How to Create Stronger Passwords and Protect Your Online Accounts

From email accounts to bank accounts, online shopping to online stock trading, you have many passwords to create and remember. Life would be easier if they were all the same. Or if they all came to mind quickly—like your child's name or birthday. But just as those are simple for you to remember, they're fairly simple for a scammer to figure out and use to drain your savings or steal your identity. So, how can you create the strongest passwords that aren't a pain to access when you need them? Let's explore some tactics for password protection and other ways to safeguard your digital accounts.

Build a Bulletproof Password

While there are many steps you can take to keep your funds secure from cyberfraud, a strong password is one of the first lines of defense. When creating a new password, keep these tips in mind for the best protection.

- **Length is strength.** An 8-character password was once standard, but current recommendations say to aim for at least 12 characters, ideally more. The longer your password, the tougher it is to crack. Think about how much easier it would be to guess a four-letter word than a twelve-letter phrase.
- **Mix it up.** Using letters alone won't do the trick. Combine uppercase and lowercase letters, numbers, and symbols to create a more powerful password that's trickier for hackers to decode.
- **Make it unique.** Using the same password across various

accounts is like giving a thief a master key to every door in your home. Setting up unique passwords ensures that even if one account is compromised, your other accounts are safe.

- **Avoid the obvious.** Your birthday, kids' names, pet's name, anniversary, and other personal information can be simple for hackers to get from social media profiles or public records. Stay away from personal information that can be easily obtained. Avoiding sequences, like "12345" or "qwerty," is also recommended.
- **Passphrases are better than passwords.** Instead of a single, complex word, create a memorable passphrase. This could be a random string of unrelated words, like "YellowUmbrellaSkippingRocks," or a nonsensical sentence, like "PizzaAlwaysGoesWithFridays." These work best because they're long and unpredictable.
- **Use a password manager.** Remembering a unique, complicated password for every account is a challenge, so password managers can be very helpful. These are secure applications that store and encrypt all your passwords, eliminating the need to remember them all.

Add More Protection: Multifactor Authentication

Multifactor authentication (MFA) adds another verification step beyond just your password. When you enable this service on one of your accounts, you'll get a temporary code (via text, email, or an authentication app) that you need to enter to log in along with your password. This extra layer of protection will make it much harder for a hacker to break in to your account, even with a stolen password.

How can you enable MFA? Go to account settings for your bank account, investment platforms, and online payment services, find the MFA option, and follow the instructions to set it up. Many nonfinancial accounts also offer this—you can use it for email, social media, and any other service that contains sensitive information.

Don’t Take the Phishing Bait

When scammers send emails or make phone calls that appear to be from legitimate sources, like your bank or credit card company, so they can solicit your login credentials, it’s called phishing. Phishing messages often have a sense of urgency or pressure you to act quickly, perhaps by claiming your account is compromised—or even that a family member is in trouble and needs your financial help.

To stay safe from phishing attempts, always check the sender’s address. An email that doesn’t match the institution’s official domain name should raise suspicion. Even if the address looks legitimate, it’s safest for you to initiate contact with anyone requesting personal information via the phone number on their official website rather than hitting reply or clicking a link in an email. You can do the same with a suspicious phone call—tell the caller you’ll call the bank or other institution back using their publicly listed contact information. In general, it’s a safe policy not to answer calls or respond to text messages from unknown numbers, especially those claiming to be from your bank or financial institution.

More Digital Safety Steps

- **Update regularly.** App and device updates often include security patches that protect against threats and vulnerabilities that hackers can exploit. Enable automatic updates whenever possible so your device remains protected.
- **Avoid public Wi-Fi for sensitive transactions.** Public Wi-Fi networks, like those in coffee shops or airports, are

convenient but can be insecure. Stick to your home password-protected Wi-Fi when accessing financial accounts or entering sensitive information.

