

For After-Tax Accounts (Trust, Individual, and Joint Accounts):
1099 forms began mailing on January 31st, and some of you may have already received them. However, delays may occur until ETF sponsors and mutual fund companies post revised information. Forms will be sent weekly as finalized, with March 14th being the last mailing date. Thankfully, the process is moving quickly, and you may receive your form before then.
Note: If your 2024 1099 form is NOT marked "DRAFT," it is your final copy.

For Retirement Accounts:
1099-R forms for retirement accounts (including IRAs, Inherited IRAs, and Fixed Annuity IRAs) were sent on January 31st. If you haven't received yours, please contact your Rep at DLAK for a copy.
5498 forms, which report IRA contributions and year-end values to the IRS, will be sent by May 31st. This form is not filed with your tax return.

Market Insights & Planning Highlights

Q1-2025

PORTFOLIO MANAGEMENT

Are Advisors Still Using Bond Funds?



by **Robert Kosciak**

This may not be a new topic for me, but it's still one worth revisiting. If you're curious about the pros and cons of fixed-income investing, read on.

Anyone who's been in a meeting with me knows I've often said, *"Bond funds are one of the worst products ever created by this industry."* That might sound a bit harsh, especially given that there are plenty of other terrible products out there, but the surprising part is how such a flawed concept became so widely adopted. One of my core principles is to keep my clients' money

where it belongs—in *their pockets*. That's why, at DLAK, we avoid using traditional bond funds almost entirely.

Now, let me explain why bond funds are actually counterintuitive to their intended purpose. If we drop the word "fund" and focus on the word "bond," what is the core purpose of investing in bonds?

Safety and, to a lesser extent, *certainty of income*. Do bond funds offer these qualities? The answer is either *not really* or a resounding *no*.

But what about individual bonds? Do they offer both safety and certainty of income? *Mostly yes*. So, why were bond funds introduced in the first place? 50 years ago, it was near impossible

Inside This Issue page

Where are my Tax Forms?	1
Are Advisors Still Using Bond Funds?	1
Can the Dollar Stay Strong?	5
Social Security Survivor Benefits	8
Understanding Tariffs	10
Kids Can Contribute to College	13
Fulfillment in Retirement	15
New Regulations: 401(k) Rollovers	17
Saving Money While Raising Kids	19
Did You Know?	21

PORTFOLIO MANAGEMENT

Are Advisors Still Using Bond Funds? (continued)

to diversify your own bonds because they were typically sold in \$10,000 increments. Sure, you could buy smaller amounts, but your commission fees would quickly eat away at any potential return. The average investor didn't have enough money to diversify or ladder their bond portfolio, so the industry saw an opportunity and introduced bond funds. Personally, I think investors would have been better off buying laddered CDs. Fast forward to today, and the landscape has changed—so why are trillions still tied up in bond funds? Simple: there's money to be made, and it's easy. Investment firms and advisors don't make money on CDs, but they do on bond funds. *Enough said.*

What are the Alternatives? Let's break bond investing into two categories:

- I. Conservative Investing
- II. Bond Investing with Historical Returns that Compete with Stocks

I. Conservative Investing

In my view, there are four primary ways to invest conservatively in bonds:

1. High-Quality Bond Funds
2. High-Quality Individual Bonds
3. MYGAs (Multi-Year Guaranteed Annuities)
4. SPIAs (Single Premium Immediate Annuities)

Now, let's say I'm looking for five things from my bond investments:

- Low Fees
- Liquidity
- Conservative option
- Certainty of Income
- Internal Rate of Return (IRR)

I'll rank these from low to high for each investment type and share my thoughts on how much, if at all, they should play a role in your portfolio...

PORTFOLIO MANAGEMENT

Are Advisors Still Using Bond Funds? (continued)

	Low fees	Liquidity	Conservative	Certainty of income	IRR
High quality Bond Funds					
High Quality Individual Bonds					
MYGAs					
SPIAs					

My thoughts on each investment type:

- 1. High-Quality Bond Funds:** If you've been reading this far, you know I'm not a fan. These funds carry interest rate risk, which undermines their intended purpose—safety. When interest rates go up, your principal can go down, and there's no certainty that you'll recover it. The fees can also be quite high. The average bond fund has fees greater than 0.5%, and if you have an advisor, they likely charge 1% or more. In 2020, for example, with the 10-year Treasury yielding around 1.5%, the average bond fund's expected IRR was *zero*. In 2022, bond funds dropped 13%—a real hit to your principal.
- 2. High-Quality Individual Bonds:** Individual bonds can offer a fixed yield and maturity, which provides both safety and certainty of income if you hold them to maturity. However, fees can still be a concern if your advisor charges 1%. These bonds work best when their maturities match your need for income—what I like to call *obligation management*.
- 3. MYGAs (Multi-Year Guaranteed Annuities):** Currently, I allocate about 50% of my clients' fixed-income portfolios to MYGAs. These products can offer over 5% for five years with A-rated insurance companies, compared to the 5-year Treasury yield of just under 4.5%. The downside is *liquidity*—you can often only access up to 10% of the principal per year, with heavy penalties if you need more. Despite that, the guaranteed return is attractive, and if you don't need the money before maturity, they could be a great option.

