

WORTH A REED

Second Quarter 2024



Graduation Season

Amanda Lisachenko, COO

Six years ago, I wrote an article about college planning and today this is my reality, as my oldest is graduating in June. But as any parent who is planning for college education knows, saving for this moment has been daunting to say the least. It is hard to say what a newborn will want to do or be passionate about when they graduate from high school. So here are a few things to keep in mind about post-secondary education and being prepared to pay for it:

Saving For Education

The 529 has become the most popular way to save for education. There continues to be improvements made in its benefits, including some new ones for 2024. This year additions have increased the contribution limits (gifting limit \$18,000), created a grandparent “loophole” and allows for some of the leftover balance to be rolled to a ROTH IRA.

Historically, when a grandparent would setup a 529 plan for their grandchild, the distributions would be counted as income and potentially reduce financial aid. With the new FAFSA changes there is no longer a question regarding grandparent contributions, effectively creating a “loophole.”

Also, if you have had the 529 in place for 15 years you will have the ability to convert up to \$35,000 of leftover funds into a ROTH IRA.

Timing is Everything

Keep in mind that an estimated quarter of first year students drop out of college, which can make for an expensive experiment. Not every kid is ready for college right out of high school and there may be benefits for them to take a gap year to work, travel or volunteer. Studies have found that a year off between high school and college can help some 18-years old mature, save money for school or gain more focus on what they would like to study once they enter college. Maturity, money, and focus are all keys to being successful in college.

Not Just a Four-Year Plan

Most parents envision their children attending a four-year college. It is important to note that college savings plans, such as 529s, can be used for two-year associate degrees, trade schools, and vocational training. The pre-requisite is that the participant must be eligible for student aid programs offered by the Department of Education. These are great alternatives to traditional college. The average trade school degree is approximately \$33,000 and is normally a two-year program. By comparison, the average bachelor’s

(Continued on page 3)

Meet Ray Walter

Hello, I am the new financial analyst at Reed Financial Services. I first joined the team as an intern during my senior year of college at The University of Akron. Upon graduating I began working here full time. I first became interested in finance because my mom is a financial advisor. At an early age I began researching companies and picking stocks, and I have been investing ever since. This set me down a path to begin studying as a financial management major and brought me to where I am today.

I have been at RFS for a little over a year, working closely alongside Liam and Evan to help prepare for client meetings as well as research different stocks and funds. Working at RFS has been a wonderful experience so far and I have enjoyed meeting clients and look forward to meeting more.

Before I came to Ohio for school I lived in Buffalo, New York. I became a big sports fan in Buffalo, and I love the Bills. I have also loved playing

sports throughout my life and have continued to play in various recreational leagues. Other hobbies I enjoy are playing guitar, strategy games such as chess, going to concerts, and activities with friends and family.

Thank you to all my coworkers and our clients for an amazing experience. I look forward to continuing to work with you and meeting those who I have yet to speak with. ■



New Filing Requirement for Owners of Small Corporations and Limited Liability Companies (LLCs)

by Colleen M. Cleary, CPA/PFS, CFP®

A new federal reporting requirement went into effect on January 1, 2024 that impacts many small corporations, limited liability companies (LLCs) and similar entities. The reporting requirement is the result of the Corporate Transparency Act (the Act), and is intended to help law enforcement, banks and other regulators identify bad actors, shell companies and others committing financial crimes.

Under the new requirement, applicable entities must disclose identifying information for their beneficial owners, defined as individual owners of at least 25% of a business. Disclosure is also required for other individuals exercising substantial control over the business entity. The reportable information includes information such as the legal name of the entity, location of the entity's formation, the entity's federal taxpayer identification number, full legal names of beneficial owners, their social security numbers, and dates of birth.

At the present time, the legality of the collection of this information is in question. As the cases work their way through the federal court system, all entities should comply with the Act's initial filing deadlines due to the steep penalties assessed for non-compliance. New entities created in 2024 must file their initial report within thirty days of the entity's creation. Entities created before January 1, 2024 have an initial filing deadline of January 1, 2025, but the outcome of current court cases may impact this filing date. In addition, after the initial filing, updated reports are due within thirty calendar days after a change in entity ownership occurs.

Please see the Crimes Enforcement Network (FINCEN) website www.fincen.gov/boi for additional information to help you determine your specific reporting requirements.

We will continue to keep you informed of any changes related to the reporting requirements under this Act. ■

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Book Recommendation — *Outlive*

Evan Watson, Investment Analyst

When I was younger, a very important person to me would always reference certain phrases that continue to stick with me. While some of them have faded away, one that sticks with me very regularly is “it’s not about the years in your life, but the life in your years.” This continued to ring true for me as I recently started listening to a book that I think helps put that old phrase into action.

The book is *Outlive* by Dr. Peter Attia and focuses on what we can do to help improve our lives well into old age. The main thought behind the book is taking medicine from treatment and detection to prevention of some diseases. We all know that some aspects of our health are inherently out of our hands whether that be due to genetics or certain environmental factors. The point of this book is to help with the portions we can control. These include sleep, exercise, stress, and nutrition. I think the way that the book helps explain the science behind why we should be making these decisions is the critical piece. It has already given me some new insights on things I can do to improve my life.

