



...Now What?

A GUIDE TO FINANCIALLY AND EMOTIONALLY HANDLING LIFE EVENTS



HELPING YOU PURSUE FINANCIAL INDEPENDENCE

At Trilogy Financial, we focus on the financial circumstances and goals that are unique to you and your family. With that information, we help you create a personalized financial strategy based on your short-term and long-term objectives, then monitor together to help you stay on track.

OUR SERVICES AND STRATEGIES INCLUDE:

- 401K asset management
- Retirement planning
- Business strategies
- Investment planning
- Budgeting
- Estate and inheritance planning
- Life and long-term care insurance
- College and education
- Risk management
- Tax efficient strategies
- Tax-free and tax-deferred growth
- Gifting strategies



The purpose of this eBook is to help guide you through some of the life events you may come across in your lifetime. Some of these are inevitable and others you may never encounter. There are likely dozens of life events that you may experience between now and the day you die but I wanted to present to you the 10 most common and most inevitable ones. For those of you with an advisor the answer to the “Now What?” question should be “contact your advisor.” For those of you without an advisor, now is the best time to begin a relationship with someone who can help you best navigate these life events. As I mentioned this is only a small sample. Your advisor can help you plan for as many “What If” scenarios that you and they can come up with. The key is to turn as many of these **“Now Whats?”** into **“We’ve Got This”**.

10 LIFE EVENTS

- 1 Having Kids
- 2 Getting A Promotion
- 3 Buying A Home
- 4 Selling Real Estate
- 5 Extended Bear or Bull Market
- 6 Changing Jobs
- 7 Approaching Retirement
- 8 Needing Assisted Living
- 9 Taxes are Changing
- 10 Death

HAVING KIDS

You are planning to have a child. This can be a very big life event. I have seen clients, friends, and family make some of the biggest changes in their lives once a child is born or on the way. Some of the changes were behavioral, and some were financial. I'm going to focus on the financial aspect.

The first step is to get your financial house in order before you start your family. When you fly, they tell you to put on your oxygen mask first, then assist your child. This philosophy holds true here too. Children are expensive and if you're not ready financially, it could be a disaster.

If you're in debt (outside of your mortgage) you will most likely want to pay off those debts. This is also a perfect time to run a budget. If you are currently spending every penny of your paycheck that hits your bank account, you'll want to review this to see if you can cut anything out of your spending.

I have seen studies that show it can cost \$200k-\$300k to raise a child from birth to age 18. That's about \$1,200 a month! That seems like a lot, and it is, however, there are likely plenty of things you can remove from your monthly spending that will help. For example, this cost includes housing. You may be thinking "We already have a place to live." Well, there might be a scenario where the one bedroom, 900 square foot apartment isn't big enough for a family.

Lastly, the gut-punch is that this amount does NOT include higher education. I'm not going to go into all the ways to save for college, as those ideas can fill an entire book itself. At Trilogy, we have experts that can discuss how to save for college - from opening a college savings account such as a 529 plan to filling out a FAFSA application.



GETTING A PROMOTION

Before you jump for joy and yell “Now we can afford that child,” lets slow down and see how to best utilize those extra dollars that typically come with a promotion. What I instruct my clients to do is set up their work 401k as a percentage of their gross pay, not a fixed dollar amount. This way, when you get a raise, your 401k also gets a raise.

Getting a promotion is a great time to review your budget. For example, use those extra dollars to pay down your debt. It’s amazing how just a few hundred dollars a month towards your mortgage improves your long-term plan. It’s also a great opportunity to build your emergency fund if you don’t have a large enough safety net. If the increase is large enough and your plan is already in good shape, increase your spending on you - you deserve it!

THESE TIPS CAN ALSO BE USED FOR GETTING AN UEXPECTED WINDFALL FROM WORK, LIKE A LARGE BONUS OR BIG COMMISSION CHECK FOR THOSE OF YOU IN COMMISSION-BASED CAREERS.

BUYING A HOME

Buying your first home or a bigger home is a VERY big step in life. I remember when we bought our first home in 1991 - it was an exciting but also a very scary transaction. This is where working with an advisor really helps. They can help you “run the numbers” to see how much of a home you can afford. Keep in mind, a mortgage broker is there to sell you a mortgage, a planner is there to make sure your plan is sound not just for today, but for the longterm.

A mortgage is often a 30 year commitment. There are also a lot of home ownership costs that you didn’t have as a renter, such as property taxes and maintenance. The last thing you want to have happen is for you to move into your new home and find out you have overextended yourself and you have to cut back on other parts of your plan, such as college for your children or your own retirement.

SELLING REAL ESTATE

Selling real estate can be a very complicated transaction. It is important to be aware of the capital gains tax rules which vary depending on how long you've held the home, whether you are married or single, and if it's your primary residence or an investment property.

I hear people all the time saying, "If I just buy a new home with the proceeds, I won't pay capital gains right?" What a surprise it could potentially be when its time to file their taxes the following April. With home values sky high - and not appearing to come down any time soon - we are seeing lots of people cashing in their highly appreciated real estate assets only to find Uncle Sam taking a good chunk of their gains. **Trilogy advisors can help you with ways to defer the taxes on a gain via tools such as 1031 exchanges.**

EXTENDED BEAR OR BULL MARKET

It seems today that we are seeing a month's worth of positive or negative movement in the market in one day. First off, the best advice, don't let your emotions take over! Don't panic during a bear and don't call your broker with "buy, buy, buy!" when the market is rocketing up.

