

Financial Strategies

News You Can Use!!

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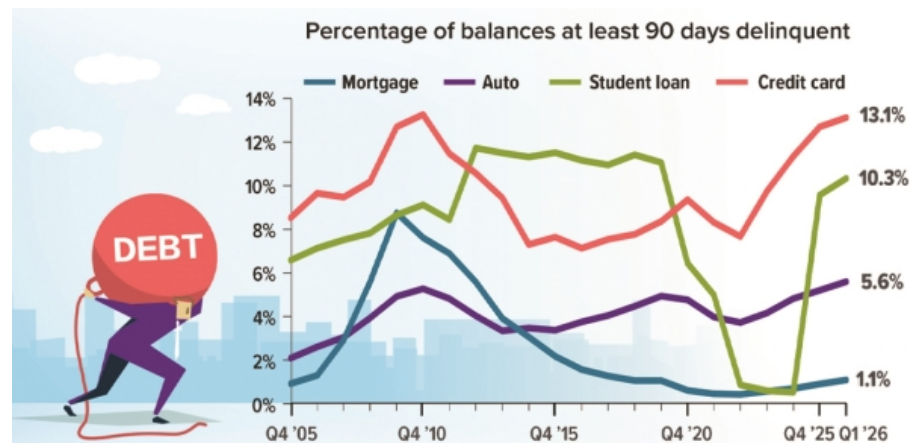
\$1.25 trillion

America's total credit card balance as of the first quarter of 2026. On average, Americans carry about \$6,715 in credit card debt.

Sources: New York Federal Reserve, May 2026; TransUnion, December 2025

Consumer Debt Delinquencies Are on the Upswing

American consumers are falling behind on their debts, particularly on credit cards and student loans, as sticky inflation and prolonged high interest rates stretch many people to their financial limit. In the first quarter of 2026, the percentage of credit card balances that were 90 or more days delinquent hit 13.1%, the highest level in 15 years. The percentage of delinquent student loan balances was close behind at 10.3%, rising after several years of payment pauses during the pandemic.



Source: New York Federal Reserve, May 2026

Common Obstacles Affecting Retirement Planning

Your vision for an ideal retirement may not be the same as someone else's. However, there are several common obstacles that you should consider addressing when planning for your retirement.

Market risk

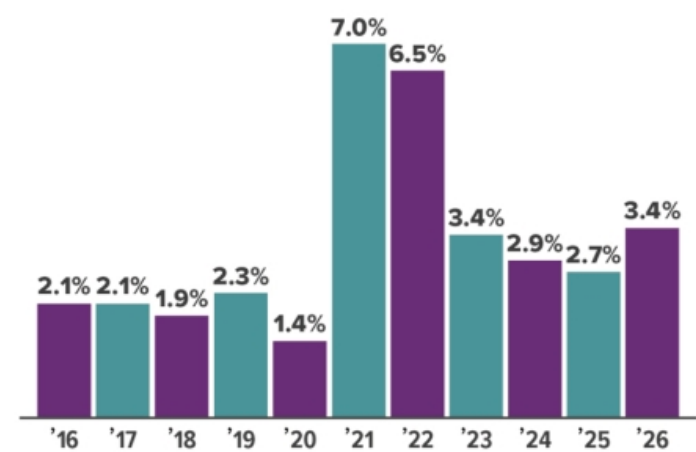
Different types of investments carry different risks. Sound retirement planning involves understanding these risks and how they can influence your available income in retirement.

Investment or market risk is the risk that fluctuations in the securities market may result in the reduction and/or depletion of the value of your retirement savings. Stocks are typically most susceptible to market risk, although bonds and other investments can be affected as well. Market risk can significantly impact retirement plans, affecting retirement savings and income strategies. Because all investments involve some level of risk, it's important to be aware of how much volatility you can comfortably withstand before you select investments.

Inflation

Inflation can cause the purchasing power of a dollar to decline over time, due to the rising cost of goods and services. The need to outpace inflation doesn't end at retirement; in fact, it becomes even more important. For instance, if you're living on a fixed income, you may need to adjust the amount of withdrawals you take from retirement savings just to keep up with rising costs. Otherwise, you may have less buying power in the later years of your retirement because your income doesn't stretch as far.

Annual U.S. Inflation Rates (2016–2026*)



Source: U.S. Bureau of Labor Statistics *through August

Taxes

The effect of taxes on your retirement savings and income is an often-overlooked but significant aspect of retirement income planning. Taxes can eat into your income, significantly reducing the amount you have available to spend in retirement.

