

WEALTH PLANNING NEWSLETTER



Inside This Issue

Traveling Life's
Highway

Insurance Along
the Road of Life

Navigating Life's
Long Road

The Road
Ahead

The names and stories included are for educational and illustrative purposes only and do not reflect any actual client scenarios or information. Stifel does not provide legal or tax advice. You should consult with your estate planning attorney and tax advisor regarding your particular situation.

Please contact us if you have any questions about the articles
or for copies of the other materials mentioned in this newsletter.



Traveling Life's Highway

For the past century, Route 66 has symbolized adventure, progress, and the pursuit of new opportunities. Along its winding path, travelers have encountered changing landscapes, unexpected detours, and important mile markers that shaped their journeys. Life's financial journey is much the same. The planning strategies that are appropriate at one stage of life may need to evolve as careers advance, families grow, wealth accumulates, and priorities change. In this issue, we explore how insurance, financial planning, and estate and tax planning strategies can help individuals and families navigate each stage of the road ahead.



Insurance Along the Road of Life: Planning for Every Mile Ahead

- Young adults should consider term life insurance to replace income and provide financial security for loved ones in the event of an unexpected death.
- Individuals who are advancing in their careers may want to look beyond basic insurance coverage to protect their progress while supporting future growth.
- Those approaching peak earning years may consider shifting the focus of insurance planning from protection alone to preservation and strategic growth.
- Clients with complex estate planning situations may begin to consider insurance as a strategic planning asset, helping to care for loved ones and ensure their legacy.
- Let our Insurance Solutions team conduct a review of your insurance coverage to make sure it's still working as intended.



Navigating Life's Long Road: Financial Planning for Every Mile Marker

- Work with your Stifel Financial Advisor to create a Stifel Wealth Strategist® Report with specialized planning modules to provide guidance at important mile markers along the way.
- Rely on the education calculator to help define education funding objectives, evaluate current resources, and develop a savings strategy designed to keep those goals on track.
- Utilize the various risk management modules to evaluate your disability, life, and long-term care insurance needs.
- Incorporate the net worth module to create a snapshot of your financial situation to help guide discussions with your other trusted advisors, including your estate planning attorney and accountant.
- Use the estate module to estimate the costs associated with estate administration and evaluate strategies to address these costs.

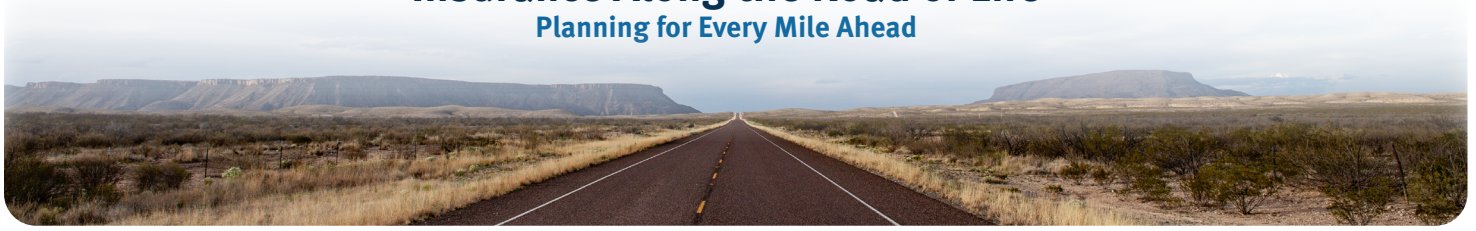
The Road Ahead: Estate and Tax Planning for Every Stage of Life



- Young adults should take steps to establish a strong estate and tax planning foundation as they begin their financial journey.
- Those starting a family should avail themselves of tax planning opportunities related to their children and work with an attorney to build a proper estate plan.
- Individuals approaching retirement should consider strategies that address their current circumstances while also developing a comprehensive plan for the road ahead.
- Clients reaching the end of their journey hoping to create a legacy for future generations should periodically review their plan and make changes as necessary.
- Let Stifel's Estate and Tax Planning team help you navigate your estate and tax planning journey.

Insurance Along the Road of Life

Planning for Every Mile Ahead



Like a drive down Route 66, your financial life is full of turns, milestones, and new destinations. Each stage brings new opportunities and new risks. As motivational speaker Denis Waitley reminds us, “Expect the best, plan for the worst, and prepare to be surprised.” Insurance plays a key role in that planning, helping you protect what matters most no matter where the road leads.

Insurance is not a one-time decision – it’s a lifelong planning tool that evolves with you. At each milestone, our Insurance Solutions team collaborates with you and your Stifel Financial Advisor to deliver personalized, integrated strategies designed to protect your family, grow your wealth, and preserve your legacy.

