Nebel Financial Services, LLC
6926 Little River Tnpk., Suite F
Annandale, VA 22003
703-658-0080 • Fax: 703-658-0097
www.nebelfinancial.com

Pauline Rosenstein, CFP®
Financial Advisor
pauline.rosenstein@saswealth.com

Andrew D. Wade, CFP®
President
andrew.wade@saswealth.com

Financial Solutions for the Life You Are Living and the One You Want to Live

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FALL 2024

Red, Blue, & YOU!

Here we are again, and another election is upon us. There have always been tumultuous events surrounding elections. There are wars, inflation, civil unrest/protests, labor market struggles (too many or insufficient workers), weather-related calamities, pandemics, and market declines/recessions. In times like this, we need to examine your long-term and time in the market. Fear is always there, and we can always think of a reason not to invest. Time is the best friend if you are a die-hard politician from either party. Time heals all wounds. Statistically, both parties have bragging rights because they have the long term as the sampling size. However, statistics are not as kind if a party controls the executive and legislative branches. The market tends to like a split Congress and executive branch. This way, one party can't make too many changes when in power. Historically, a President can only make so many changes, and those can only amount to about 20% of what was forecasted or requested when the party is running for office. Is it different this time?

Instead of the elections, I'm focusing on Cybersecurity Awareness Month this October 2024. This is the 21st year. There has been an increasing collaboration between the public and private sectors to fight this battle. The goal is to increase awareness and reduce your online risks. We all need to be concerned about and vigilant about this. These online scams can sometimes lead to Identity Theft. Here are four inexpensive ways that may help.

1. Use strong passwords. This means changing them frequently, making them long, and using symbols.
2. MFA—This is Multi-Factor Authentication. It means that when you log in to your site, a code will be sent to your phone, either by text or email, to confirm that you are the user.
3. Phishing—Be aware of messages asking you to confirm and order. You may think it is from one of your frequented websites. When in doubt, please do not click on it and delete it.

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Alayna Ricard – Client Services Associate

We are happy to announce that Alayna Ricard has joined Nebel Financial Services LLC. as a Client Services Associate. Alayna grew up in Fairfax VA and attended Robinson High School. She graduated from VA Tech in December of 2022. She has more of a technical background which helps as more and more of our financial systems require those skills. We are happy to have another person in the office as we continue to grow. In the short time she has been here, she has been very good at problem solving and Estate administration. Alayna has several hobbies to include hiking, knitting, and cooking. One more bit of trivia, I have known Alayna since she was born since I have been friends with her father since the 1980's!

Sincerely,

Andrew D. Wade
President

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Red, Blue, & YOU!

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4. Regularly check that your software is updated. This can also be tricky as some software may not be on your computer, but someone may want you to install it. When in doubt, don't download!

If you have been a victim of cybercrime, there are several steps that should be taken. The first is to place a fraud alert at all three credit bureaus. The three credit bureaus are: Equifax, Experian, and TransUnion. One idea is to log on to each so that when/not if you have to protect yourself, that you can log in as you have already established an account. If a specific account has been compromised, make sure that account gets closed. Depending on the severity of the breach, it may be also prudent to file a report with the Federal Trade Commission (FTC). The link is reportfraud.ftc.gov. In some situations, it also may be necessary to file a report with your local Police Department.

As always, please be vigilant for your own accounts as well as the elderly relative that may need your assistance. As people age, the logistics of these scams gets more and more involved. Please be an advocate for those in need.

Sincerely,

Andrew D. Wade
President

"We all die. The goal isn't to live forever, the goal is to create something that will."
-Chuck Palahniuk, Diary

7 Ways to Pay Less for College

With the cost of college steadily rising, students and their parents are looking for ways to ease the financial burden. Fortunately, there are ways to reduce college expenses for your child, even if a full tuition scholarship isn't a possibility.

1. Take college-credit courses in high school. If they can handle it, pack your child's high school schedule with advanced placement (AP) classes so they can start earning college credits early. Students who do well on AP exams may be able to skip general education requirements in college. Some high schools also offer dual-credit courses, allowing students to earn college credit for high school classes or to enroll in classes at a local college or university during their time in high school.