- **Stay vigilant.** Regularly review your financial statements and credit reports. Early detection of suspicious activity can prevent significant losses. Set up alerts to notify you of any significant changes or activities.
- **Enable screen locks.** Set a strong screen lock on your phone, be it a PIN, fingerprint scan, or facial recognition. This adds a key layer of security that prevents anyone from accessing your device and the financial apps on it.
- **"S" is for secure.** Look for the https:// prefix at the beginning of a website's address, especially when entering sensitive information like login credentials or financial details. The "s" indicates that the website encrypts the data you send and receive, making it more difficult for hackers to intercept.

In today's world, your financial health is closely linked to your digital security. Cybercriminals are constantly evolving their tactics, targeting not just bank accounts but also investment portfolios, retirement savings, and even real estate transactions. Strong online security practices are no longer optional—they're essential. By creating safe passwords and following these digital security best practices, you'll not only protect your data, but your financial future and your peace of mind, too.

Risk Management Tips for a Shipyard: Keeping Things Ship Shape

Chris Richmond

By Chris Richmond
For WorkBoat Magazine

Today’s shipyard can be an inherently dangerous workplace. Implementing a sound risk management program is an important part of managing your employee workers compensation and USL&H costs (reducing claims and limiting injuries. There’s the added bonus of avoiding possible fines and penalties imposed by safety violations or hazardous waste clean-up. Here are some items to consider.

Implement regular assessments of your safety plan and see if it still reflects your current operations. Your initial plan should be based on a comprehensive risk assessment identifying hazards and the potential for accidents. There are risks everywhere, and they are major and minor: You should keep them all in mind. As your business grows and evolves so should your risk assessment plan. Don’t make the mistake of doing the work to create one leaving it to gather dust.

Conduct period safety training with your employees. Insurance companies and governmental agencies have material available but don’t be afraid to develop your own manuals outlining specific jobs and procedures. Topics can include emergency response plans, safe work practices and hazard identification. And don’t keep trainings only in the classroom. Real life scenarios and employee involvement, such as demonstrating a proper response to a fire or chemical spill, for example, can increase the learning potential.

Personal protection equipment should be readily accessible to your employees and its use should be as common as putting on a pair of pants. Steel-toed shoes, hard hats, hearing protection, safety glasses, respiratory masks and gloves are all great examples. And don’t stop with just making this equipment available. Conduct proper fit test for masks – and make replacement filters available as well.

Have you reviewed procedures for potential pollution threats? Prevention is obviously the best response, so have proper handling procedures in place but in the event of a misfortune have a proper response plan in place. Maintain proper waste management practices and don’t forget about storm runoff. Keeping up with compliance with environmental regulations and standards will not only save you the headache of a pollution claim but can also save you the fines and penalties associated with them.

A risk management program is only as good as the employees who are adhering to it as well as the management team enforcing it.

Regular reviews can identify areas of success as well as areas of improvement, but don't make the mistake of taking the time to create a plan and then having it languish on a shelf in your office. It needs to be used in order for it to be beneficial.

Life's Eternal Trinity: Death, Taxes and Change

By Sarah Ruef-Lindquist, JD, CTFA
For Pen Bay Pilot's Wave magazine, fall 2024

Before you know it, we'll be celebrating the new year and we will be a quarter of the way through the 21st century with the arrival of 2025.

And just as swiftly, we will approach the end of 2025 and the sunsetting of Tax Cuts and Jobs Act (TCJA) on December 31, 2025 with provisions that will impact many individuals and families.

Here are some of the provisions that impact most taxpayers:

Standard deduction: Because the standard deduction was doubled

($12,000 for single filers and $24,000 for married filing jointly), many taxpayers haven't itemized deductions under TCJA. In 2026, the standard deduction will be about half of what it is currently, adjusted for inflation, likely steering taxpayers back to itemizing deductions.

And speaking of itemized deductions, those who did continue to itemize had to navigate changes that will sunset.

