How to Start a College Fund Early

Every parent wants to give their child the best possible future, and for many families, that includes higher education. But with tuition costs continuing to rise, figuring out how to pay for college can feel overwhelming. The good news? Starting a college fund early gives your savings more time to grow, making it easier to manage those future expenses.

529 Plans: A Popular Tool for College Savings

When it comes to saving for a child's education, 529 college savings plans are one of the most widely used and versatile options. These state-sponsored accounts are specifically designed to help families save for qualified education expenses, and contributions grow tax free as long as they're used for qualified expenses. Because of their flexibility and tax advantages, they're one of the most popular ways to save for college. Begin by evaluating your state's 529 plan, as that's often the best place to start for state tax benefits. However, you're not limited to your own state's plan—you can choose almost any state's 529 program that fits your needs.

Here's how they work:

- **Contributions**: Money added to a 529 plan is invested in a selection of funds or portfolios chosen by the account owner.
- **Growth**: Earnings grow tax free, meaning you won't owe federal taxes on the investment gains as long as the money is used for qualified education expenses.
- **Withdrawals**: Funds can be used for tuition, fees, room and board, books, and even some K–12 tuition (in certain

states) or trade schools.

Let’s say you start contributing $200 monthly when your child is born. By the time they’re 18, assuming a 6 percent annual return, you could have about $75,000 saved—and all the earnings would be tax free when used for education.

Tax Benefits

One of the biggest advantages of a 529 plan is its tax efficiency. Contributions are made with after-tax dollars, but the account’s growth and qualified withdrawals are tax free. Some states even offer tax deductions or credits for contributions, adding another layer of savings.

For example:

- If you contribute $5,000 to a 529 plan in a state offering a 5% tax credit, you could save $250 on your state taxes that year.

While $250 may not seem like much, over time, these tax savings can make a meaningful difference—reducing your overall education costs just by choosing the right savings plan.

Investment Options, Age by Age

529 plans typically offer a range of investment portfolios, from aggressive growth funds to conservative options. Your child’s age and your comfort with risk will help guide your investment choices.

In the early years (ages 0–10), it often makes sense to invest more aggressively, with a higher allocation to stocks that have the potential for long-term growth. By the time your child reaches middle school (ages 11–15), gradually shifting to a more balanced approach can help manage risk. As college approaches (ages 16+), many families move to more conservative investments, such as bonds or money market funds, to help protect savings from market downturns.

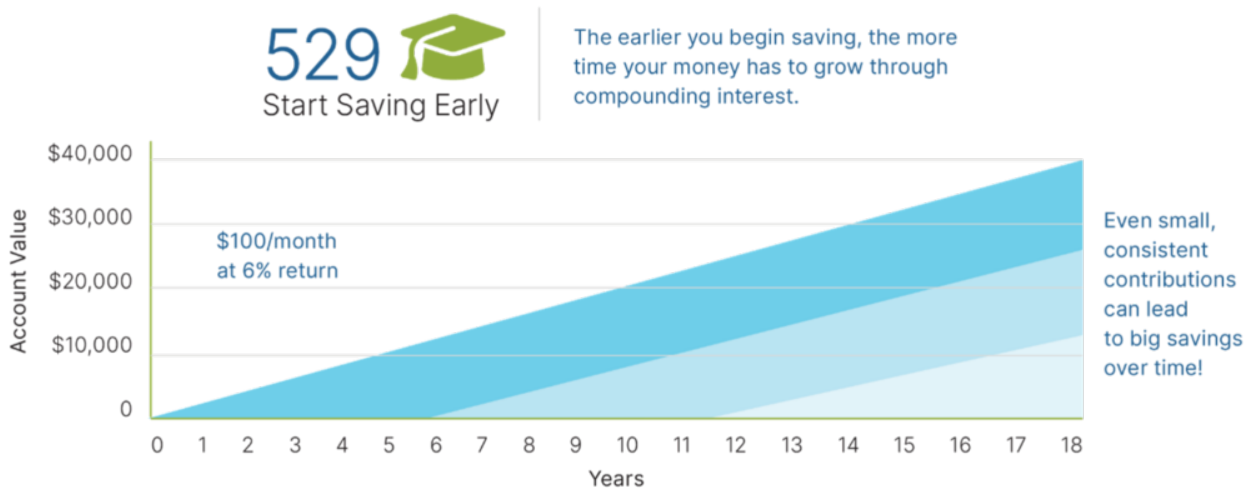
Keep in mind, many plans also offer “age-based” portfolios that automatically adjust the investment mix as your child gets closer to college age.