The Early Miles: Building a Foundation (Young Adulthood)

A person’s financial journey often begins with the transition to adulthood. This stage is marked by key milestones, such as starting a career, getting married, and having children. During this time, individuals may consider term life insurance to replace income and provide financial security for loved ones in the event of an unexpected death. Coverage amounts are typically aligned with key obligations, such as raising children or paying off a mortgage.

Picking Up Speed: Growth and Protection (Young Adulthood to Mid-Career)

Career advancement can make an individual’s financial situation more complex. As this occurs, insurance planning expands beyond basic protection. Coverage evolves alongside rising income and growing family responsibilities, while disability and health-related protection become increasingly important. For business owners, strategies such as key person insurance or buy-sell agreements can help safeguard what they have built. At this stage, insurance plays a dual role – protecting your progress while supporting future growth.

Cruising Toward Retirement: Wealth, Tax Efficiency, and Longevity (Middle Age and Beyond)

As an individual approaches peak earning years, insurance becomes an integral part of a comprehensive financial strategy. Permanent life insurance may offer tax-deferred asset accumulation and potential tax-free access to funds when structured properly. Additionally, long-term care and hybrid policies can help address future healthcare costs while protecting retirement assets. These strategies can also support estate planning and wealth transfer objectives, helping shift the focus from protection alone to preservation and strategic growth.

The Legacy Mile: Planning for What Comes Next

During the later stages of an individual’s financial journey, the focus shifts to legacy, family, and efficient wealth transfer. Insurance can provide liquidity to help cover estate taxes and other obligations, helping preserve the assets one wants to pass on. When thoughtfully structured, policies may also help equalize inheritances and support charitable goals. At this stage, insurance becomes more than protection – it becomes a strategic planning asset, helping to care for your loved ones and ensure your legacy.

Policy Reviews at Every Step

As part of our commitment to proactive planning, we offer a complimentary review of your insurance coverage to make sure it’s still working as intended. We look at how each policy is performing, along with premiums, benefits, and overall cost, to see if there are opportunities to improve or simplify your plan. These reviews help keep your coverage aligned with your current needs and long-term goals. To get started, ask your Stifel Financial Advisor to contact our Insurance Solutions team.

Navigating Life's Long Road

Financial Planning for Every Mile Marker

Before highways and navigation systems became commonplace, U.S. Route 66 connected travelers to new destinations and helped shape the roads that followed. Financial planning works much the same way. It establishes a foundation that evolves over time, connecting where you are today with where you want to go tomorrow.

A Retirement Analysis is often the first mile marker in a comprehensive financial plan. It helps define your destination and maps out a path forward. The process begins by identifying your spending goals and lifestyle preferences. From there, our financial planning software evaluates your financial resources, including income sources and investment assets, to determine whether you're on track to reach your goals.

Every Retirement Analysis incorporates an asset allocation review, a Social Security analysis, and a Monte Carlo simulation. Together, these tools help gauge how likely your current plan is to arrive at its intended destination, resulting in what is known as a Probability of Success. For many investors, this analysis provides a road map for planning discussions with their Stifel Financial Advisor.

While a Retirement Analysis provides a valuable view of the road ahead, some individuals benefit from turn-by-turn guidance as they navigate life's changing circumstances and financial decisions. For example, parents with young

children may need help developing an efficient education funding strategy, while households with a single primary earner may wish to consider options for protecting against an unexpected loss of income. A Stifel Wealth Strategist® Report can address these and other planning needs through specialized modules that complement a standard Retirement Analysis. An overview of some of these modules is provided below.

Education Calculator

For families preparing for the education expenses that may lie ahead, the education calculator helps define education funding objectives, evaluate current resources, and develop a savings strategy designed to keep those goals on track. The report projects future tuition and related expenses using either national averages or data from a specific institution. It also evaluates a variety of education savings vehicles and funding strategies, helping families identify the most effective route toward meeting future education costs.

WEALTH PLANNING CHECKPOINT

Starting early can make a meaningful difference when saving for future education expenses. Giving contributions more time to grow may reduce the amount that needs to be saved over time to reach a funding goal. In addition, tax-advantaged vehicles such as 529 plans can provide valuable benefits, including tax-deferred growth and tax-free withdrawals when used for qualified education expenses. Depending on the state, contributions to a 529 plan may also qualify for a state income tax benefit.

Disability

Even the most carefully planned journey can encounter unexpected roadblocks. What would happen if you or your spouse became disabled today? A sudden loss of income, coupled with increased expenses, could significantly alter your family's financial path. The disability module helps evaluate the potential impact of such an event based on your current income needs and resources, while identifying strategies that can help keep your financial plan on course and your family's needs protected. If you already have disability insurance coverage in place, this module can help determine whether this coverage is adequate for your situation.