PORTFOLIO MANAGEMENT

Are Advisors Still Using Bond Funds? (continued)

- 4. SPIAs (Single Premium Immediate Annuities):** With an SPIA, you hand over a lump sum in exchange for guaranteed periodic payments for a specific term or for life. I'm not a fan of life annuities unless you're in excellent health and expect to outlive the average person. They work well to complement Social Security, but I'd recommend putting no more than 10-20% of your portfolio into one due to their lack of liquidity.

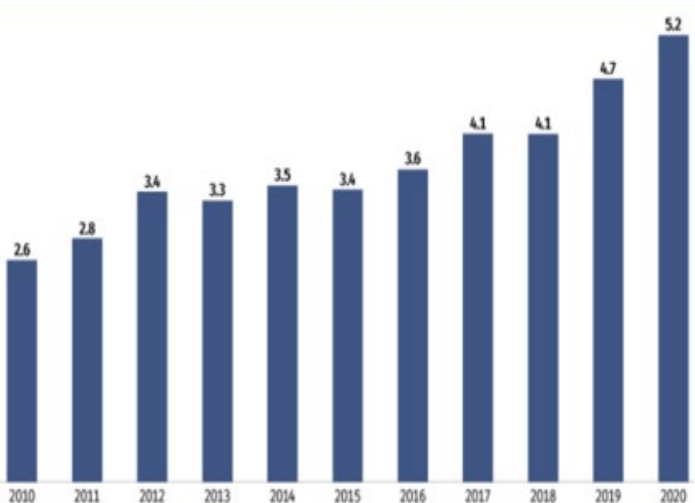
II. Bond Investing with Historical Returns that Compete with Stocks

This category includes riskier assets such as junk bonds, bank loans/floating-rate notes, emerging market debt, and preferred stocks. While these investments often yield 7% or more, they come with significant risks that can approach—and sometimes exceed—those of stocks. For example, preferred stocks have historically been concentrated in a few sectors, like financials. During the Great Recession, the entire category underperformed stocks as financial companies struggled.

Embrace Risk

To conclude, I believe the focus should be on *risk* versus *no risk*, not just stocks and bonds. In 2020, bond funds offered a long-term target return of 0% with significant risk. Today, bond funds may yield around 4%, but the appeal is still limited. If you want conservative investments with a potentially attractive yield, there are potentially better options that offer more flexibility—and I'd argue they should play a key role in your portfolio.

Figure 1
Assets in Bond Mutual Funds
Trillions of dollars, year-end



Source: Investment Company Institute

ON THE ECONOMY

Can the Dollar Maintain Its Strength?



by Jason Phipps

The strength of the U.S. dollar plays a critical role in global markets, impacting trade, inflation, and investment returns. Over time, the dollar has fluctuated due to economic policies, interest rates, and global events. This article explores the dollar's historical trends and identifies investments that historically benefit from a weakening dollar.

The U.S. Dollar's Historical Strength

The value of the dollar has shifted over the years, influenced by various economic and geopolitical factors:

- **Post-WWII Dominance:** The Bretton Woods system (1944) established the dollar as the world's primary reserve currency, backed by gold. It collapsed in 1971, allowing the dollar to float freely.
- **1980s Peak:** The dollar surged in the early 1980s due to high interest rates. The 1985 Plaza Accord was designed to weaken the dollar to address trade deficits.
- **2000s Volatility:** A weaker dollar emerged in the early 2000s amid large budget deficits and low interest rates. It strengthened after the 2008 financial crisis as investors sought safe-haven assets.
- **Recent Trends:** In 2022, the dollar reached multi-decade highs as the Federal Reserve aggressively raised interest rates to curb inflation.

As shown below, the dollar has been on an uptrend since the financial crisis and remains near multi-decade highs.

The BRICS and the Dollar

While predicting the dollar's future is tricky, we know trends don't last forever. The BRICS nations—Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran, and the UAE—are working on a common currency to avoid reliance on the dollar. The war in Ukraine accelerated this initiative, as Russia was excluded from the SWIFT payment system. If successful, the BRICS currency would initially be used for trade among these nations.

ON THE ECONOMY

Can the Dollar Maintain Its Strength? (continued)

A number of other factors can also threaten the dollar's strength:

- **U.S. Deficit:** If the deficit continues to grow, it could undermine confidence in the dollar.
- **U.S. Monetary Policy:** Lowering interest rates while other central banks raise theirs could weaken the dollar.
- **Global Economic Conditions:** Economies outside the U.S. outperforming could shift global demand.



What Investments Could be Positioned to Perform Well When the Dollar Weakens?

A weaker U.S. dollar tends to benefit specific asset classes:

1. Commodities (Gold, Oil, Agricultural Products)

- Commodities are priced in dollars, so a weaker dollar makes them cheaper for foreign buyers, boosting demand.
- Gold acts as a hedge against currency depreciation and inflation.
- Oil and energy commodities typically rise when the dollar weakens.

2. International and Emerging Market Stocks

- As the dollar weakens, foreign investments become more valuable when converted into dollars.
- Emerging markets, which often hold dollar-denominated debt, benefit as their repayment burden decreases.

ON THE ECONOMY

Can the Dollar Maintain Its Strength? (continued)



Historically, international stocks (represented by the MSCI EAFE) and emerging markets have outperformed U.S. stocks when the dollar weakens.