Starting Early

Time is your greatest ally when it comes to compounding growth, so it’s ideal to start as soon as possible. Setting up automatic monthly transfers often works better than trying to make larger annual contributions. For example, contributing $100 monthly feels more manageable than coming up with $1,200 at year-end. If you start contributing that $100 monthly at your child’s birth, earning an average annual return of 6 percent, you could have nearly $40,000 saved by the time they turn 18. Plus, regular contributions help you take advantage of market ups and downs through dollar-cost averaging.

Here are a few tips to get started:

- **Set up automatic contributions**: Most 529 plans allow you to schedule recurring deposits, making it easier to stay consistent.
- **Start small**: Even $25 a month can grow substantially over 18 years. Note that some plans do implement minimum contribution thresholds, though these are generally very low.
- **Gift contributions**: Encourage family members, such as grandparents, to contribute to the 529 plan as part of holiday or birthday gifts. College savings works best as a family effort, with everyone pulling together toward the shared goal of providing educational opportunities for the next generation.



What If Your Child Doesn't Pursue College?
Worried about what happens if your child doesn't go to college? 529 plans offer plenty of flexibility:

Change the beneficiary: The account can be transferred to another family member of the beneficiary, such as a sibling, cousin, grandchild, or even yourself.

Use it for other education-related expenses: Use the money for trade schools or vocational training or put it toward K–12 tuition (up to $10,000 annually, but only in certain states).

Withdraw funds: If the funds are withdrawn for nonqualified expenses, the earnings portion will be subject to taxes and a 10 percent penalty, but the principal contributions are not penalized.

Repurpose the funds: Recent changes in legislation allow up to $35,000 of unused 529 funds to be rolled into a Roth IRA for the beneficiary (subject to certain conditions).

This flexibility ensures that your savings don't go to waste, even if plans change.

Exploring Alternatives
While 529 plans are a popular choice, they're not the only option. Depending on your family's circumstances, other accounts might be worth exploring:

Coverdell education savings accounts (ESAs): These accounts offer similar tax advantages to 529 plans but with lower contribution limits ($2,000 annually per child, subject to certain limits) and more flexibility in investment options.

Custodial accounts (UTMA/UGMA): These accounts allow you to save money in a child's name, which they gain control of upon reaching adulthood. However, earnings are subject to taxes, and the funds can be used for any purpose—not just education.

Each option has unique benefits and trade-offs, so it's helpful to compare them carefully before making a decision.

Building a Brighter Future
Starting a college fund early may seem like a daunting task but breaking it into manageable steps can help you stay on track. Whether you choose a 529 plan, a Coverdell ESA, or another option, the key is to begin as soon as you can and contribute consistently.

Saving for college doesn't have to be overwhelming. By starting early, taking advantage of tax-advantaged accounts, and making saving a family effort, you can turn today's small contributions into tomorrow's opportunities—helping your child chase their dreams with confidence.

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.*

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.

Making More Happen: Fueling Families with Food, Energy and Diaper Assistance

Liberty Mutual and Safeco Insurance have awarded Allen Insurance and Financial a 2025 Make More Happen Award for its partnership with AIO Food & Energy Assistance (AIO), a nonprofit organization that provides low barrier access to food, energy and diaper assistance with compassion and respect to households across Knox County, Maine. The award includes an initial donation of $5,000 for AIO, which can be doubled to $10,000 by having community supporters vote online.

Starting May 5, the Allen Insurance and Financial and AIO community story will be showcased on the official Make More Happen microsite at https://www.agentgiving.com/allen-insurance-and-financial, where supporters can vote to help the team reach their donation goal. If the featured story receives a mix of at least 500 votes and comments, the $5,000 donation will be increased to $10,000.

AIO plays a vital role in the community, assisting over 10% of Knox County residents in Maine. Each week, more than 450 families rely on the AIO food market, while 750 students benefit from the weekend meals program. In 2024, AIO provided 526 energy assistance gifts, easing the burden for households so they don't need to decide between "heating or eating". The $10,000 donation would provide food for 450 families coming to the AIO market, Weekend Meals for 750 students, diapers for 35 families, and energy payments for approximately 15 households.

