquidate inherited assets within 10 years, which could result in unanticipated and hefty tax bills. If the account owner dies before the RBD, the beneficiary can leave the account intact until year 10. If the owner dies on or after the RBD, a DB must generally take annual RMDs based on their own life expectancy in years one through nine, then liquidate the account in year 10.

Other considerations

Work-sponsored retirement plans are not required to offer all distribution options; for example, an EDB may be required to follow the 10-year rule. However, both EDBs and DBs may roll eligible retirement plan assets into an inherited IRA, which may offer more options for managing RMDs.

This is just a broad overview of the complicated new rules as they apply to individual beneficiaries. If an account has multiple designated beneficiaries, or if a beneficiary is an entity such as a trust, charity, or estate, other rules apply. Beneficiaries should seek the assistance of an estate-planning attorney before making any decisions.

1) The IRS has waived this tax as it applies to the DB 10-year rule through 2024.

2) An inherited account must be liquidated 10 years after an EDB dies or a minor child EDB reaches age 21.

Retroactive Social Security Benefits: A Chance to Turn Back Time

Did you know that if you postpone claiming Social Security past your full retirement age, you have the option of receiving a lump-sum payment for up to six months of benefits when you finally apply?

Receiving retroactive benefits in a lump sum might be helpful if you face a change in health or need cash in an emergency. However, you'll want to think through the consequences, because taking an initial lump sum will reduce your monthly Social Security retirement benefit for the rest of your life.

For example, let's say your full retirement age is 67, and your full retirement benefit would be $2,400. You decide to wait to apply for Social Security. By waiting past full retirement age, you earn delayed retirement credits that will increase your benefit by 8% per year, up to age 70. You apply for retirement benefits at age 67 and 6 months. Your benefit is now $2,496, due to the delayed retirement credits you've earned, 4% higher than at age 67.

If you opt to take benefits retroactively in a lump sum, your official Social Security start date and the amount of your monthly benefit will be rolled back by six months, and you will lose six months of delayed retirement credits. Your lump-sum benefit will be based on your age 67 benefit, so you will receive $14,400 ($2,400 x 6) — a sizeable amount. The downside is that your ongoing monthly benefits will be permanently reduced.

In this example, because you received a lump-sum payment for six months of benefits, your ongoing monthly benefit will be 4% lower for the rest of your life.

Full retirement age is 66 to 67, depending on year of birth.

Factors to consider when deciding if you should take retroactive benefits include your life expectancy and whether you have a greater need for immediate funds or ongoing retirement income. If you're married, your decision might affect future benefits paid to your surviving spouse, because these will be based on what you were receiving. There may also be tax consequences.

There's no single "right" time to claim Social Security retirement benefits. Knowing that you have the option to claim retroactive benefits any time after you reach full retirement age and before age 70 might help lessen the pressure of trying to perfectly time your decision.

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