Life Insurance

Like an unexpected disability, an untimely death of a primary earner can significantly alter a family's financial journey. The loss of income may affect a surviving spouse's ability to maintain their standard of living, save for retirement, or fund future education expenses. The life insurance module evaluates your resources, financial goals, and existing coverage to help determine whether your current protection is sufficient or if additional insurance may be prudent.

Long-Term Care

Long-term care expenses can be substantial and may have a significant impact on retirement assets and other financial goals. The long-term care module helps evaluate whether your current resources are sufficient to withstand potential long-term care costs or whether long-term care insurance may be beneficial. Insurance premiums can also be incorporated into your financial plan, allowing you to compare the cost of coverage against its potential value in protecting your overall financial strategy.

WEALTH PLANNING CHECKPOINT

When evaluating potential risks along your financial journey, it's important to consider where funds will come from if an unexpected event occurs. Some individuals view retirement accounts as a potential source of funds to address a disability, long-term care need, or other financial hardship. However, relying on retirement assets may disrupt long-term planning goals. In addition, hardship withdrawal provisions vary by employer plan, and withdrawals taken before age 59 ½ may be subject to a 10% early withdrawal penalty in certain circumstances.

Net Worth

As you navigate each stage of your financial journey, it's important not to lose sight of the big picture. Understanding your liquid assets, investments, personal property, and liabilities can provide valuable context for many financial decisions. The net worth module consolidates this information into a concise, one-page summary, creating a snapshot of your financial situation that can help guide discussions with your other trusted advisors, including your estate planning attorney and accountant.

Estate

As your journey progresses, it's important to consider not only where your assets will take you during life, but also how they will be transferred at death. Soon after your death, your estate may be responsible for paying final debts, taxes, and administrative expenses. The estate module provides an estimate of these potential costs, including any potential estate tax liability. This information can help you, your Stifel Financial Advisor, and your estate planning attorney evaluate potential estate planning strategies and determine whether your estate is likely to have sufficient liquidity to meet its obligations.

WEALTH PLANNING CHECKPOINT

As you plan for the eventual transfer of wealth to future generations, it is important to look beyond the federal estate tax. Several states impose their own estate or inheritance taxes, which can affect the amount ultimately passed to beneficiaries. The following jurisdictions impose a state estate tax: Connecticut, the District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, New York, Oregon, Rhode Island, Vermont, and Washington. In addition, the following jurisdictions impose an inheritance tax (which is generally paid by the individual receiving inherited assets): Kentucky, Maryland, Nebraska, New Jersey, and Pennsylvania.

While a Retirement Analysis can help chart your overall route, a Stifel Wealth Strategist® Report with specialized planning modules can provide guidance at important mile markers along the way. Together, these tools can add depth to your plan and keep you moving toward your goals.

The Road Ahead

Estate and Tax Planning for Every Stage of Life

Navigating life's major milestones is a lot like traveling Route 66 – each stretch of road presents opportunities to accelerate your financial progress or detours that can slow you down. Along the way, thoughtful course corrections can help keep you on track toward a secure retirement and enduring legacy. This is especially true when it comes to estate and tax planning, where proactive decisions can help preserve more of what you've worked so hard to build.

Hitting the Open Road (Young Adulthood)

Before embarking on a cross-country journey along Route 66, travelers prepare their vehicles, map their route, and plan for the unexpected. Similarly, young adults should take steps to establish a strong estate and tax planning foundation as they begin their financial journey. Failure to do so can lead to unexpected obstacles and costly detours that may slow progress toward long-term financial goals.

When starting a new job, employees are required to complete IRS Form W-4 so the appropriate amount of federal income tax is withheld from each paycheck. For a young professional eager to begin a career, the W-4 may seem like just another piece of paperwork. However, proper tax withholding can help avoid unexpected tax bills and potential underpayment penalties. Individuals who are unsure whether the correct amount is being withheld from their paychecks should consult a tax professional and use the IRS Tax Withholding Estimator at irs.gov/individuals/tax-withholding-estimator to evaluate their withholding elections.

Young adults should also consider contributing to a Roth IRA. Because many individuals are in relatively low tax brackets early in their careers, a Roth IRA can be an especially effective retirement savings vehicle. Since contributions are made with after-tax dollars, qualified distributions in retirement are generally received income tax-free. As a result, Roth IRAs can provide valuable tax diversification and help individuals better manage their income tax liability during retirement.

