Loose Change®

a penny saved is a penny earned

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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Securities and investment advisory services offered through ABC Company, member FINRA/SIPC.

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What Are “Trump Accounts”?

Introduced in the One Big Beautiful Bill Act (OBBBA), these are government-funded investment accounts designed to help children build wealth from birth. Children born between January 1, 2025, and December 31, 2028, who are U.S. citizens and have a Social Security number, are eligible to receive a one-time $1,000 deposit from the U.S. Treasury to start the account. Children born outside these four calendar years are also eligible for an account, but they won’t receive the $1,000 in government seed money.

Parents, grandparents, and other individuals can make after-tax contributions of up to a combined total of $5,000 per year to each account. Employers may also contribute up to $2,500 a year to accounts for their employees’ dependents. Any employer contributions also count toward the overall $5,000 cap. The contributions grow tax-deferred until withdrawn. Account investment options are limited to mutual funds* or exchange-traded funds that track a qualified index, such as the S&P 500.

What’s the education planning tie-in? Beginning the year the child turns 18, they can make penalty-free withdrawals for qualified educational costs. The child will incur regular income tax on earnings and tax-free contributions from the government/ employers. Still, all after-tax contributions made by parents and others can be withdrawn tax-free. After age 18, the account functions similarly to a Traditional IRA, with continued tax-free growth and the ability to withdraw funds for any purpose starting at age 59-1/2.

Opening an account makes sense if your child is eligible for the $1,000 seed money. It may also be worth considering if your employer is willing to contribute to your child’s account. Accounts can be opened beginning July 4, 2026. More guidance from the Treasury is expected before then.

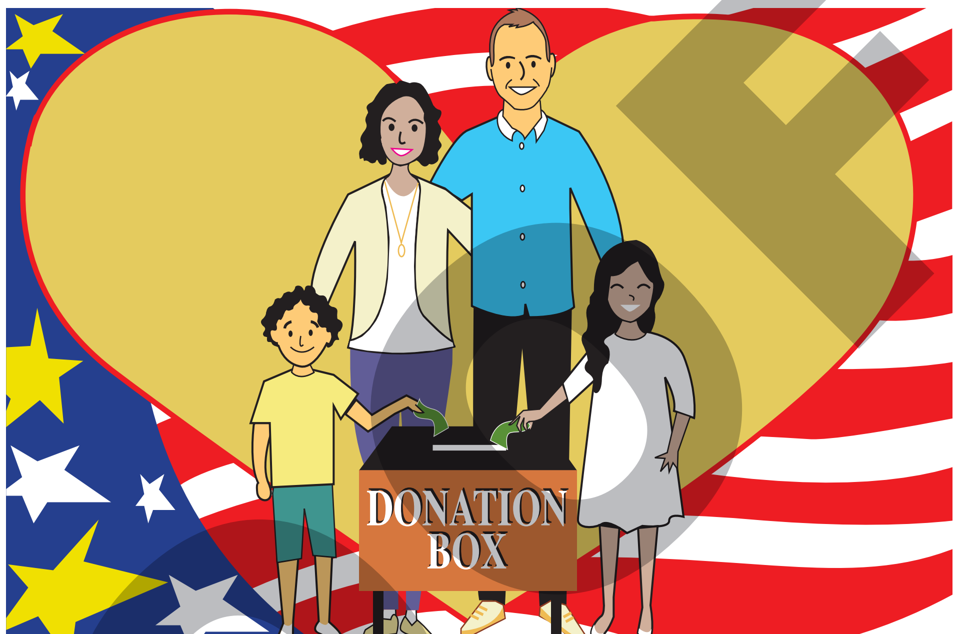
**Investors should carefully consider the investment objectives, risks, charges, and expenses of the fund before investing. Contact the issuing firm to obtain a prospectus, which should be read carefully before investing or sending money. Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won’t guarantee future results. An investment in mutual funds may result in the loss of principal.*

Making Charitable Contributions in 2026

OBBBA introduced several significant changes for individuals who deduct charitable contributions. Starting in 2026, you may deduct itemized charitable contributions if the total exceeds 0.5% of your adjusted gross income (AGI). This change effectively limits the deductibility of smaller contributions, particularly for lower- and middle-income taxpayers.

However, OBBBA also brings some good news for individual donors. It makes permanent the 60% AGI limit for cash contributions to public charities, a provision originally enacted by the Tax Cuts and Jobs Act (TCJA). TCJA increased the AGI limit from 50% to 60%, allowing taxpayers to deduct cash contributions to public charities up to 60% of their AGI in a single year. Without the change under OBBBA, the limit would have gone back to 50% of AGI after 2025.