"Helping to make our community a better place has always been important to our team, and AIO has given us a way to make a real difference," said Jill Lang, marketing director at Allen Insurance and Financial. "We are grateful to Liberty Mutual and Safeco for providing much-needed funds to continue their impactful work and thrilled at the opportunity to double the donation just by calling on the community to show their support."

Allen Insurance and Financial has supported AIO for years through volunteer efforts, fundraising campaigns and community outreach. Since 2020, the Allen team has mobilized volunteers and provided significant sponsorship each year. In 2025 alone, AIO, with the support of Allen Insurance and Financial and others in the community, has collected nearly 2,400 pounds of food and raised $39,000 in donations—enough to sustain AIO's essential programs through the harsh winter months

“Recognizing independent agents’ dedication to their communities and nonprofit partners is what the Make More Happen Awards are all about,” said Stephanie Davis, Safeco Insurance Senior Territory Manager. “Allen Insurance and Financial is an outstanding example of how agencies can make a real difference, and we hope sharing their story inspires others to give back as well.”

Throughout 2025, Liberty Mutual and Safeco Insurance will select up to 36 independent agencies nationwide for a Make More Happen Award, donating up to $360,000 to nonprofits they support. Agencies become eligible for the award by submitting applications showcasing their commitment to a specific cause.

About Liberty Mutual Insurance

At Liberty Mutual, we believe progress happens when people feel secure. By providing protection for the unexpected and delivering it with care, we help people embrace today and confidently pursue tomorrow.

In business since 1912, and headquartered in Boston, today we are the ninth largest global property and casualty insurer based on 2024 gross written premium. We also rank 87 on the Fortune 100 list of largest corporations in the US based on 2023 revenue. As of December 31, 2024, we had $50.2 billion in annual consolidated revenue.

We employ over 40,000 people in 29 countries and economies around the world. We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty lines, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety, and commercial property.

For more information, visit www.libertymutualinsurance.com.

About Safeco Insurance

In business since 1923, Safeco Insurance sells personal automobile, homeowners and specialty products through a network of more than 20,000 independent insurance agencies throughout the United States. Safeco is a Liberty Mutual Insurance company. You can learn more about us by visiting www.Libertymutualinsurance.com and www.Safeco.com

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The Crucial Role of Hiring and Onboarding in Safety

Dan Bookham

By Dan Bookham for WorkBoat Magazine

Hiring and onboarding play a pivotal role in establishing a strong safety culture within an organization. By carefully selecting and training new employees, businesses can significantly reduce the risk of accidents, injuries and fatalities.

While the process can seem daunting for small businesses and rote and impersonal at larger entities (and HR work can feel like a potential minefield unless a you are specialist in that area), a well thought out approach to hiring, screening, onboarding and sharing culture can pay dividends specifically in the areas of safety and the reduction of workplace injuries and more generally enterprise-wide.

The first step is to know what you are looking for in a candidate from a safety perspective. Although labor markets continue to be tight, resist the temptation to lower your standards as that marginal candidate might be the one who blows up your workers compensation or P&I experience, or who puts that work truck into the school bus.

A thorough background check is a vital component of the hiring process, especially in industries where safety is paramount. Background checks allow you to uncover criminal records, substance abuse issues or other red flags that may pose a threat to workplace safety. This in turn mitigates the risk of workplace violence, theft or other harmful behaviors and can ensure that new hires align with the organization's values and commitment to safety.

Obviously, you should adhere to industry-specific regulations and local laws regarding background checks – especially around access and confidentiality. There are firms that specialize in running legally compliant checks for you, so this might be a task to consider outsourcing.

Candidate criteria is the next element. Look for safety-minded individuals and prioritize candidates who demonstrate a strong commitment to safety. Given that your company is unique, ensure that potential new hires align with the organization's safety values and culture and of course verify that candidates possess the necessary skills and experience to perform their tasks safely.

Once the job offer has been made and accepted, an effective and engaging onboarding process allows you to drive home your safety culture. A comprehensive safety orientation will introduce new employees to the company’s safety policies, procedures and emergency plans.

Job-specific safety training, tailored training for each role and emphasizing potential hazards and safety precautions, coupled with practical, hands-on training to reinforce safety knowledge and skills, can cement the elements that keep new hires safe from the get-go. Mentorship and buddy systems where you pair new hires with experienced employees to guide them through safety protocols also helps teach the greenhorn that safety is core to “the way things are done around here.” Finally, regular check-ins by supervisors allow for assessment of the new hire’s understanding of safety and allows them to address any concerns either they or the employee may have.