3. U.S. Multinational Corporations

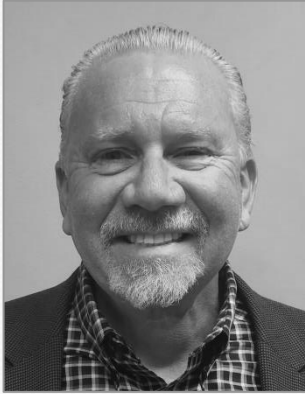
- U.S. companies with significant international revenues benefit from a weaker dollar, as foreign earnings convert into higher dollar-denominated profits.
- Examples include major technology, consumer goods, and industrial firms with global sales.

What Is DLAK Doing About It?

Over the past 15 years, U.S. stocks have outperformed international stocks. We emphasize the importance of a diversified portfolio, including commodities and international/emerging market allocations. While we've been underweight in international and emerging market stocks recently, we still maintain exposure to them. Diversification remains essential for long-term success—unless I can get my crystal ball working! If we observe evidence of a weakening dollar, we'll adjust your portfolio to reflect assets that typically benefit from such conditions.

SOCIAL SECURITY

Social Security Benefits After the Loss of a Spouse



by Brett Roth

Losing a spouse is an incredibly difficult experience, and navigating the complexities of Social Security benefits during such a time can add further stress.

Thankfully, the Social Security Administration offers survivor benefits to the surviving spouse, ex-spouse, and certain family members. Understanding who is eligible and what benefits are available can ease the burden during an already challenging time.

I. Who's Eligible for Survivor Benefits?

- **Spouses and Ex-Spouses**

If you're 60+, or 50-59 with a disability, and were married for at least 9 months before a spouse's death, you may qualify for benefits. Ex-spouses married for at least 10 years and not remarried before 60 (50 if disabled) may also qualify.

- **Children**

Unmarried children under 18 (or up to 19 if still in high school) may qualify. If a child has a disability that began before 22, they may be eligible regardless of age.

- **Stepchildren & Adopted Children**

These children are treated the same as biological children if the relationship meets the same conditions.

- **Grandchildren & Step-Grandchildren**

They may qualify if their biological parents are deceased or disabled, and if they lived with and were supported by the deceased grandparent.

- **Adult Children with Disabilities**

Adult children who became disabled before age 22 may qualify if a parent dies.

- **Dependent Parents**

You may qualify if 62+ and were dependent on a deceased child.

SOCIAL SECURITY

Social Security Benefits After the Loss of a Spouse (cont.)

II. What Are the Survivor Benefits?

The amount you receive as a surviving spouse or family member depends on your relationship with the deceased and when you apply. Here's what you can expect:

- **Surviving Spouse/Ex-Spouse**

The survivor benefit typically starts at 71.5% of the deceased's benefit if claimed at age 60 (50 if disabled) and can go up to 100% if claimed at Full Retirement Age (FRA). If you worked, you could choose the higher benefit between your retirement and survivor benefit.

- **If the Deceased Spouse Died Before FRA**

Benefit is calculated based on what the deceased would have received at FRA.

- **If the Deceased Spouse Died At or After FRA**

The benefit is based on the deceased's actual benefit at the time of death.

- **Children, Stepchildren & Adopted Children, Grandchildren & Step-Grandkids**

Benefit for children is typically 75% of the deceased's Social Security benefit.

- **Adult Children with Disabilities**

Benefit is generally 75% of the deceased parent's Social Security benefit.

- **Dependent Parents**

A surviving dependent parent can receive 82.5% of the deceased's benefit, or 75% if there are two dependent parents.

Family Maximum Limit

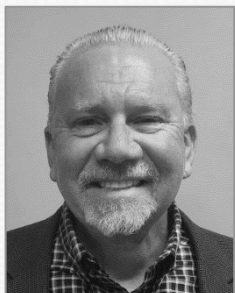
Note: survivor benefits are capped at 150%-180% of the deceased's full benefit. If the total exceeds this limit, individual benefits are reduced proportionally.

To conclude, understanding Social Security survivor benefits can be complex, but knowing the eligibility and options is key. At DLAK, we're here to guide you through the process and help you make informed choices during this challenging time.

Sources: https://www.mfs.com/content/dam/mfs-enterprise/mfscom/sales-tools/sales-ideas/mfsp_sssurv_fly.pdf
<https://www.investopedia.com/personal-finance/social-security-survivor-benefits-work/#citation-1>

ECONOMIC POLICY

Understanding Tariffs: What's in Store for You?



by

Brett Roth

Jason Phipps

& William Bachman

In 2018 and 2019, the word “tariff” seemed to be hit around as much as a pickleball during a fast-paced match. Seven years later, the topic is back in play with a recent executive order from President Trump.

Tariffs, once a key point of economic tension, are resurfacing and could have widespread impacts across various industries. In this article, the DLAK team breaks down what tariffs are, the implications of recent duty increases, and how these changes could affect you.

Tariffs – A Brief Introduction

A tariff is essentially a tax imposed by a government on imported goods, which increases the cost of entry for foreign products in a national market. Some countries have low tariffs, while others have high rates. Over the past 30 years, the United States has entered into various free trade agreements with over 20 countries, allowing goods from those nations to pass through U.S. ports duty-free. Imports from countries outside of these agreements are subject to tariffs, which are paid at the time of customs clearance.