When donating to a charity, ensure the organization is qualified by searching the IRS database, https://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations. Only donations qualified by the IRS are eligible for tax deductions.



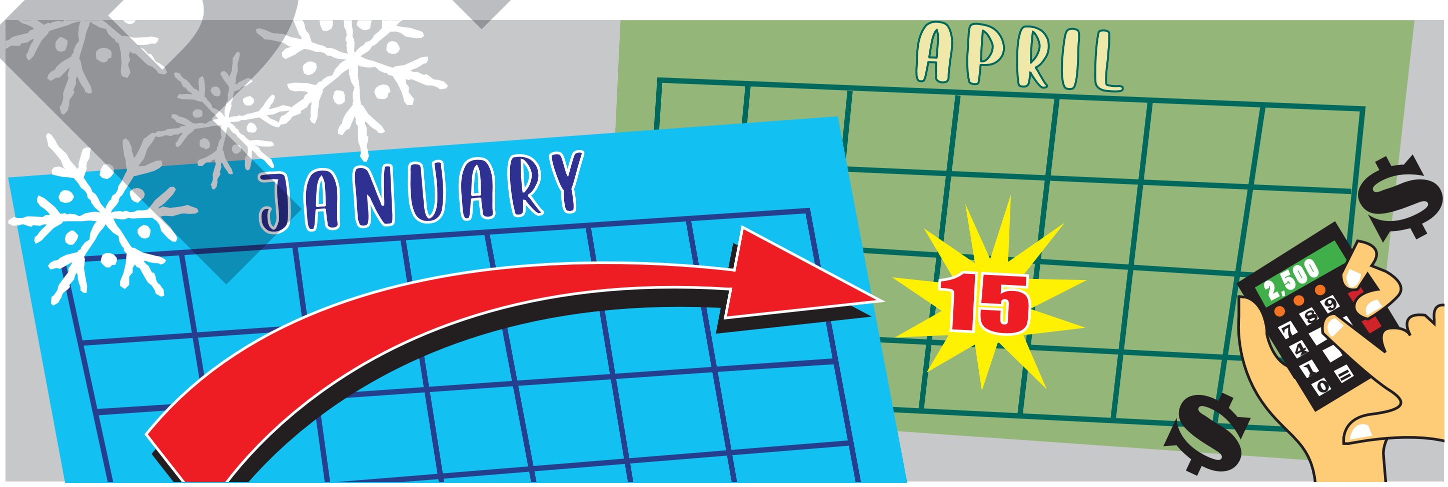
Preparing for Tax Day: Tips to Stay Ahead

Tax Day 2026 is April 15, and early preparation ensures a stress-free tax filing experience. Start by organizing key documents, including W-2s, 1099s, receipts, and records of deductible expenses. Avoid last-minute chaos by gathering these now.

Review your previous year's return to identify potential deductions or savings. Major life changes—such as a new job, home purchase, or investments—may affect your taxes. Consult a tax professional to maximize credits and minimize liabilities.

Check withholdings and estimated payments to avoid surprises. Set up direct deposit for faster refunds or plan early payments to dodge penalties. If you owe, consider a payment plan.

Stay updated on 2026 tax law changes affecting deductions or credits. By staying organized and proactive, you'll approach Tax Day confidently, potentially saving money and reducing stress. Start now for a smoother filing experience.

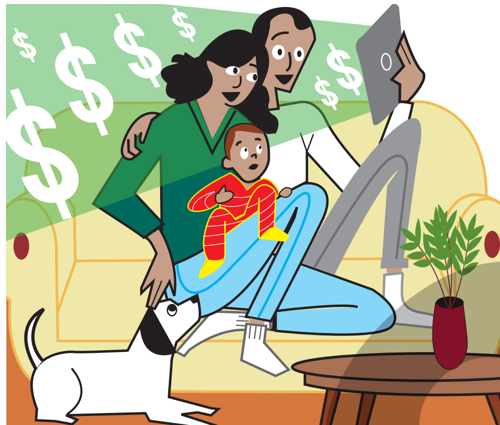


Family Tax Credits

In 2026, there are some changes to the credits related to families and children, most notably the Child Tax Credit and the Child and Dependent Care Tax Credit. These credits include a phase-out structure based on certain income thresholds.