Not only does building safety considerations into your hiring and onboarding process make for fewer workplace injuries and less impact on your insurance, it also demonstrates to rookies and veterans alike that leadership walks the walk when it comes to ensuring the whole team can enjoy a safe workplace.

Allen Backs Expansion at

MaineGeneral’s Harold Alfond Center for Cancer Care

Allen Insurance and Financial has pledged $25,000 to the capital campaign to expand the Harold Alfond Cener for Cancer Care, a project made necessary by increasing patient need. “Access to high-quality cancer treatment close to home is essential, and this project will make a meaningful difference for patients and their families in our community,” said Jill Lang, marketing director at Allen Insurance and Financial. “We are sincerely proud to support this project.”

This pledge reflects Allen’s deep-rooted commitment to community well-being and support for health-related initiatives. An employee-owned company, Allen aligns its corporate giving philosophy to support organizations that enhance the health and economic vitality of their region.

Pictured here are, at left, Martha Wentworth a member of Allen’s Waterville business insurance team and Jill Lang, right, from marketing director at Allen. With them is Nicole McSweeney, Chief Marketing and Philanthropy Officer at MaineGeneral Health. The photo was taken in part of the construction zone at MaineGeneral’s Harold Alfond Center for Cancer Care.

Welcoming Nick Pucello

Nick Pucello of Rockport has joined Allen Insurance and Financial as a commercial lines producer, specializing in marine insurance.

Nick holds a bachelor’s degree in small vessel operations and a master’s degree in international logistics management, both from Maine Maritime Academy. Additionally, Nick holds a 1,600-ton USCG masters license and a property & casualty insurance license in the state of Maine.

Nick’s extensive experience in the marine industry includes work as a marine supply chain and logistics manager and as a yacht and tugboat captain.

Welcoming Jessica Bryant

Jessica Bryant of Camden has joined Allen Insurance and

Financial as a commercial lines account manager.

She previously worked for U.S. Cellular in sales and customer service.

Navigating the Financial Side of Divorce

Divorce is one of life's most challenging transitions – emotionally and financially. After years of building a shared financial life, you're suddenly faced with untangling everything, from your finances to your future plans. Questions like, "What happens to our house? How will I manage on my own? What's fair when dividing everything we've built?" are essential to address.

The good news? With a clear understanding of your options and proactive planning, you can create a solid foundation for your post-divorce life.

Dividing Assets

One of the most complex aspects of divorce is dividing your assets. It's not just about who gets what; it's about ensuring that you have a clear picture of your financial situation and a fair plan for moving forward.

- **List all assets.** Start by listing everything you and your spouse own. In most cases, marital property includes assets acquired during the marriage, regardless of whose name is on the title. Certain items – such as gifts, inheritances, or assets protected by a prenuptial or post-nuptial agreement — may not be considered marital property, however. Be thorough and don’t overlook assets such as frequent flyer miles, retirement accounts, or collectibles — they may factor into the financial picture.

- **Understand their value.** Knowing what your assets are worth is important. You might need professional help, like appraisers for property or valuations for a business. For bank accounts and investments, statements from financial institutions can provide accurate numbers.
- **Decide how to divide.** How assets are divided depends on your state’s laws. Community property states split everything 50/50, whereas equitable distribution states divide assets fairly, though not necessarily equally. A financial advisor and attorney can help you determine what’s realistic based on your situation.

Understanding Support Obligations

Divorce often brings financial obligations such as child support or spousal support (alimony). These need to be factored into your financial plan.

- **Child support.** If you’re paying or receiving child support, know that it’s designed to cover essentials such as housing, education, and health care. Look at how this fits into your budget — whether as an expense or income — and plan accordingly.
- **Spousal support (alimony).** Alimony helps ensure that one spouse doesn’t face undue financial hardship. This is especially important if one partner took time out of the workforce to support the family. The duration and amount vary depending on your state, so it’s smart to consult legal and financial experts to understand your options.

Legal and Mediation Costs: Plan for the Process

Divorce isn't just emotionally taxing – it can be expensive. Budgeting for these costs early can help avoid financial surprises.

- **Traditional divorce.** If your case is contested, you'll likely need an attorney. Rates vary, so ask for a clear estimate upfront.
- **Mediation or collaborative divorce.** If you and your spouse can work together, alternative methods may save you both money and stress. These approaches are typically less expensive and give you more control over the outcome.