New Tariffs: What Was Signed? Why?

On February 1st, 2025, President Trump signed an order to implement a 25% tariff on imports from Mexico and Canada (excluding Canadian energy imports, which have a 10% tariff that has currently been paused), as well as a 10% tariff on Chinese imports. The President stated that the tariffs are intended to hold China, Mexico, and Canada accountable for their commitments to curb the flow of illegal drugs into the U.S. and to address illegal immigration issues.

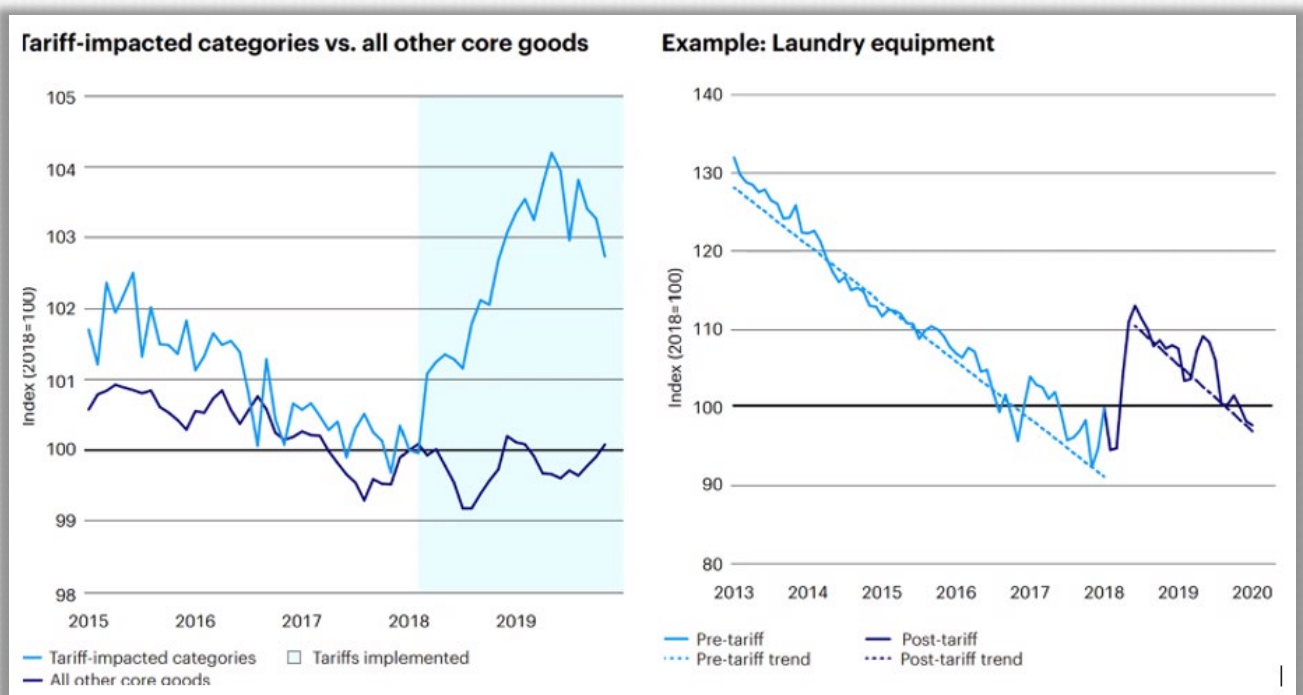
ECONOMIC POLICY

Understanding Tariffs: What's in Store for You? (cont.)

What History Has Taught Us

In an increasingly interconnected world, trade barriers have historically been reduced, fostering a fluid international economy. However, large tariffs such as these are rare and tend to create significant uncertainty in the short term. According to modern economic theory, tariffs raise the cost of goods, tightening supply and driving up prices. This was evident in the 2018-2019 tariff period. However, as shown in the graph below, tariffs often represent a one-off price shock that doesn't have long-lasting effects on other goods. For example, prices for laundry equipment that spiked during the last round of tariffs readjusted by the end of 2019.

The longer these tariffs remain in place, the greater the risk of economic stagnation in the U.S., as demand gets suppressed.



ECONOMIC POLICY

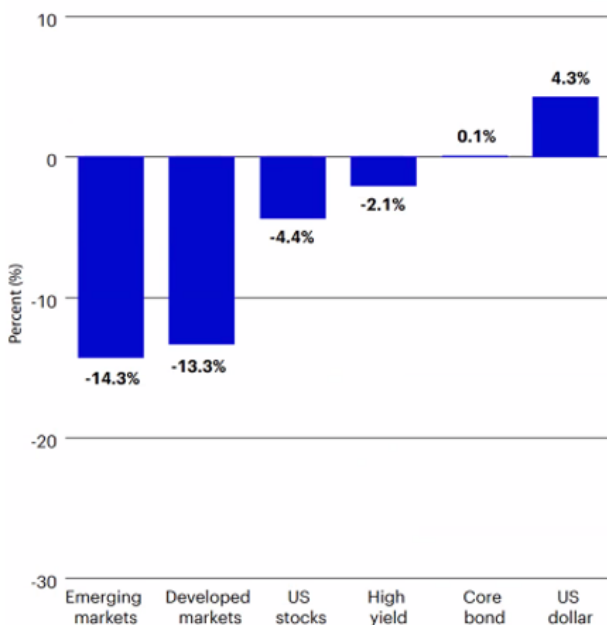
Understanding Tariffs: What's in Store for You? (cont.)