Admittedly, I haven’t made it all the way through the book, but part of that is due to the depth of information being shared. Sometimes it is worth rolling back and hearing parts of the book again to fully digest what is being shared. I do firmly believe that investing in your health is the most important investment you will ever make and I encourage you to give this a listen or read.

Quick Tip: If you use an e-reader, tablet, or even your phone to do any reading or listening to books on, you might want to check out Libby. Libby is an app that connects you with many of the public library databases including the state of Ohio public library and many of the county public libraries. It is a great way to access books and audiobooks without having to get to the library. It is completely free and just requires you to have a library card. Libby can also help you get a library card if you don’t have one. ■



Graduation Season *(Continued)*

degree costs \$127,000 according to the Center for Employment Training. The demand for the technical skill set has grown as the median age of worker has now surpassed 45 years old, which means looming retirements will create shortages. These training programs have recently come back into vogue and sometimes blend in college courses to add to the student’s soft skills.

College or Bust

Choosing a college can be a struggle. Keep in mind that roughly half of the students enter college as “undecided.” Even if your child knows what they want to do, an estimated 75% of students change their major at least once. This is important to keep in mind when selecting a college to have a wide variety of programs available at the school. This changing of majors may also lead to changing schools, adding additional semesters, and subsequently adding to the cost.

Start research early and visit different schools since each one will have its own vibe/feel. The first several years after high school graduation are incredibly important formative years for young adults, so making sure your child is comfortable is key to their success.

Whether your child is going to continue their education at a trade school or college, it is important to analyze the cost and flexibility offered in loans, scholarships and payment plans. It is never too early to start having conversations with your children about their education. It is important to set expectations regarding costs and affordability. ■

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“The Greatest Wealth is Health”

-The Roman poet Virgil

Janet Edwards

Looking back to the first article I wrote on this topic which was 8 years ago, I was recently reflecting on all the times that this still holds true while so much has changed over the years going through COVID, remote work environments and more.

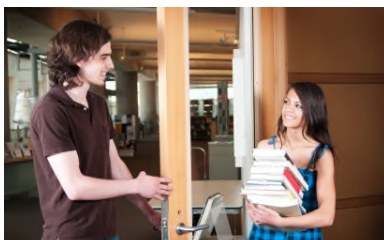
Clearly money is important to live, but if we take our health for granted at times, it can impact our wealth and the ability to live a rich life.

The idea of being healthy can mean many things to different people and making significant lifestyle changes may seem overwhelming, but pick one small thing you can do today and then continue to add to it. It is often similar to savings, where you may routinely set money aside and then it becomes a habit.

Making healthy changes in your life can lead to benefits of a happier, healthier, more productive lifestyle. Everyone has a certain amount of energy when they wake up in the morning which can be impacted by age, sleep, stress and more. The goal is take steps to increase your energy by making good choices.

According to the Mayo Clinic, seven tips to increase your energy include:

1. Eat nourishing food
2. Sleep seven to eight hours per night.
3. Keep company with good people - Maximize the time with people you enjoy being around.
4. Avoid news overdose – While it is important to stay informed, you don't want to focus on fears instead of recognizing the good things going on around you.
5. Get regular exercise
6. Do something meaningful everyday - Is there something that brings you happiness? Recently, my day felt better by purchasing some beautiful hanging baskets for the front porch.
7. Think good thoughts for others - Sometimes the random interactions with strangers and a smile can have a nice impact on your day.



One additional very important thing to keep in mind is to stay up on routine care (be it regular check-ups or dentist visits) and if something is bothering you to seek out what may be causing it. With many things, the longer they are ignored, the more problematic they may become. A few years ago, I was having issues with my leg and just thought it would fix itself but after 15 months of being “off”, I was encouraged by a friend to see several specialists to figure out the root of the issue and was able to finally get it fixed. Looking back, I should have sought out medical attention much sooner. I am also very grateful for that friend for encouraging me to seek attention, so be that friend to someone else who may need it!

Now that it is behind me, I continue to think about new goals to keep me motivated. As you think about your goals, I would encourage you to also think about something that will make you happy! What do you enjoy? What could you improve? Is it something as simple as increasing sleep, drinking more water or setting a bigger goal?

Many of you know I enjoy riding bicycles, but what helps motivate me to consistently do this? Often-times, it is a race that I have put on my calendar. Sometimes, it is the enjoyment that I feel in being outside and seeing beautiful places. Many times, it is the pleasure of riding bikes with my friends.

It is always a very personal goal, but the hope for everyone is to figure out what healthy choices or small changes you can make to take care of your physical, mental or emotional health and then make them a habit. The first step is committing to change. You will make healthy choices when you are ready to commit to making changes. The only way to break bad habits is to replace them with good ones. WE ARE OUR HABITS. There is no magic formula, but it takes persistence and planning.

Health is definitely an investment, whether you spend money on supplements, smoothies, gym membership and so on. But always remember, this is also an investment that could pay dividends for you down the road! ■



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