- The state and local tax (SALT) deduction was capped at $10,000, most significant for taxpayers states with higher taxes. In 2026, this limitation will expire, allowing greater benefit from deducting taxes including real estate taxes, state or local income taxes and personal property taxes.
- The TCJA ended the home equity loan interest deduction and limited the home mortgage interest deduction to the first $750,000 of debt (if married filing jointly) for loans that originated on or after Dec. 16, 2017. The mortgage interest deduction will revert to interest deductible on the first $1 million in home mortgage debt and $100,000 for a home equity loan.
- The TCJA temporarily eliminated most miscellaneous itemized deductions, such as investment/advisory fees, legal fees and unreimbursed employee expenses. These deductions will once again be allowed in 2026, to the extent they exceed 2% of the taxpayer's adjusted gross income.

Income tax rates: TCJA lowered tax rates to 10%, 12%, 22%, 24%, 32%, 35% and 37%. These tax rates are set to sunset Dec. 31, 2025. The top tax rate beginning Jan. 1, 2026, will revert to 39.6%.

Given that rates could revert back to pre-TCJA rates and that itemized deductions may regain their usefulness, some taxpayers may wish to time certain expenses for deductions available against income under higher tax rates.

And then there’s estate and gift taxes. These are taxes on amounts given as gifts or passing from a decedent. The TCJA effectively doubled the estate and gift tax basic exclusion. The basic exclusion applies to assets in estates and takes into account significant lifetime gifting activity. The 2024 exclusion amount is $13.61 million per person ($27.22 million for married couples) and the amount for 2025 will be adjusted for inflation.

Taxpayers who die through 2025 with a taxable estate greater than the exclusion amount can be subject to a federal tax rate of up to 40%. Some states also impose an estate tax, so estate assets passing to heirs can be significantly reduced.

At the end of 2025, this tax provision will sunset, cutting the exclusion roughly in half. Individual taxpayers with significant estates that are above the lower 2026 exclusion amount should consult with their tax advisers and estate attorneys as soon as possible to take advantage of the expiring TCJA exclusion by using planning strategies and considering gifts before the end of 2025. There’s only a year left to shelter significant asset transfers with these historically generous exemptions.

Enjoy the holidays and time with family and friends and as you settle into 2025, consider how the sunsetting provision of TCJA may impact your financial situation and estate planning. Seek the advice of qualified legal and tax professionals to determine the best course of action for your particular situation.

Legal System Abuse and its Impact on Insurance

Dan
Bookham

By Dan Bookham
For WorkBoat Magazine

Legal system abuse, the exploitation of the legal system for personal gain or to create unfair advantages, has become a significant concern across various sectors, particularly the insurance industry. For this month's "Insurance Watch" I'm going to delve into the nature of legal system abuse, its far-reaching consequences, and the strategies being employed to combat it.

Legal system abuse manifests in various forms, including fraudulent claims, exaggerated damages, frivolous lawsuits, abuse of the discovery process and third-party litigation funding. These practices not only burden the legal system but also have profound economic and social implications.

The insurance industry bears the brunt of legal system abuse. The fraudulent claims, exaggerated damages and frivolous or drawn-out lawsuits inflate costs, leading to higher premiums for policyholders. The complex legal environment fostered by abusive practices further burdens insurers with increased legal fees and reputational damage.

I’ve heard it argued that because insurances companies are the ones dealing with the front lines of this issue this is somehow a victimless crime. Setting aside the troubling implication that it is somehow OK to defraud an entire sector of the economy, it is important to remember that the insurance industry is underpinned by what we pay for our coverage, so if costs climb so do our premiums. When it comes to legal system abuse, we are all suffering.

Additionally, the repercussions of legal system abuse extend far beyond the insurance industry. Legal system abuse distorts the economy, leading to higher prices, reduced economic growth and job losses. The legal system itself suffers from eroded public trust, overburdened courts, and weakened deterrence. Moreover, individuals and businesses face increased anxiety, reduced access to justice and a diversion of resources from critical social needs.