The Market's Response to Past Tariffs

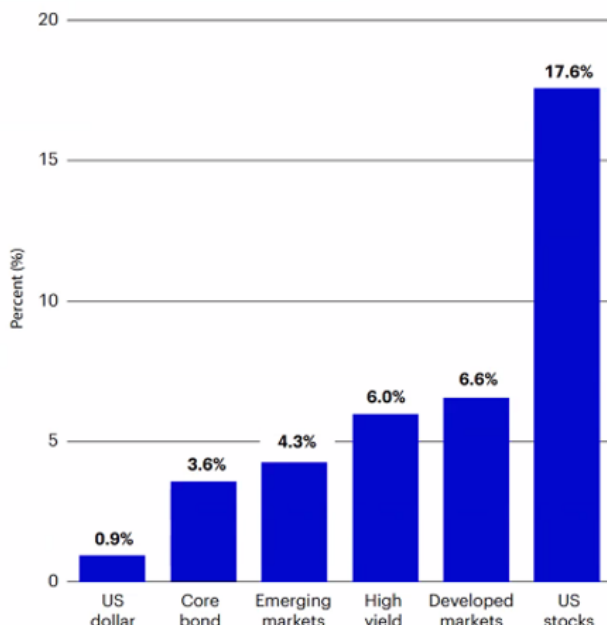
During the U.S.-China trade war in 2018-2019, the market saw significant volatility. The S&P 500 dropped 6% in 2018, the lowest since 2009, but rebounded with a 31.5% return in 2019, the highest since 2001. While tariffs caused short-term fluctuations, the market adjusted and grew once trade resolutions were reached.

Returns after initial Trump tariff

One-year returns (01/2018-12/2018)



Three-year annualized returns (01/2018-12/2021)



What This Means for You

We understand that tariffs have been effective in the past. The media should ease up on the fearmongering, especially since our tariffs remain among the lowest globally. Can tariffs contribute to inflation? Absolutely. However, there's no doubt that inflation was a top reason—if not the primary reason—for the political shift in Washington. We're guessing Trump and his team don't forget that.

Sources: <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>;
<https://www.invesco.com/us/en/insights/tariffs-rattle-stock-markets-long-term-impact.html?>

SMART STRATEGIES

How Kids Can Contribute to College Costs



by Jenny Cyrus

As parents, we often worry about the rising cost of college tuition, and the thought of our kids racking up significant debt can be daunting. How much parents contribute to college tuition is a personal family decision, but what if paying for college wasn't just about the money? What if it was also about teaching kids responsibility, work ethic, and the value of education?

Here are some smart strategies for how kids can contribute to their college costs while learning important life lessons:

1. Set a Fixed Contribution Limit

One approach is to set a specific dollar amount you're willing to contribute to your child's college expenses. This could be based on the average cost of an in-state public university, a private college, or an amount you feel comfortable with. Anything beyond that, your child is responsible for. If they choose a more expensive school, they pay the difference. This puts the onus on them to choose a college within the provided budget or take responsibility for covering extra costs.

2. Require a Financial Contribution

Another way to ensure your child has "skin in the game" is by requiring a financial contribution. Parents can cover a percentage of tuition each year, or have the student pay for the final year independently. This encourages them to contribute through part-time jobs, scholarships, or loans and teaches them how to manage their finances.

3. Tie Tuition Payment to Academic Performance

A performance-based approach links your financial contribution to your child's GPA. If they maintain a certain grade level, you cover tuition; if not, you can reduce or stop contributions or set a probationary period for improvement. This encourages focus on studies and reinforces academic responsibility.

SMART STRATEGIES

How Kids Can Contribute to College Costs (continued)

4. Pay for Education, Let Them Cover the Extras

Another option is to cover tuition and housing while your child is responsible for discretionary expenses, like eating out, social activities, and club fees. If they want to enjoy these extras, they must find ways to fund them themselves, such as through a part-time job. This encourages them to balance wants versus needs, making them more mindful of how they spend money.



The Power of Investing in Education

Asking your child to contribute financially to their college education doesn't mean burdening them with debt. Whether it's through financial contributions, performance incentives, or simply managing their own spending, these strategies encourage responsibility, discipline, and an appreciation for the value of money. Imagine the benefits of a student who is not only receiving an education but actively investing in it. The lessons learned here will last a lifetime.

Source: <https://www.forbes.com/sites/kristinmckenna/2024/05/13/4-ways-to-have-your-kids-contribute-to-the-cost-of-college/?sh=137b7c0d2997>

RETIREMENT PLANNING

Finding Fulfillment Beyond the Paycheck – by Jason Phipps

When people think of retirement, financial planning often comes to mind. How much money is needed? How can savings be maximized? While these concerns are important, the non-financial aspects of retirement are just as vital for a fulfilling post-work life. Retirement offers a chance to redefine yourself, explore new passions, and create a sense of purpose beyond a paycheck. Let's explore these aspects and how they impact well-being.