Rebuilding Your Financial Life After Divorce

Once the paperwork is signed, it's time to focus on your financial future. Taking these steps can help you regain control and confidence.

- **Create a new budget.** Your income and expenses will change – new housing costs, insurance premiums, or child-related expenses might now be part of your monthly routine. Tools like budgeting apps or a simple spreadsheet can help you keep track.
- **Reassess your retirement goals.** Divorce can affect retirement savings, especially if you're dividing a 401(k) or IRA. A financial advisor can help you revise your plan to ensure that you're still on track for the future you want.
- **Build an emergency fund.** Life after divorce can be unpredictable. Aim to save at least three to six months of expenses. This cushion can help you handle surprises and start your new chapter with more peace of mind.

Special Considerations for Women

Although divorce affects everyone, women often face unique challenges that require special attention.

- **Earning potential and career goals.** If you’ve been out of the workforce or earning less while supporting your family, this is an opportunity to focus on rebuilding your career. Consider whether you’ll need to upskill, reenter the job market, or negotiate spousal support to bridge the gap.
- **Retirement savings.** Wage gaps and career breaks mean women often have less saved for retirement. If you’re awarded a portion of your spouse’s retirement accounts, ensure that the funds are transferred correctly, using a qualified domestic relations order (QDRO) to avoid penalties.
- **Health insurance.** Explore new options if you were covered under your spouse’s employer-sponsored health plan. COBRA can provide temporary coverage, but marketplace plans or employer-sponsored options may be more affordable long term.
- **Custodial considerations.** If you’re the custodial parent, plan for child-related expenses such as day care, extracurricular activities, and school fees. Be sure that these are accounted for in your divorce agreement to prevent future disputes.

Moving Forward

Divorce marks a major life transition — but it’s also an opportunity to start fresh. With the right support and financial planning, you can navigate the challenges, reduce uncertainty, and build a stable, fulfilling future.

Remember: You don’t have to do this alone. We’re here to help you every step of the way. Whether you’re just starting the process or finalizing the details, thoughtful financial planning can help you move forward with confidence.

Safety at Work: An Emotional Issue

By Dan Bookham
For WorkBoat Magazine

Workplace safety is not merely a physical concern but also a complex emotional issue with far-reaching consequences for individuals, teams, and organizations. A comprehensive approach to workplace safety must address emotional factors, otherwise it is doomed to fail. A hearts-and-minds approach to keeping your people safe is always going to pay more dividends than folks dutifully checking boxes without investment in the philosophy behind your safety culture.

Should this all seem a bit too touchy-feely, consider the following. Safety at work is undeniably an emotional issue because the very human drivers of connection and fear underpin the decisions we make every day that could potentially imperil life and limb.

On the individual level, this translates to a basic fear of loss. The fear of injury, illness or even death is inherent to human nature. This fear can be paralyzing or motivating, depending on how it is managed. We also worry about teammates, as employees often form strong bonds with coworkers, creating a sense of family and community. The safety of colleagues becomes a deeply personal matter, driven by love and care. More than anything else, the instinct to protect oneself is primal. When safety is compromised, it triggers strong emotional responses related to survival and well-being which can set off a chain reaction of events that can amplify risks as much as lessen them.

Unsafe work environments can lead to chronic stress and anxiety, affecting employees’ mental health and overall quality of life, and the experience of trauma – for both an injured individual and their colleagues who were present – can have lasting impacts and cause employees to lose trust in their employer and feel a diminished sense of control over their work environment. This in turn can lead to a doom loop of anger and frustration which fuel reckless behavior, increased risk-taking, and reduced attention to safety protocols.

While negative emotions can spread rapidly through a workplace, creating a climate of fear and distrust which can hinder safety efforts, positive emotions are even more contagious and can boost morale, increase engagement, and promote a proactive approach to safety. When a team feels it in their bones a supportive and collaborative safety culture meets their emotional needs in the workplace, we see improved communication, conflict resolution and decision-making, all of which are powerful force-multipliers when it comes to reducing harm.

Emotions are a powerful force that can either enhance or hinder workplace safety. By understanding the impact of emotions, organizations can develop strategies to create a positive and safe work environment. Exploring and developing specific strategies that help you understand, manage and mitigate the impact of emotion on safety culture in partnership with your workers comp, USLH and P&I insurers is a smart way to benefit from the premium dollars you pay for your policies.