Taxes can impact your available retirement income, especially if a significant portion of your savings and/or income comes from tax-qualified accounts such as pensions, traditional 401(k)s, and traditional IRAs, since most, if not all, of the income from these accounts is subject to income taxes. Understanding the tax consequences of these investments is important when making retirement income projections.

Health-care expenses

At any age, health care is a priority. When you retire, however, you will probably focus more on health care than ever before. Staying healthy is your goal, and this can mean more visits to the doctor for preventive tests and routine checkups. There's also a chance that your health will decline as you grow older, increasing your need for costly prescription drugs or medical treatments.

Despite the availability of Medicare coverage, you'll likely have to pay for additional health-related expenses out of pocket. You may have to pay the rising premium costs of Medicare optional Part B coverage (which helps pay for outpatient services) and/or Part D prescription drug coverage. You may also want to buy supplemental Medigap insurance, which is used to pay Medicare deductibles and copayments and to provide protection against catastrophic expenses that either exceed Medicare benefits or are not covered by Medicare at all. Otherwise, you may need to cover Medicare deductibles, copayments, and other costs out of pocket.

Long-term care may be needed when physical or mental disabilities impair your capacity to perform everyday basic tasks. As life expectancies increase, so does the potential need for long-term care.

Paying for long-term care can significantly impact retirement income and savings, which can be of particular concern to married couples. While not everyone will need long-term care, ignoring the possible necessity of such care and failing to plan for it can leave you or your spouse with little or no income or savings if long-term care is needed.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

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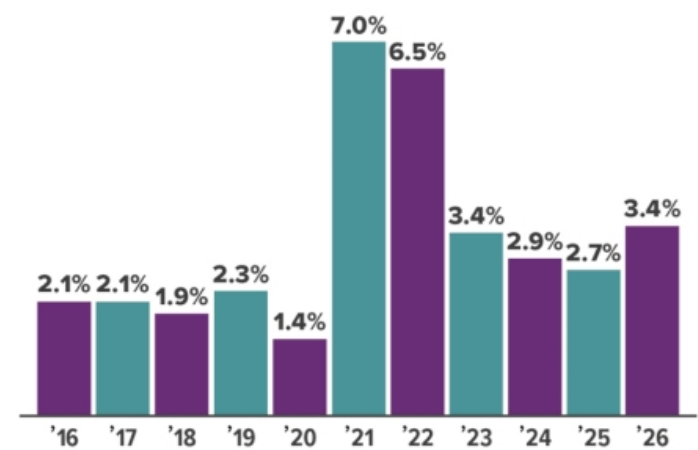
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Charitable Gift Annuity: A Gift That Gives Back

For most donors, charitable giving is about supporting a cause. One tool, a charitable gift annuity (CGA), offers donors potential income and tax benefits in exchange for a one-time charitable gift.

A CGA is a contract between a donor and an eligible charity. The donor gifts cash, stocks, or other assets to the charity, and the charity agrees to pay the donor or a designated beneficiary a fixed income for life. When the lifetime payments stop, the charity keeps the remaining value of the gift.

Lifetime payments are contingent on the size of the gift and the donor's age at the time of the gift. Most charities use the lifetime payout rates established by the American Council on Gift Annuities. Generally, older donors receive higher payout rates because the charity will likely make fewer payments over the donor's lifetime. Lifetime payments may begin immediately or at a future date if the donor creates a deferred CGA. Typically, charities require a donor to be at least age 60, but younger donors may opt for a deferred CGA. Many charities require gifts of at least \$10,000, though some accept lower donation amounts.

A CGA may make sense for donors who seek a steady retirement income stream or who experience a liquidity event. A CGA may also appeal to those with appreciated stocks because part of the capital gain may be recognized over time rather than all at once,

depending on the annuity's structure. Individuals who are at least age 70½ may be able to fund a CGA through a Qualified Charitable Distribution (QCD) from a traditional IRA, subject to IRS rules and limits.

Donors who itemize may claim an income tax deduction for the charitable portion of the gift and may receive capital gains tax relief if the annuity is funded with appreciated assets. But donors cannot revoke a CGA, and the lifetime income is fixed, meaning inflation may reduce the income's value. Also, lifetime payments rely on the charity's solvency; if the charity cannot meet its financial obligations, payments may be affected.

A CGA can be a valuable charitable giving tool, but donors should consult a qualified tax or financial professional to determine if a CGA aligns with their financial goals.

The charitable donation tax deduction is limited to the amount contributed to the annuity in excess of its present value, as calculated using Internal Revenue Service (IRS) parameters. The money returned to an annuitant in equal installment payments is considered a partially tax-free return of the donor's gift. A charitable gift annuity continues regular payments until the death of the annuitant. Payments may be lower than with a non-charitable annuity because the primary purpose is to support the nonprofit.

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