1. Redefining Your Purpose

Retirement marks a shift from a career-focused identity to one where you define your own purpose. Work often provides structure, goals, and a sense of achievement. Without it, there can be a void if you haven't mentally and emotionally prepared. Retirement offers the freedom to pursue hobbies, volunteer, or even start a second career or passion project. This new purpose—whether creative, altruistic, or intellectual—brings deep satisfaction and fulfillment.

2. Health and Well-Being

As we age, maintaining health is crucial for enjoying retirement. While financial security covers healthcare, health itself impacts your quality of life. Retirement provides time to prioritize physical and mental well-being through regular exercise, nutritious meals, and relaxation practices like yoga. New activities, such as learning an instrument or gardening, can enhance mental health. Building strong social connections also combats loneliness, supporting emotional health.

3. Social Connections and Relationships

Retirement allows time to deepen relationships with loved ones and form new social circles. Many retirees focus on family, friendships, and community engagement. Whether spending more time with children and grandchildren or volunteering, building meaningful relationships helps prevent isolation and promotes overall health. A strong social network fosters a sense of belonging.

RETIREMENT PLANNING

Finding Fulfillment Beyond the Paycheck (continued)

4. Mental Stimulation

Retirement is an opportunity for intellectual growth. Whether learning a language, attending classes or reading, education keeps the mind sharp. Engaging in stimulating activities combats cognitive decline, boosts focus, and encourages social interaction.

5. Building a Legacy

Retirement is an ideal time to reflect on your legacy—both financial and personal. Creating meaningful experiences with loved ones, sharing life stories, or contributing to causes that align with your values helps build a lasting legacy. Volunteering, mentoring, or writing memoirs can pass on wisdom that transcends financial wealth.

6. Recreational and Creative Pursuits

Retirement frees up time for recreational activities and creative pursuits that were sidelined by work. Whether painting, gardening, or photography, these passions bring joy and serve as a form of self-expression. Retirement is also an opportunity to focus on leisure, like traveling or enjoying nature, allowing for relaxation and rejuvenation.

7. Creating a Sense of Community

Many retirees find fulfillment in contributing to their community via volunteer work. Helping others provides meaning and connects you with like-minded individuals. Becoming more active in local and civic affairs fosters a sense of belonging and impact.

8. Emotional and Psychological Readiness

Retirement requires psychological preparation, especially for those who derive self-worth from their career. It's vital to explore personal goals, rediscover passions, and find new motivation. A counselor or life coach can help ease the emotional transition.

Your Golden Era

Retirement is not just a financial milestone but a period ripe for fulfillment. While money matters are crucial, focusing on non-financial aspects—such as relationships, health, and personal growth—can create a meaningful and satisfying golden era.

RETIREMENT PLANNING

New Department of Labor Regulation Takes Effect

The Growing Trend of 401(k) Rollovers



by Matt Ringle

Each year, around \$1 trillion is moved from workplace 401(k) plans into IRAs. Whether it's a few million or a few hundred thousand dollars, your 401(k) is likely one of the main vehicles for your retirement savings. When the time comes to move the funds, you're placing a great deal of trust in the advisor. At DLAK, we have always prioritized working in our clients' interests. If you value being treated fairly, then you'll be pleased to know that the financial industry is gradually being forced to follow our lead.

New Regulation Takes Effect

On September 23rd, 2024, the Department of Labor (DOL) introduced a new regulation that will affect how advisors handle 401(k) rollovers. The new rule requires all advisors assisting with 401(k) rollovers to meet a higher level of responsibility. Under this regulation, advisors must put their clients' best interests first and clearly disclose that their recommendations are in your best interest—rather than benefiting themselves.

This regulation will apply to all 401(k) rollovers, IRA transfers, and Roth IRA transfers. The financial industry now has one full year to comply, but these changes are set to make your advisor more accountable for the advice they provide.