If you're working with an advisor, they likely have created portfolios that are designed to be "all weather," meaning they're built for the long term to withstand the gyrations of the stock market.

At Trilogy, our advisors are going to review your portfolios and your risk tolerance at least once a year to make sure they match and if there needs to be any adjustments such as rebalancing. I have a saying,

"Financial planning is not what the markets do, it's what my clients do with my guidance."

BEAR VS. BULL MARKET

Bear Market: Prolonged drop in investment prices, generally falling by 20% or more from its most recent high.

Bull Market: Major market index has risen by 20% or more over a



CHANGING JOBS

Changing jobs can look different depending on the situation - we will look at it in 2 ways.

First, was it unexpected? Again, don't panic. If you are working with a Trilogy advisor, we will make sure you have a safety net of 3-6 months of fixed expenses in an emergency fund to tie you over until you find a new job. This is one of the **"what ifs"** that fund is there for.

If this was expected, meaning this was your idea, I suggest you meet with your advisor prior to giving your notice. Make sure you have a strategy in place while you're between jobs.

Either way, the big conversation is what to do with your company retirement plan such as your 401k. You have several options, it's our job to educate you on what these options are and help you make the best decision for your situation.

APPROACHING RETIREMENT

This could obviously be a 200 page book on its own. I am going to discuss “big picture” items whether you want to retire early, you’re about to retire, or you just retired.

The most important thing is to have all your variables in some type of plan, preferably a plan using dynamic financial planning software. The big variable we are solving for and need to have accurate is your spending or what I refer to as your “lifestyle.”

How much can you spend based on your guaranteed income sources such as Social Security, pensions or annuities, along with the income we can safely draw from your savings like your retirement accounts? This plan is not built in stone and needs to be reviewed and updated regularly by and with a professional.

The next step needs to be, what are you doing with all that free time? I tell my clients that retirement is the wealth of time. The last thing you want to do is regret shutting it down due to boredom. The conversation of “how are we not only going to spend our money, but how are we going to spend our time” needs to be had.



NEEDING ASSISTED LIVING

Assisted living is a major concern for many Americans, especially for Baby Boomers who will start turning 80 in 2026! This is something that you really need to plan for you and your spouse.

This is another great reason to work with an advisor. The process we have at Trilogy is to give you a ballpark figure of what an assisted living scenario would cost. Once we have that determined, we sketch out how we are going to pay for it. Are we going to carve out an asset such as a portion of your retirement accounts or a piece of property to be liquidated should the need arise - essentially "self-insure?" Or do we purchase an insurance product that can provide the liquidity to pay for the care?

Both options can be complicated but again, this is where an advisor well-versed in Long Term Care costs and funding can be worth their weight in gold, because God forbid you end up relying on your family or end up in a Medicaid facility not of your choosing.

TAXES ARE CHANGING

Many of us see the writing on the wall. The US government has spent itself into a very big hole and it's getting deeper. The only way to dig our way out is to cut government spending, raise taxes, or a combination of the two.

We should not wait for the government to cut spending, so we need to prepare for the inevitable increase of taxes. We have seen it already with SECURE ACT and SECURE ACT 2.0 regarding inherited IRAs. That's another topic that can fill a book.

How can a Trilogy advisor help? We can run tax proformas with higher tax rates to see how that will affect your cash flow and if there is anything we can do today to reduce your tax burden down the road. The tax code is very complicated, but working with an advisor who is knowledgeable of the ever-changing tax code can save you tens if not hundreds of thousands of dollars over your lifetime.

DEATH

This is not a “what if” this is a “now what?” We and our loved ones will all die one day, and you or your heirs don’t want to be alone to sort it all out. There are steps you need to take when you or your spouse die. There are things that need to be done when you’re both gone or what we refer to as “second to die.”

It’s not just about when you go. If your parents or grandparents are still alive, do you know what their wishes are? This is why I help facilitate the often very difficult conversation regarding two things that are often taboo, death and money. You want to have someone you or your heirs can go to when the inevitable happens.

BONUS: WINNING THE LOTTERY

I hated ending on such a negative note, so I’m adding a bonus “Now What” scenario: winning the lottery! It doesn’t matter if it is \$5,000 or \$5,000,000 you want to be able to know what your tax liability is and once the taxes are paid, how to incorporate your windfall into your plan.

Don’t be like the typical lottery winner and file for bankruptcy 3 years later. Buy that gold-plated toilet seat and have money left over to take some nice trips or donate. You want to be in a position so that you don’t need the lottery to fund your lifestyle or your retirement. Use the lottery to do the things you’ve only dreamed of and when it’s gone, who cares. You still have plenty of money in your plan.

ABOUT THE AUTHOR



Jim Young

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Jim Young is a seasoned professional at Trilogy, with over 20 years of industry experience. He has guided many people towards their financial goals and is passionate about making financial literacy accessible to everyone. Jim brings a unique perspective to the financial industry, having spent 25 years as a chef in the hospitality field before transitioning to finance in 2001 to serve clients on a broader scale. His dedication to a client-focused approach aligns perfectly with Trilogy’s mission, where he has found a home for helping clients build financial independence.



WE DON'T JUST INVEST, WE COACH.

Every day, with every piece of advice, we empower our clients to live wealthy.



FINANCIAL COACHING

Receive one-on-one counseling from our certified Advisors to keep you on track and set you up for financial success.



PERSONALIZED PLANS

We compose data-driven customized plans to help you realize your specific goals and to put you on a path to financial independence.




CLIENT PORTAL

We give you access to your own portal where you can upload and store information, documents and see all your financial accounts in one convenient, secure platform.

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