

JADESPEAK

SPRING: Second Quarter 2024

WHERE DID 20 YEARS GO?

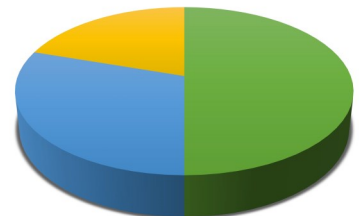


JADE
INVESTMENTS
& RETIREMENT SOLUTIONS

What is the 50/30/20 Rule?

When making a household budget, the **50/30/20 Rule** recommends putting 50 percent of your money toward needs; 30 percent toward wants; and 20 percent toward savings.

Knowing what you spend is key to developing a sound financial plan.



Markets will be closed:

Monday, May 27
Memorial Day

Wednesday, June 19
Juneteenth National Independence Day

Thursday, July 4
Independence Day

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Remember this picture of Tim Phillips from a 2006 issue of the *Mount Carmel Register* newspaper?

What is the old adage? "Time flies when you're having fun?" This certainly is true, because I'm in somewhat disbelief that I started my career in the securities industry 20 years ago!

By TIMOTHY A. PHILLIPS
**Financial Advisor,
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When all exams were passed, I began to build a business in Olney, IL. I knocked on 100-125 doors a day, as we were to make 25 new contacts a day. I recall

one December day when a 4-inch snow came out of nowhere. After my dress shoes and socks were soaked, I decided to go to Rural King to buy some waterproof boots, and then to Walmart to buy some golf balls and dry socks.

The reason for the golf ball? you may ask. In the cold weather, even with gloves on my knuckles were taking a beating knocking on doors. The golf ball worked great. Walking down the sidewalks that day I must admit I was asking myself, "Tim, what the heck are you doing? Is this really what you signed up for?" as I laughed out loud, kicking snow through un-shoveled sidewalks to knock on the next door.

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After being hired by Edward Jones, the first step in the process was to study for the Series 7 exam, which is the license required to be able to sell all types of securities. The agreement was to give you 60 days to study and take the exam. If you did not pass, you were no longer employed.

For obvious reasons I took to studying very seriously. After breakfast and a couple cups of coffee I would make a gallon pitcher of iced tea for the day. Thank goodness for caffeine! After passing the Series 7, we then had to pass the state exam (Series 63) and life and health insurance exams to be licensed in all these areas as well. I had two days to study for the 63 and one day for each insurance exams.

529s are more than a college savings tool

These versatile savings accounts are a powerful estate planning vehicle

Most of us associate 529 accounts with college savings. They're flexible, allowing you to transfer assets to anyone, including yourself, for the express purpose of furthering the education of your beneficiary. But did you know that a 529 can be a powerful estate planning tool?

Modern Estate Planning

These specialized savings accounts have advantages for the beneficiaries – but there are benefits for the donors, too, given the tax advantages and the option to change heirs. The tax rules that govern these accounts allow you to pare down your taxable estate, potentially minimizing future federal gift and estate taxes.

With 529s, you can make a lump-sum contribution of up to five times the annual limit of \$18,000. That means you can gift \$90,000 per recipient (\$180,000 for married couples), as long as you denote your five-year gift on your federal tax return and do not make any more gifts to the same recipient during that five-year period. However, you can elect to give another lump sum after those five years are up. In the meantime, your investments have the luxury of time to compound and potentially grow.

Other benefits

Many people worry that gifting large chunks of money to a 529 means they'll irrevocably give up control of those assets. However, 529s allow you quite a bit of control, especially if you title the account in your name. You can change the beneficiary to another member of the family as many times as you like, since most 529s have no time limits.

If your chosen beneficiary receives a scholarship or financial aid, they may not need the money you've stashed away in a 529. You can earmark the money for other types of education, like graduate school. Or you can take the money and pay the taxes on any gains. Of course, that means it becomes part of your taxable estate again subject to your nominal federal tax rate, and you'll have to pay an additional 10% penalty on the earnings portion of the withdrawal. You can always use the funds to pay for other qualified education expenses, like room and board, books and supplies.

Many plans offer you several investment choices, including diversified portfolios allocated among stocks, bonds, mutual funds, CDs and money market instruments, as well as age-based portfolios that are more growth-oriented for younger beneficiaries and less aggressive for those nearing col-

lege age.

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional. This material is being provided for information purposes only and is not a complete description, nor is it a recommendation. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

Investors should consider, before investing, whether the investor's or the designated beneficiary's home state offers any tax or other benefits that are only available for investment in such state's 529 savings plan. Such benefits include financial aid, scholarship funds, and protection from creditors. As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover education costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. The tax implications can vary significantly from state to state.

Favorable state tax treatment for investing in Section 529 college savings plans may be limited to investments made in plans offered by your home state. Investors should consult a tax advisor about any state tax consequences of an investment in a 529 plan.

WHERE DID 20 YEARS GO?

FROM FRONT PAGE

In 2005 the company had an office become available in Mount Carmel and offered me a chance to fill the position. I grew up in Fairfield, and the only thought of Mount Carmel previously was, "this is the team that always beats us in football." I came nonetheless and visited the community and clearly saw how great a community it is, and I gladly accepted the offer. In 2016, after long research, I decided to graduate into owning a business. It was a win for a better ideal client experience, and a win to become a locally owned business versus a corporation.

Reflecting on these years, I am overwhelmingly thankful and grateful. The relationships I have created are by far my favorite part of what this career has to offer. It is also the hardest part. I am tearful writing this, thinking of how many

clients I loved and cared for over the last 20 years who have passed.

I truly love what I do. It has been rewarding and humbling. I was recently talking with a friend and discussing the economy and markets, and I ended by saying, "but I don't have a crystal ball."

He replied, "No, but that is what your job is."

He is right. I will be honest and tell you not every recommendation I have made has turned out over my career, and I will more than likely not pick every winner going forward.

Still, I do this job because I think it is a job worth doing. Helping my clients achieve their own goals is what gets me out of bed in the morning. For those of you who are clients, I thank you for your trust in me.

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