

Live Your Best Single Life

Life is full of possibilities! You may be single, but you are not alone in your financial planning journey.

To us, money is not the goal. Money is a tool to support your dreams and your life's journey. Our question is...

What adds joy to your journey? How will you fund the joy?

Below are some issues that you want to consider in managing your own financial future.

Whether you are working or not, consider these things...

1. Understand your cash flow. What do you have coming in? How much is going out? Is your spending appropriate for your life situation? We never want to see someone retire and 'have to' go back to work. Know what you can afford to spend.
2. Know your savings plan. Many working people save the maximum that their employer is matching to their 401K plan. They 'hope' this will be enough. This may work if you have been saving since your first job, it may not if you are a late bloomer.
3. Know how much you need to retire. In other words, have a financial plan. When will you retire? What will your retirement journey cost you annually? What size nest egg will fund that dream?
4. Think BIG when you think about retiring. What will make you happy? Is it traveling around the world? Does it involve volunteering? If you worked hard all your life to retire comfortably, make it count! Be happy!
5. Create a tax strategy.
 - a. When you take money out of an IRA, it is taxable income.
 - b. When you take money out of a Roth it grew tax free and distributes tax free. As far as I know, it is the only 'free lunch'. Roth IRAs are subject to 10% penalty if taken before 59 and ½ years old.
6. Investments outside of your IRA are not taxable when you spend them. Selling assets with a gain, and dividends and interest are taxable events. Many people find this point confusing.
7. If you turn 73 after 2023, this is the year that you start RMD's (required minimum distributions) from your IRA. The RMD age was previously 70 ½.
8. If you inherited an IRA from someone, consult with a professional as to the RMD rules.
9. What is your risk management strategy? Not everyone needs life insurance. Who might?
10. If you determine that there are people who depend on you and your income, consult with a professional on the types of insurance available.
 - a. Term life policies expire when you stop paying premiums, parents typically purchase a term life policy, because they only need it until their children are self-supporting. These

policies are much more economical than whole life or universal life, but usually appropriate if you only need insurance for a specified 'term' in your life.

- b. Whole life or universal life policies are designed to be held your entire life. They are much more expensive, because insurance companies know they will eventually have to pay. Insurance payouts are an estate tax-free distribution regardless of your net worth. In 2024, you can leave \$13,610 to your heirs without incurring estate tax. After 2024, that may change. If you or your spouse depend up on a pension, you may need a whole life policy on the person with the pension to benefit the person without a pension. There are other circumstances, but these are just two examples. Many people overpay for insurance, or own insurance they don't need. Be an educated consumer.
11. Most people should have an umbrella policy. You generally purchase one from your auto insurance company. Like the term 'umbrella', it covers you for a wide range of liabilities that may not be covered under your auto or homeowner's insurance.
12. Designate beneficiaries or 'transfer on death' on all your accounts. This avoids probate and saves your heirs time and money. If you are recently single, you may need to review.
13. Know how to title your assets. Should you own them personally? In a trust? In an LLC?
14. Have an estate plan.
15. Know what you own. Many people have owned the same investments for decades and have never analyzed them. The world changes; markets change. Know what you own. How has it performed in various market cycles?
16. Consider working with a CERTIFIED FINANCIAL PLANNER™.

More questions? We have answers. E-mail Charissa.Konz@raymondjames.com for a copy of our CIO's latest views on the economy.

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