2. Apply for aid. Always apply for financial aid, even if you think you might not qualify. Even if you earn a lot of money, your child may still be granted some assistance, depending on your family's circumstances.

3. Start at a community college. Tuition at two-year community colleges is typically more affordable than at four-year private and public universities. Many students can save money by beginning their college education at these schools and then transferring to a four-year institution to complete their degree.

Community college may also be a good option for students who are not sure whether college is right for them, or those who are not sure what they want to study. Attending a two-year school offers a more affordable way to explore different fields and can ease the transition from high school to college.

4. Stay close to home. Heading halfway across the country for college will probably be expensive. If your child stays closer to home for school, they'll spend less on travel and may even be able to live with you, cutting costs even further. Plus, tuition at in-state public universities and community colleges is typically less expensive than their out-of-state counterparts.

5. Get a job. College is hard work, but many students benefit from working at least a few hours a week while in school. Consider having your child rely on their part-time job, rather than you, for their spending money.

6. Look for scholarships. Scholarships aren't just for top athletes and those with perfect SAT scores. There's aid money out there for all kinds of students, including those belonging to certain ethnic or religious groups, pursuing certain majors, or attending certain schools. Check with local groups, organizations your child participates in, and even your own employer to see if there are any scholarships offered, and then apply.

7. Choose a school that charges no or minimal tuition. Yes, there are colleges that charge students nothing, or virtually nothing, to attend. While admission to these schools is competitive and they won't be an option for all students, they are worth exploring, especially if you feel college is financially out of reach.

The U.S. federal service academies, including West Point and the U.S. Air Force Academy, charge no tuition in exchange for a service commitment after graduation. A number of work colleges allow students to attend for free or a nominal cost in exchange for working on campus. However, keep in mind that despite free or discounted tuition, students may still be responsible for room, board, and other fees. ❍❍❍

Tips to Get Your Finances in Order

If you're serious about pursuing your financial goals, you need to get your finances in order. Some tips to help in that process include:

✔ **Get organized.** It's difficult to assess how much progress you're making toward your goals if you don't know basic facts like how much your net worth increased during the past year, how you are spending your income, or how well your investments have performed. Organizing your finances will assist in tracking this information.

✔ **Budget your expenditures.** While many people dread the process of analyzing and budgeting expenditures, inefficient and wasted expenditures are often major obstacles to saving for financial goals. Analyzing your expenses will help you find ways to reduce spending and increase your savings.

✔ **Develop explicit written financial goals.** Goals help set our financial priorities and provide motivation for reducing spending and saving for the future. Quantify your ultimate goal and interim goals so your progress can be tracked.

✔ **Pay yourself first.** If you wait until the end of the month to see how much money is left over for saving, you'll probably find that the answer is nothing. It's often easier to pay yourself first, and then find ways to reduce spending to pay the rest of your bills.

✔ **Establish an emergency cash reserve.** This will give you funds to deal with short-term emergencies, such as a temporary job loss, a short-term disability, a major home repair, or a large medical bill. How much you need in the reserve will depend on your age, health, job outlook, and ability to borrow quickly.

✔ **Get your debt under control.** Take steps to reduce your consumer debt as much as possible — any interest payments are just reducing the amount available for saving. There are a variety of strategies you can use to either reduce your debt or lower the cost of that debt.

✔ **Invest automatically.** One of the best ways to invest consistently is to make investing automatic. Make arrangements to have a specific amount deducted from your checking or saving account periodically and transferred to an investment account. *(Keep in mind that an automatic saving plan, such as dollar cost averaging, does not assure a profit or protect against loss in declining markets. Because such a strategy involves periodic investment, consider your financial ability and willingness to continue purchases through periods of low price levels.)*

✔ **Develop an investment strategy.** Your strategy will depend on a variety of factors unique to your situation, including your risk tolerance, return expectations, investment period, and investment preferences. Developing an investment strategy requires evaluating many factors, but it can give you a well-thought-out strategy to help pursue your long-term goals.

✔ **Assess your insurance needs, including life, health, disability, long-term care, homeowners, automobile, and personal liability.** Over time, your insurance needs are likely to change. Insurance companies offer innovations and riders that might be applicable to your situation. Reevaluating your insurance can lead to lower premiums with coverage better suited to your situation.