Although estate planning is likely the last thing on the minds of many young adults, taking a few basic steps can provide important protection while laying a solid foundation for the future. Young adults should ensure that primary and contingent beneficiaries are designated on retirement accounts. In addition, they should consider executing a simple will to direct the disposition of assets, along with powers of attorney for financial and healthcare decisions to ensure trusted individuals have authority to act on their behalf if needed.

Stifel's Estate and Tax Planning team offers a library of educational resources designed to help young adults navigate the beginning stages of their financial journey.

New Passengers on Board (Starting a Family)

An individual's financial journey often becomes more complex with the arrival of children. As expenses increase, individuals should consider the following opportunities that may provide valuable tax benefits:

- **Child Tax Credit (CTC):** For the 2026 tax year, the CTC provides a \$2,200 tax credit per qualifying child under age 17. The size of this credit may be adjusted annually for inflation moving forward. This credit phases out by \$50 for every \$1,000 of modified adjusted gross income (MAGI) above \$400,000 for married couples filing jointly or \$200,000 for single filers.
- **Child and Dependent Care Credit (CDCC):** The CDCC is a credit designed to help offset the cost of care for children under age 13 or another qualifying dependent when the care is necessary for a taxpayer (and spouse, if married) to work or look for work. Taxpayers may claim a credit equal to 20% to 50% (based on adjusted gross income) of up to \$3,000 of qualified expenses for one qualifying individual, or up to \$6,000 for two or more.



During this stage of life, individuals may also consider tax-advantaged savings vehicles to help build a financial foundation for their children. Two options are 529 plans, which provide tax-free growth, potential state income tax benefits, and tax-free distributions for qualified education expenses, and Trump Accounts, which are funded with after-tax dollars and grow tax-deferred until withdrawal later in life.

Like tax planning, estate planning becomes more important at this stage of life. Parents should review beneficiary designations. They should also establish an estate plan that includes (i) a will naming guardians for minor children, (ii) a revocable living trust to help avoid probate and maintain privacy, and (iii) updated powers of attorney for financial and healthcare decisions. For those who decide to forgo a revocable living trust, other options, such as joint ownership or transfer-on-death designations, can help avoid probate and facilitate an efficient administration of one's estate.

From an estate and tax planning perspective, new parents often feel as though they are starting from scratch. For assistance navigating the increasing complexity of their situation, young parents should ask their Stifel Financial Advisor to schedule a discussion with the Estate and Tax Planning team.

Mapping the Road Ahead (Midlife Through Retirement)

During this stage of one's financial journey, income often reaches its peak and substantial wealth begins to accumulate. As the miles add up, thoughtful planning becomes increasingly important. Individuals should consider strategies that address their current circumstances while also developing a comprehensive plan for the road ahead.

An individual's income tax situation may feel relatively predictable during peak earning years. Strategies such as maximizing retirement plan contributions, charitable giving, and capital gain/loss harvesting can help minimize taxes. In retirement, however, the picture often becomes more complex. While income may initially decline when a salary ends, taxable income can quickly rebound as Social Security benefits, retirement plan distributions, and annuity income begin. Strategies such as income smoothing, Roth conversions, and qualified charitable distributions (QCDs) may help improve tax efficiency.

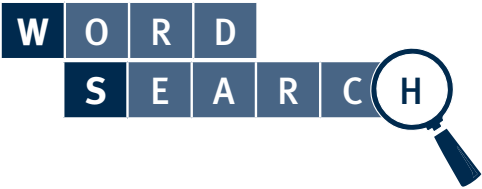


An individual's estate plan should begin to reflect the increased complexity of his or her financial situation. By now, all individuals should have the five core estate planning documents in place – a revocable living trust, a “pour-over” will, a general durable power of attorney, a durable healthcare power of attorney with HIPAA authorizations, and an advance healthcare directive or living will. If an individual has accumulated sufficient wealth to have potential estate tax exposure, more advanced strategies that involve gifting and irrevocable trusts may be appropriate.

Stifel's Estate and Tax Planning team can be a valuable resource during this stage of life. Our income tax Wealth Strategists can review recently filed tax returns to identify planning opportunities, while our estate planning Wealth Strategists can summarize existing estate plans and provide suggestions for further discussion with a local attorney. These reviews are accompanied by a discussion with you and your Stifel Financial Advisor.

The Final Destination (Legacy and Wealth Transfer)

Approaching the destination is not the end of one's journey – rather, it presents an opportunity to solidify one's legacy. During this stage of life, individuals should periodically review their estate and tax planning strategies to ensure they remain aligned with current laws and personal goals. Stifel's Estate and Tax Planning team is available to provide guidance as individuals work to create a legacy for future generations.



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