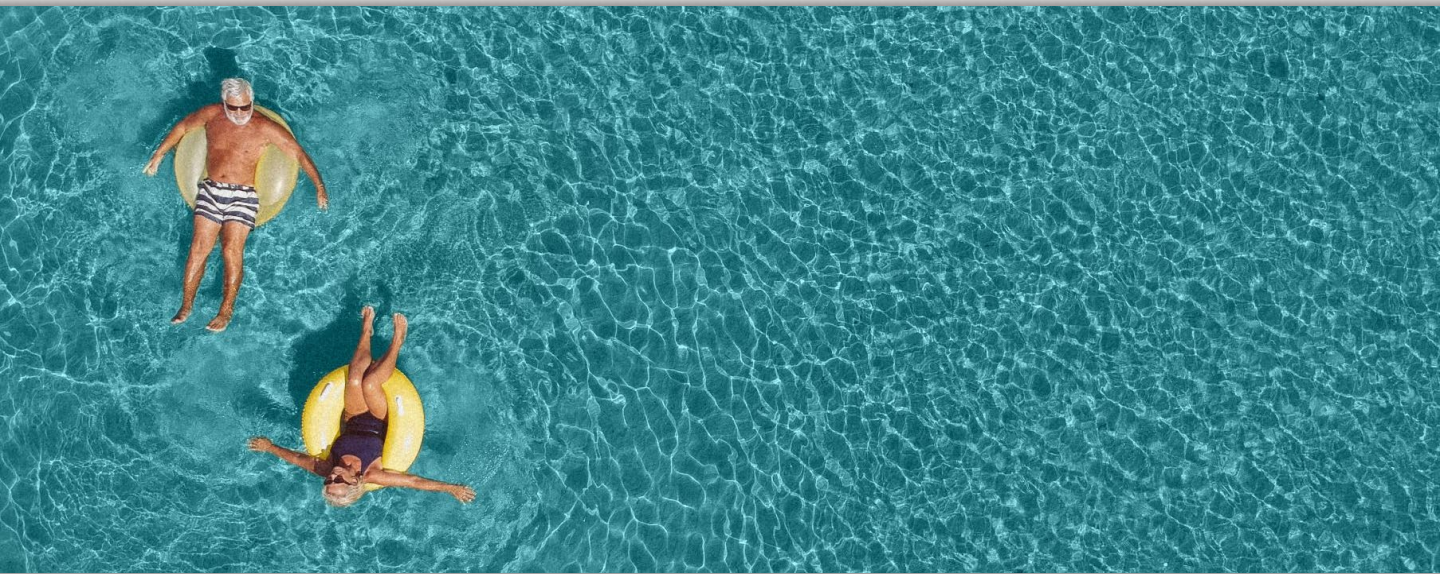
How DLAK Ensures Compliance and Protects Your Interests

If you're already a DLAK client, you may have experienced our process for ensuring compliance with this new regulation. Starting from now, anytime a 401(k) rollover or IRA transfer is made, we include a disclosure form directly within the account paperwork. This form highlights the key factors we take into account before recommending a rollover, all while keeping the process as smooth as possible.

RETIREMENT PLANNING

The Growing Trend of 401(k) Rollovers (continued)

We understand that no one enjoys dealing with more paperwork, but we want to assure you that this additional step is in place to ensure transparency and protect your interests. At DLAK, we're committed to making this process as seamless as possible, all while adhering to the highest standards of responsibility and care.



A Commitment to Your Financial Well-Being

With these new regulations, advisors across the industry are held to higher standards of accountability, and we at DLAK couldn't be more pleased. Our priority has always been—and will continue to be—working in your interest.

While these regulatory changes may lead to more paperwork, they're a step in the right direction for greater transparency and better protection of your retirement savings. We're here to ensure that your 401(k) rollover and retirement planning process is smooth, responsible, and in line with your financial goals.

Source: https://www.wsj.com/personal-finance/retirement/retirement-advice-401k-ira-fiduciary-rule-e87bd95b?mod=retirement_news_article_pos4

MONEY MATTERS

Saving Money on Child & College Costs – by Matt Ringle

Let's be honest: a majority of our clients are long past the baby stage. Still, one of the greatest forms of appreciation I receive is when clients introduce me to their children.

Whether you are one of those children or a grandparent who remembers how you carefully managed your everyday expenses during your 20s, 30s, and 40s, there's no doubt that being financially disciplined earlier in life sets you up for success.



I. How to Save Money on Kid-Related Expenses

The cost of raising a child is staggering—estimated at over \$300,000 from birth through age 17. That figure covers basic necessities like healthcare, food, and education, along with those other costs that can add up quickly, such as dance classes and birthday parties.

If you're thinking about starting a family or already have kids, here are a few practical ways to reduce the financial strain:

- 1. Buy Secondhand:** Children grow fast, and their clothes don't always stay clean. Instead of buying brand-new clothing, consider shopping at your local thrift stores or consignment shops. These items are often in great condition and much more affordable than new pieces.
- 2. Take Advantage of Free Activities:** Local libraries, museums, and community centers often offer free events or low-cost programs for kids. Follow community pages on social media and sign up for email lists to stay up to date on free activities happening in your area. These can provide fun, educational experiences without the hefty price tag.

MONEY MATTERS

Saving Money on Child & College Costs (continued)

II. How to Save Money on College Expenses

College tuition in the United States is sky-high, with the average cost for tuition, books, supplies, and living expenses totaling \$38,270 per student per year, according to the Education Data Initiative (EDI). Tuition costs have more than doubled in the 21st century, and many families face an overwhelming burden. However, there are several ways to minimize this financial challenge:

- 1. Apply for Scholarships:** Thousands of scholarships are available, and they're not just for high-achievers. Many are based on a wide range of factors, including unique backgrounds, career aspirations, and special talents. Invest time in researching and applying for scholarships from colleges, local organizations, foundations, and corporations to greatly lower tuition costs.
- 2. Consider Public Universities or Community Colleges:** Public institutions generally offer much lower tuition compared to private institutions. According to the EDI, the average cost of a private college education is \$58,628 per year. By opting for a public university or a community college, you can save tens of thousands of dollars on tuition and other associated costs.
- 3. Commute from Home:** If you live near a university, commuting from home can offer big savings. While it may come with its own set of expenses, it will still be significantly less than paying for on-campus living. Alternatively, renting an apartment off-campus can be another budget-friendly option.
- 4. Look for Student Discounts:** One of the perks of being in college is access to numerous discounts, from retailers to streaming services to tech companies. Be sure to take advantage of student deals to stretch your budget further.