✔ **Take active steps to reduce your taxes.** There are a variety of strategies that can help you reduce your income taxes, thus freeing money for saving. The key is to review those strategies now, so you have plenty of time to implement them.

✔ **Review your estate plan.** If it's been a few years since you've reviewed your estate plan, take time to go over your documents to make sure they still reflect your wishes for your estate's disposition. If you don't have an estate plan, get one in place.

While many of these tips may sound familiar, it is the rare individual who takes advantage of all of them. If you'd like help putting these tips into practice or would like to discuss your finances in more detail, please call. ❍❍❍

Bond Investing Tips

Consider the following tips if bonds are part of your investment portfolio:

✔ **Determine your objectives before investing.** Decide how much of your portfolio you want invested in bonds.

✔ **Diversify your bond holdings among different bond types.** Consider government, corporate, and municipal bonds, as well as different industries, credit ratings, and maturities.

✔ **Understand the risks that affect bonds.** The most significant risk is interest rate risk. When interest rates rise, bond values fall, while values rise when interest rates decline. Other risks include default risk, or the possibility the issuer will redeem the bond before maturity; and inflation risk, or the possibility that inflation will outpace the bond's return.

✔ **Choose bond maturity dates carefully.** When you will need your principal is a major factor, but the current interest rate environment may also affect your decision. You may want to stagger or ladder the maturity dates in your portfolio.

✔ **Follow interest rate trends.** At a minimum, follow the prime rate, Treasury bill rates, and Treasury bond rates. Understand the significance of the yield curve and track its pattern over time.

✔ **Compare interest rates for specific bonds before investing.** Interest rates can vary substantially among different bond types and among bonds with different maturities or credit ratings.

✔ **Research a bond before purchase.** Review the credit quality, coupon rate, call provisions, and other significant factors.

✔ **Consider the tax aspects.** By comparing the after-tax rate of return for various types of bonds, you may be able to increase your return. Depending on the bond, the interest income may be fully taxable or exempt from federal and/or state income taxes.

✔ **Review your bond holdings periodically.** Evaluate the credit ratings of all your bonds at least annually to ensure the quality hasn't deteriorated. Also, ensure your holdings are still consistent with your overall investment objectives and asset allocation plan.

✔ **Call for assistance with your bond holdings.** You should use carefully designed strategies to make bond decisions. Please call if you need help. ❍❍❍

Your Bond Allocation

Your asset allocation mix represents your personal decisions about how much of your portfolio to allocate to various investment categories. Some factors to consider when deciding how much to allocate to bonds include:

✔ **Your risk tolerance.** The advantage of including both stocks and bonds in your portfolio is that when one category is declining, the other category will hopefully help offset this decline.

✔ **Your time horizon.** The longer your time horizon for investing, the more risk you can typically tolerate in your portfolio, since you have more time to overcome any significant downturns in your portfolio. Make sure you're comfortable with the percentage allocated to each category.

✔ **Your return needs.** Your need to emphasize income or growth is likely to change over your life. When you are trying to accumulate significant assets for a goal far in the future, you may want to allocate more of your mix to stocks. However, when your needs for a predictable income stream become more important, such as when retirement approaches, you may want to allocate more to bonds. ❍❍❍

Financial Thoughts

Americans now believe they will need $1.46 million to retire comfortably, according to a recent survey of 4,588 adults. That is up from $1.27 million a year ago. It's also about $1 million more than the average survey participant's nest egg (Source: Northwestern Mutual, 2024).

About six out of every 10 jobs people do today didn't exist in 1940. While many of those jobs were created by new technologies, some came from changing consumer needs. And while in the first 40 years of that nearly 80-year period most of the new jobs, which included many manufacturing and clerical positions, were scooped up by the middle class, the more recent jobs have tended to be either highly paid white-collar roles or lower-wage service jobs (Source U.S. Census, 2023).

Though the vast majority of renters polled said they want to own a home in the future, 61% said they are worried they will never be able to (The Guardian, 2024).

The number of students enrolled in vocational-focused community colleges increased 16% from 2022 to 2023 (National Student Clearinghouse, 2024). ❍❍❍