A relatively new – and currently entirely legal –phenomenon driving expenses and claims in addition to more fraudulent practices is third-party litigation funding, where outside investors finance lawsuits in exchange for a share of potential awards.

To give some context, the largest third-party litigation fund in the U.S., funded in by both private equity and overseas sovereign wealth funds among others, has a $6 billion war chest to help push lawsuits to as expensive a conclusion as possible. In essence, there’s a massive thumb on the scale against businesses facing lawsuits and claims.

Addressing legal system abuse requires a multifaceted approach. Legislative and regulatory reforms, such as tort reform, stricter fraud penalties and increased transparency are essential. Judicial reforms, including stricter case management, sanctions for abusive litigation and promoting alternative dispute resolution are also crucial.

While the challenges posed by legal system abuse are substantial, a collaborative effort involving insurers, legislators, lawyers, courts, industry stakeholders and the public is essential to create a legal landscape that is fair, efficient and just for all. It's going to take all of us working together to fix this increasingly serious problem.

Record-Setting Charitable Giving in 2023 Speaks to American Generosity

By Sarah Ruef-Lindquist
For Pen Bay Pilot

GivingUSA 2024 reported a record high dollar amount of $557.16 billion given by individuals, corporations, foundations and decedents' estates in 2023.

While the increase over the 2022 amount of almost $546 billion is notable, it does not mean an increase in inflation-adjusted dollars, but rather a 2.1% decrease from 2022.

For a longer historical perspective, total charitable giving in 2016 was just shy of $400 billion. That translates into 39% growth in giving over the last eight years.

Still, the 2023 numbers indicate a continued generosity in the United States in the face of the higher costs of living which many are facing. While the increase in the amount of giving may not have exceeded the current rate of inflation, it shows that people are willing to still support charitable causes at least as much as they did in the prior year, even if many of their living expenses have increased.

The GivingUSA report details the sources of gifts as well as the sectors receiving those gifts. Individuals continue to represent the largest source of gifts, at 67%. The foundation share was 19%, while corporations and bequests combined make up the other 14%.

It is notable that the combined amounts from Individuals and bequests – almost 75% – speaks to the importance that individuals and families play in supporting charitable causes.

The education, health, human services, public society benefit, environment/animals, arts, culture and humanities all saw increases in gifts, while religion and international affairs saw decreases.

The trend toward giving to donor-advised funds at places such as Fidelity and community foundations continued with the highest growth level for the year, possibly signaling the desire for the kind of philanthropic flexibility donor-advised funds offer. Donor-advised funds allow a donor to make a charitable contribution and then serve as an advisor as to what charities should be supported from those contributions, either in the current year or in future years. Successor advisors may also be named.

This is all very good news for charitable organizations that rely upon philanthropy to continue their missions; during the pandemic and since many predictions about a recession caused the philanthropic sector to anticipate a significant downturn in giving which, fortunately, has not come to pass. Continued low unemployment, high stock market values and corporate profitability are likely helping to support donor generosity for individuals, families, foundations and corporate donors.

How to Bounce Back Financially After Being Laid Off

"Expect the unexpected" sounds like a good mantra, but even if you follow that advice, life can still surprise you and knock you off balance. Undoubtedly, being laid off from your job is one of those shocking surprises. Regardless of whether you've been contributing to an emergency fund just in case, experiencing a sudden loss of income puts you in a difficult financial—and emotional—situation. But take comfort in knowing there are accessible ways to get back on your feet and regain control of your finances. Here are some strategies to get through this challenging time, no matter your age or career.

Figure Out Your Finances

Once you've taken a beat to process your emotions, your first step should be to assess your finances. This will help you determine how long you can sustain a job search before you need additional income.