In the end, every dollar saved counts, whether parenting or supporting a child in college. Make mindful decisions, prioritize spending, and use available resources to ease financial stress and secure a brighter future.

NEWS TO USE

Did You Know?

29.2 Million Abandoned 401ks Exist in the U.S.

There are approximately 29.2 million forgotten 401k accounts in the U.S. Employers are required by the Department of Labor to keep track of these orphans. You can search for unclaimed retirement benefits via the National Registry to find them!

(Source MoneyWise)

95% of Millennials Are Saving Less Than Recommended

A whopping 95% of millennials are saving less than what experts recommend for retirement, with 84% also underinsured. It might be a good time for older clients to talk to their grandkids about the importance of financial planning!

(Source NIRS Online)

500 Colleges Have Closed in the Last Decade

Over 500 U.S. colleges have closed in the past decade, and experts predict more will follow as enrollment continues to decline in the next five years.

(Source The College Fix)

First-Time Homebuyers Are Older Than Ever

The average age of first-time U.S. homebuyers has climbed to 38, compared to the late 20s in the 1980s. Changing markets and financial pressures are causing the shift.

(Source New York Post)

Large-Cap Growth Stocks Are Outperforming Small-Caps

Since the current bull market began on 10/12/22, large-cap growth stocks (S&P 500 Growth) have outperformed small-cap growth stocks (S&P 600 Growth) by more than 2x, (+83% versus +36%). The valuation gap between them is widening as well!

(Source Nationwide)

Warren Buffett Loves the GAPP Method

GAPP (Assets - Liabilities) is one of Warren Buffett's favorite valuation tools. Using it, Berkshire Hathaway is valued at \$660 billion, Apple at \$57 billion, and Nvidia at \$60 billion. The market cap of these companies combined exceeds \$3 trillion!

(Source Yahoo Finance)

Hedge Funds Keep Nearly Half of Their Gains

Since 1969, hedge funds have earned \$3.72 trillion in gains but kept nearly half (\$1.8 trillion) as fees. Only \$1.9 trillion has been distributed to clients.

(Source: WSJ)



NEWS TO USE

Did You Know? (continued)

Credit Card Payments Are on the Rise

In Q3 2024, 10.75% of active credit card accounts made only the minimum payment, the highest level since 2012. The percentage of credit card accounts 30+ days overdue also increased to 3.52%, more than double the post-pandemic low.

(Source Philadelphia Fed Bank)

The U.S. Government is the 7th Largest Holder of Bitcoin

The U.S. government holds a significant amount of Bitcoin, making it the 7th largest holder globally.

82% of Workers Got a Raise After Asking

According to LendingTree, 82% of full-time workers who asked for a raise successfully received one.

Apple Has More Cash Than Several Countries

Apple's cash and investments are equivalent to the GDP of Hungary and more than the GDP of Vietnam and Iraq!

1.2 Billion \$2 Bills Are Still in Circulation

There are still 1.2 billion \$2 bills in circulation in the U.S., a rare but existing form of currency. (Source: Federal Reserve)

Jingle Bells Was Written by JP Morgan's Uncle

The iconic song "Jingle Bells" was written by James Lord Pierpont, who was the uncle of J.P. Morgan, the famous financier.

Groundhog Day Predictions Are Only Accurate 40% of the Time

Groundhog Day predictions have been correct only 40% of the time over the past 140 years, making it more of a tradition than a reliable weather forecast!

(Source Yahoo Finance)

Times Square Uses As Much Power as 160,000 Homes

It takes the same amount of power to fuel Times Square for a day as it does to power 160,000 homes for a day. Talk about a power sponge!

This material contains the current opinions of the ROBERT KOSCIK but not necessarily those of Guardian or its subsidiaries and such opinions are subject to change without notice. Charts are for illustrative purposes and are not intended to suggest a particular course of action or represent the performance of any particular financial product or security. Past performance is not a guarantee of future results. This material is intended for general public use. By providing this content, Park Avenue Securities LLC and your financial representative are not undertaking to provide investment advice or make a recommendation for a specific individual or situation, or to otherwise act in a fiduciary capacity.

Data and rates used were indicative of market conditions as of the date shown. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. References to specific securities, asset classes and financial markets are for illustrative purposes only and do not constitute a solicitation, offer, or recommendation to purchase or sell a security.

Guardian, its subsidiaries, agents, and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation. Links to external sites are provided for your convenience in locating related information and services. Guardian, its subsidiaries, agents, and employees expressly disclaim any responsibility for and do not maintain, control, recommend, or endorse third-party sites, organizations, products, or services, and make no representation as to the completeness, suitability, or quality thereof.

Securities products and advisory services offered through Park Avenue Securities LLC (PAS), member FINRA, SIPC. OSJ: 419 Plum Street; Cincinnati, OH 45202. Phone: (513) 579-1114. PAS is a wholly owned subsidiary of The Guardian Life Insurance Company of America® (Guardian), New York, NY. DLAK Wealth Advisors LLC is not an affiliate or subsidiary of PAS or Guardian and is not registered in any state or with the U.S. Securities and Exchange Commission as a Registered Investment Advisor. 7646351.1 Exp 2/27