The Child Tax Credit

For 2026, the amount is $2,200 per qualifying child. In the future, under OBBBA, the credit amount will be adjusted annually for inflation. The credit phases out for higher-income taxpayers, starting at $400,000 for couples filing jointly and $200,000 for single filers. The phase-out reduces the credit amount by 5% for every dollar earned above these thresholds.



Child and Dependent Care Tax Credit

OBBBA introduced two key changes to the Child Dependent Care Tax Credit that take effect in 2026. The tax credit calculation increased from 35% to 50% of qualifying dependent care expenses. Also, there's a new phase-out structure with two tiers based on adjusted gross income (AGI).

In the first tier, the credit percentage is reduced by 1% for each $2,000 of AGI over $15,000. The rate cannot be reduced below 35% in this phase. In the second tier, for AGIs above $75,000 ($150,000 for joint filers), the percentage is further reduced by 1% for each $2,000 ($4,000 for joint filers) over that threshold. The floor remains at 20%. The qualifying dependent care expense cap remains $3,000 for one child and $6,000 for two or more dependents.

Understanding EBITDA

EBITDA, or Earnings Before Interest, Taxes, Depreciation, and Amortization, is a financial metric used to evaluate a company's operating performance. It measures profitability from its core business activities by excluding non-operating expenses, such as interest and taxes, as well as non-cash charges, including depreciation and amortization. This provides a clearer view of a company's cash flow and operational efficiency, making it easier to compare firms across industries.

To calculate EBITDA, start with net income, then add back interest, taxes, depreciation, and amortization expenses from the income statement. It's widely used by investors and analysts to assess a company's financial health, especially for businesses with high debt or significant assets. However, EBITDA has limitations—it doesn't account for capital expenditures or changes in working capital, which can impact actual cash flow.

Understanding EBITDA is essential for spring financial reviews to gauge business performance and plan strategically.

Spring Clean Up

Many of us think of Spring as a time to refresh our homes —decluttering rooms, sorting closets, or deep cleaningneglected areas —but it's also a great time to get your documents and files in order.

Get Organized and Energized
Create a streamlined system for your documents and filing. Gather tax-related papers (W-2s, 1099s, receipts) and file them securely for easy access during tax season. Shred outdated documents to reduce clutter and protect sensitive information. You may even have access to a local "Shred Day" event hosted in your community, which you can take advantage of. Use labeled folders or a digital scanning system for bills, warranties, and insurance policies. Set aside an hour weekly to maintain organization.

Before

After

A tidy home and organized paperwork reduce stress, prepare you for a productive year, and energize you to enjoy life and focus on what matters most to you and your family.

Beware of These Common Money Mistakes

Even the wealthiest individuals can undermine their financial security through subtle but costly missteps. While building substantial wealth is an achievement, preserving and growing it across generations requires discipline and foresight. Here are five critical mistakes that high-net-worth individuals frequently make—and why avoiding them matters.

1. **Too much money invested in nonproductive assets such as high-end real property**
2. **Unchecked lifestyle inflation**
3. **Failure to assess and manage liquidity needs**
4. **Insufficient tax and estate planning**
5. **Failure to communicate money matters to succeeding generations**

Keep Calm, Stay the Course

We all hope for a prosperous year, having had the opportunity to evaluate the first quarter of 2026. However, we also know that markets are fluid, and their performance cannot be predicted or timed; therefore, it is essential for every investor to adhere to well-established fundamentals to help them stay on track toward their goals.

Remain Calm

Do not get too excited when the market is high, and don't get too discouraged when it drops. Resist the urge to overcorrect. Selling in a panic means you'll be less invested in the future to generate dividends or participate in any potential recovery.

Stay Invested

Even the experts cannot predict when markets may turn. Trying to "time the market" usually leads to poor decisions.

Stick to Your Strategy

When a sailor encounters rough seas, he keeps a steady hand on the tiller and his eyes on the horizon. With investing, the equivalent is to maintain a good, balanced mix of assets aligned with your needs, goals, time horizon, and risk tolerance.

Diversify

By owning a diverse variety of assets, you may be able to create a portfolio that is somewhat shock-resistant.*

Rebalance

Market fluctuations can throw the mix of investments out of line with your objectives. This means that you may have to buy or sell assets to maintain your desired level of risk. A significant market drop can also present an opportunity to add investments at sale prices.

Be Patient

While nothing in life is guaranteed, history shows us that major stock market declines are historically followed by recoveries to new highs. Sometimes it takes weeks, and sometimes it takes years.**

**Diversification cannot eliminate the risk of investment losses. Past performance won't guarantee future results. An investment in stocks or mutual funds can result in a loss of principal.*

*** https://www.morningstar.com*