Understanding and Protecting Your Purchasing Power

Imagine walking into your local grocery store with a $20 bill. Last year, that might have bought you a gallon of milk, a dozen eggs, and a loaf of bread with change to spare. Today, those same items could cost noticeably different amounts and $20 may not cover as much. This everyday experience demonstrates the concept of purchasing power—how much your money can actually buy. Understanding this concept helps you make smarter financial decisions and grow the value of your funds over time.

What Shapes Your Money's Value?

Your purchasing power changes as the economy changes, influenced by various economic factors. Inflation and purchasing power are inversely related—when prices rise, the amount of goods and services you can purchase with the same amount of money decreases. And, conversely, when prices decrease, you can buy more.

Think about buying a car. The same $30,000 that bought a well-equipped sedan five years ago might only buy a basic model today. Or consider housing—monthly rent that was $1,500 a few years ago might now be $2,000 for the same apartment.

Understanding purchasing power isn't just about watching prices go up and down, however. It's about learning how economic changes affect both your spending and saving strategies. This helps you make smarter decisions to protect your money's value in the years to come.

Making Your Savings Work for You

One way to counter inflation and preserve purchasing power is through smart savings choices. Traditional savings accounts offer accessibility, but interest rates can vary widely. High-yield savings accounts, for example, often provide significantly better returns than standard accounts, while government securities, such as Treasury bills or savings bonds, offer other secure savings options.

For instance:

- If you had $10,000 in a regular savings account earning just 0.1% annually, after five years, you'd earn around $50 in interest.
- By contrast, in a high-yield savings account earning 4% annually, you'd earn about $2,166 in total interest over the same period.

A financial advisor can help you explore savings options that best fit your goals, making it easier to protect your purchasing power over time.

Planning for a Comfortable Retirement

When planning for retirement, understanding purchasing power becomes especially important. A lifestyle that costs $50,000 per year today will likely cost a different amount in the future. Similarly, what you can buy with a $1 million retirement fund today will not equal what you can buy with the same amount 25 years from now.

Your spending patterns in retirement usually shift over time:

- **Early Retirement:** Often marked by discretionary spending on travel and hobbies.
- **Mid-Retirement:** A time when housing needs may shift, perhaps toward downsizing.
- **Late Retirement:** Typically, expenses for health care and support services increase.

Over a retirement that might last decades, changes in purchasing power could mean that what seems like ample savings now might cover far less in the future. A financial advisor can help you create a retirement strategy that aims to keep pace with rising costs, especially for essentials like health care.

Career Development and Income Potential

Career growth is another way to help protect your purchasing power. For instance, if you start with a $50,000 annual salary, adding certifications or new skills could boost that to $75,000 or more—helping your income keep up with rising costs. Continuing education, professional certifications, and skill development allow you to stay competitive and command higher earnings. Side income from consulting or freelance work can also diversify and strengthen your income.

Building Long-Term Financial Security

Protecting your purchasing power isn’t about predicting economic trends; it’s about staying prepared and adaptable. Understanding financial tools and regularly updating your strategy can make a significant difference.

Taking Action

Start with these steps to better manage your purchasing power:

- **Track Key Prices:** Choose your top 10 most-purchased items, track their prices for six months, and adjust your budget as needed.
- **Shop Around for Savings:** Check savings account interest rates every January to see if higher-yield options could help grow your savings.
- **Invest in Your Skills:** Identify certifications or training that could boost your earning power and set a timeline for earning them.
- **Adjust Your Budget Regularly:** Review your monthly budget each quarter to reflect changes in prices and spending patterns.
- **Meet with a Financial Advisor:** Review your long-term financial strategy on a regular basis to ensure that it keeps pace with changing economic conditions.

Taking small, consistent steps can build up to significant results over time. While you can’t control the economy, you *can* take control of your financial future by staying informed and proactive.

Understanding Maine’s Private Insurance Plans for Paid Family and Medical Leave: What You Need to Know Now

The Maine Department of Labor (DOL) has released the requirements for private insurance plans designed to replace the state’s Paid Family and Medical Leave program. Once these plans receive DOL approval, insurance companies will be able to present proposals to our customers.

At Allen, we are confident that insurance companies are actively initiating their filing processes. However, the state has yet to provide a timeline for the approval of these plans. We will keep our customers informed as developments occur.

In the meantime, we encourage you to connect with us for any insights or questions about planning for the PFML for your company.