- **Unemployment benefits.** Applying for these benefits can take time, so starting that process should be at the top of your to-do list. In many cases, you should be able to file online, but you can contact your state's unemployment office if you're having trouble.
- If your company offered you a severance package, be sure to review the terms with a human resources representative or your manager. How much will you receive, and are there any conditions attached to the payout?
- **Health insurance options.** This is an important factor because many Americans get insurance through their jobs. Your employer's coverage will often continue through the end of the month, but does your severance package include extended insurance? COBRA will allow you to continue your company's coverage for a limited time, but it can be pricey. Explore all your options, including coverage through your spouse's plan, your parent's plan (if you're under age 26), or marketplace plans under the Affordable Care Act (ACA) to find the most affordable and appropriate health insurance.
- **Savings and emergency fund.** Figure out how long your savings and emergency fund can sustain your current lifestyle. If you don't have an emergency fund, this should be a wake-up call to start building one once you can afford it. Create a realistic budget to help get an overall picture of the money coming in and going out each month. Then, identify non-essential expenses you can cut back on to stretch your savings. Even temporarily eating out less or pausing subscriptions you don't use regularly can be beneficial. Every little bit helps during this

time.

Manage Debt and Credit

- **Prioritize payments.** Pay essential expenses first, like rent or mortgage, utilities, and groceries. Of course, it’s not ideal to leave any charges unpaid, but if you’re short on cash, you may have to decide which are the most necessary.
- **Negotiate bills.** Call your service providers (phone, cable, internet) and explain your situation. Many companies have programs to help customers facing tough times. Don’t wait until you miss a payment to reach out; it’s best to be proactive. Reaching out as soon as possible could save you from late fees and help avoid damage to your credit score.
- **Contact your lenders.** Depending on your loan type (federal student loans, etc.), you may be eligible for deferment or forbearance, which can temporarily pause your payments or decrease the amount you owe. Ask your loan servicer about these possibilities.
- **Avoid additional debt.** You may not have many options in this regard, but try not to depend on credit cards or loans that could land you in deeper debt.

Explore Income Options

- **Tap into your network.** Don’t be shy about broadcasting the fact that you’re looking for work. Use your social media channels and reach out to former colleagues, mentors, industry contacts, friends, and family for leads.
- **Explore temporary work.** Freelance or gig work can help generate income while you look for a full-time opportunity. Depending on your expertise and skill set, you can offer services like tutoring, consulting, or freelance writing, or reach out to a staffing agency for

connections to open positions.

- **Update your job search tools.** Add any new positions, skills, or certifications to your resume and LinkedIn profile since your last refresh. Practice interview skills by researching common questions and planning your answers, or role-playing with a friend or colleague.
- **Consider a pivot.** Being laid off rarely feels positive in the moment, but this could be an unexpected opportunity to shift your focus, pursue a dream, or even relocate. Look into online courses or certification programs in a new or adjacent field or open your job search to include new locations. You may ultimately be grateful for this opportunity to do something unplanned or unexpected, even if that’s tough to imagine right now.

In addition to all of these tips, remember that you’re not alone in figuring this out. Feel free to reach out if you’re struggling with job loss and the financial implications—we’re here to help you create a plan for recovery and success.

The Significant Implications of the Dali Bridge Accident Have Only Just Begun

By Dan Bookham for WorkBoat Magazine

As I sit down to write this, I'm still shaking off the jet lag from a week of meetings at Lloyd's of London. Lloyd's was buzzing with a range of issues: the pending North Atlantic hurricane season, tensions in the South China Sea, the potential for increased interference with shipping off Iran, and the ongoing conflicts in Ukraine and Gaza and the implications thereof for coverage in the Black- and Red Seas. The number one topic- by a country mile- was the Dali bridge accident and the significant ramifications that are already falling into place following the allision between the 9,971 TEU container ship and Baltimore's Francis Scott Key Bridge.

Anyone with even a rudimentary grasp of how my industry works can guess the first issue: this incident will result in substantial insurance claims. Experts estimate that insurers may face claims of up to $3 billion. This figure is double the largest-ever protection & indemnity (P&I – liability relating to vessels) claim to date, which was the $1.5 billion collective loss from the 2012 Costa Concordia disaster. One excess P&I underwriter I met with put the potential loss in context by pointing out $3 billion would wipe out 20 years of underwriting profit across Lloyd's.

Another big topic was the complex insurance structure around this incident. The marine insurance sector operates with a complex and layered structure of insurance and reinsurance designed to minimize, transfer, and offset financial risk. While it’s too early to definitively say whether this structure will be breached, the Dali incident has raised concerns about its limits.

Something else that cannot be ignored is the incident’s location and our well-deserved reputation for aggressive and expensive litigation here in the States. The collapse of the bridge, the loss of life, and impact on US East Coast trade and the Port of Baltimore all contribute to the complexity of the situation once it reaches the courts.

Operational impacts and trade disruptions continue also, even with the impressive (and often innovative) efforts underway to clear debris, channels, and terminal backlogs. The collapse of a vital regional transport link will continue to affect trade for some time to come, and as we’ve seen in recent memory with the Ever Given incident in the Suez Canal and general disruptions caused by COVID a supply chain rupture only exacerbates existing pressures and can have an outsized influence on regional and national economies.

The incident is also prompting a lot of searching questions about ship maintenance, tug assist, and why the bridge wasn’t better protected. These are broader than Baltimore. I don’t pretend to have any of the answers (my armchair NTSB investigator badge never being issued) but I do know that any incident causes underwriters to break out the microscopes and examine impacted industries and sectors in fine detail.

In summary, the Dali bridge accident poses challenges to the marine insurance system, and its impact will reverberate for many years. And in what won’t be a surprise to anyone, marine insurance rates are likely to increase as a result.

Why Every Business, in Every Industry, Needs Cyber Coverage

By Chris Richmond
For WorkBoat Magazine

Today's marine industry relies on computers, smart phones and the Internet to operate and is just as vulnerable as any other industry for cyber attacks. An attack can have a significant impact on your employees, your customers, your reputation and can bring you serious financial loss. A cyber liability policy can provide risk management services useful to you before, during and after a data breach.

There are two important types of cyber liability to know about: First party and third party.

A first party cyber liability occurs when your own data is stolen. This can include your own employees' personal information or information about your customers. A cyber liability policy will provide credit monitoring services to assist the affected individuals which could help minimize the risk of identity theft. Included in the category of first party cyber liability are:

- **Funds Transfer Fraud** is an intentional, unauthorized instruction transmitted via email to a financial institution to transfer funds. If your computer system is compromised, a hacker can have access to your banking information and initiate fraudulent electronic wire transfers.
- **Lost Business Income** due to cyber theft, (a hack or data breach), is not covered unless cyber coverage is in place. Your regular business insurance policy covers you for things like fire, theft and wind, but not anything cyber-related.

Third party liability coverage can provide protection for damage caused by your business to third parties due to a hack. This could be confidential client information that you store in your system. Coverage included in this category are:

- **Breach of Privacy**: A client's personally identifiable information has been accessed by an unauthorized party.
- **Misuse of Personal Data:** Personal data is stolen or misused and they suffer financial damages.
- **Transmission of Malicious Content:** Failure to stop the transmission of virus, malware or other malicious content.

Computers, smart phones and the Internet are as important as any other business tool. They also leave you vulnerable to losses. It is very easy to sit back and say your facility is too small and assume no one would ever want your data and think a hack could never happen to you. But since that is exactly what the hackers want you to say, best to consider adding cyber coverage to your insurance policy. Have a talk with your agent and learn more about this important coverage.

Jeremy Pickford Earns Certified Professional Insurance Agent Designation

Jeremy Pickford

Jeremy Pickford, an account manager on the business insurance team at Allen Insurance and Financial has earned the Certified Professional Insurance Agent designation from the American Insurance Marketing and Sales Society.

The CPIA designation emphasizes critical skills in insurance underwriting, coverages marketing and client services.

Pickford, a member of Allen's private client group, known as Compass, has been with the company since 2015. He also holds the Accredited Adviser in Insurance designation.

How to Prioritize Financial Goals as Your Life Becomes More Complex

Some people are savers, some are spenders, some live carefully within their means, and some live life to the fullest, even if that results in accumulated debt. You likely won't remain solidly in one category throughout your life, as circumstances, income, and expenses change. So, even if you saved diligently during your youth, at some point, you may suddenly be faced with a combination of financial obligations that require decisions about what to prioritize. When juggling day-to-day expenses, debt (student, credit card, or other types), saving for retirement, and saving for your child's college education, where should you focus? Here's a guide to help you decide the priority order these obligations should take, and why.

Establishing Priorities

1. **Emergency fund.** Before shifting your focus to long-term savings or debt repayment, your priority should be building an emergency fund to provide a safety net. These funds should be available to cover unexpected financial difficulties like job loss, car or home repairs, or medical emergencies. Do your best to save at least three to six months' worth of living expenses in an account that you can easily access whenever necessary. Building this buffer before you put money toward other obligations will keep you from deeper debt and additional financial trouble caused by an emergency.

Helpful tip: Set up automated transfers to your emergency savings account, treating it like a monthly bill. This way, the funds will grow consistently, and you’ll be able to build a safety net without constant effort.

2. **High-interest debt.** Since credit card debt and personal loans often come with high interest rates, paying those off should be your next priority. This will help free up money for other financial goals and eliminate the interest payments that are costing you more money than you actually owe. You can also call credit card companies and ask if they can lower your interest rate. They might not agree, but it’s worth trying.

Helpful tip: Choose a debt repayment strategy that works best for you. Consider the snowball method (paying off debts from smallest to largest) or the avalanche method (paying off debts with the highest interest rates first). Then, stick to the plan until all your high-interest debts are cleared.

3. **Retirement savings.** Your retirement may seem too far in the future for you to think about now, but this should come next on your list of financial priorities. Why should it come ahead of saving for your child’s college tuition, which is likely to be a huge expense? Because, unlike retirement, there are various options for funding a college education, including scholarships, grants, and student loans. There are far fewer options for funding your living expenses after retirement. Also, since more Americans are living longer, maintaining your standard of living will require more money. You don’t want to outlive your financial resources.

Helpful tip: Take advantage of individual retirement accounts (IRAs) or employer-sponsored retirement plans like 401(k)s. Try to contribute at least enough to receive any company matching contributions because that’s essentially free money for you. Thanks to compound interest, even a small contribution now can result in significant savings as it grows over time.

4. **Children's college education.** The reason this financial obligation falls last on the list of priorities is certainly not because it's less important. College costs are high, and it makes sense to start saving early. But, if you must sacrifice this goal to focus on others, you can fund your child's education in other ways. Scholarships, grants, and part-time student employment opportunities may be available for supplementing education expenses if you haven't saved enough to cover costs.

Helpful tip: Explore the option of a 529 savings plan or education savings account (ESA). These accounts offer tax benefits and can help you save money to use specifically toward educational expenses. If you can manage to automate contributions, you'll maintain consistency and enable your fund to build steadily over time.

This priority order can serve as a good guide, but changing financial goals, income, or other circumstances might cause you to reassess and refocus from time to time. The key is to find a balance between the financial obligations you have now and making sure your financial future is secure, too. As always, your financial advisor can help you determine the best strategy to maintain stability, maximize your benefits, and minimize your costs and penalties based on your individual situation and goals.

This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation.

The fees, expenses, and features of 529 plans can vary from *state to state. 529 plans involve investment risk, including the possible loss of funds. There is no guarantee that an education-funding goal will be met. In order to be federally tax free, earnings must be used to pay for qualified education expenses. The earnings portion of a nonqualified withdrawal will be subject to ordinary income tax at the recipient’s marginal rate and subject to a 10 percent penalty. By investing in a plan outside your state of residence, you may lose any state tax benefits. 529 plans are subject to enrollment, maintenance, and administration/management fees and expenses.*