Life Income Management™

Creating income for life.

Samuel S. Young, MBA
Partner
Investment Advisor, *registered*
Fiduciary
909-566-2111
sam@lifeincomemanagement.com
NPN: 17316987
Cal. License: 0I94973

Financial Outlook

OCTOBER 2026

Making Money Last Through Retirement

What many people don't realize is just how hard it is to actually make one's money last their entire retirement without having proper planning in place. The fact is, funding retirement is tricky no matter how well-off you may be going into it, and making your money last can only be achieved with careful calculation.

Ready to learn how to make the most of your retirement without running short of money? Here are a handful of tips you simply can't afford to ignore.

1. Consider Longevity Insurance

While the concept of longevity insurance is certainly nothing new, it's something many people are unfamiliar with. Essentially, many of today's insurance companies have tweaked the ways in which single premium annuities are paid out, allowing comfort to baby boomers who are concerned about getting their money when they need it most. If you were to purchase a policy at age 65 for $25,000, for example, the policy would begin paying out $3,000 per month once you've reached the age of 85. For healthy, active individuals, longevity insurance is worth a second look.

2. Make Your Home Age-Proof

One thing that often gets overlooked by those who are preparing for retirement is the importance of age-proofing one's home. Over time, wear and tear can wreak havoc on even the most well-built homes, and repairs can end up being extremely costly. What's the solution? Take care of repairs and make your home age-proof before entering retirement. An age-proof home is one that is not only able to withstand the elements and the test of time, but also one that will be easy for you and a partner to live in when you reach old age. Most age-proof homes don't feature staircases, for example, as mobility issues later in life can make it difficult to live in such a home.

3. Choose the Right Withdrawal Rate

The withdrawal rate you choose for your retirement plan will have a major impact on how comfortably you're able to retire. Many people make the mistake of choosing a withdrawal rate that is simply too

Continued on page 2

Is Private College Worth It?

The average annual private school tuition is approximately 3.8 times higher than the average annual public university tuition (Source: College Board, 2025). This raises the question: is private college really worth it?

The Pros

Size — Private college communities are typically more modest in size than public universities, offering smaller class sizes and potentially stronger bonding opportunities with professors and peers alike. Moreover, the smaller size may prove less overwhelming for students who might feel more intimidated or overwhelmed on a larger public university campus.

Scholarship Opportunities — While their cost-per-credit is usually significantly higher than that of a public college, private colleges are also more likely to offer merit-based scholarships and grants to defray the higher tuition costs. Since public uni-

Continued on page 3

FR2026-0414-0287

Making Money Last

Continued from page 1

high, such as 10% in their first year of retirement. While it's certainly tempting to take out a fair amount of money and treat yourself once retirement age has been met, most people can agree that it's not a particularly smart idea.

In the end, the withdrawal rate that is right for you will depend largely on the strength and diversification of your portfolio. A smart starting point for the first year of retirement for most people is 4%, keeping the same rate plus adjusting for inflation in the years to come.

4. Keep a Solid Rainy Day Fund

Most people believe that the best way to ensure a comfortable retirement is to put as much money as possible into their retirement funds. However, it's essential to keep a solid rainy day fund in case of an emergency. This fund should exist *outside* your retirement plan. How much should you keep? In general, most people will benefit from keeping a fund of at least six months of living expenses. Though it doesn't seem like much, it may be exactly what you need should an emergency occur.

5. Get a Light Job

Reaching the age of retirement doesn't mean you need to stop working altogether. For many, the shock of no longer working can actually be rather hard to deal with. There's something about community, for example, that can be hard to find outside a normal work environment. The solution, for some, can be found in getting a light job once settling into retirement, and doing so comes along with a number of benefits.

While most people don't want to work hard once they've retired, there are plenty of lighter jobs that can not only help to foster community, but also bring in income each month. This money can either be put towards a savings account to add extra insurance for retirement, or you can choose to use it as spending money. Either way, holding a casual job after retirement is a great way to stay active and remain happy and healthy.

Retirement is a tricky process, and there's no way to plan it better than working one-on-one with your financial advisor. Please call if you'd like to discuss this in more detail. ❍❍❍

Incorporating Bonds in Your Portfolio

By taking the time to consider certain specifics about bond investing, you can determine the appropriate way to include bonds in your portfolio, which may help you pursue your short- and long-term financial objectives.

Identify your investment goals. Your investment goals will help determine the role bonds should play in your portfolio. An investor focused on long-term growth and capital appreciation with no need for current income will have less need for bonds. On the other hand, an investor looking for a balance of income and capital appreciation may have more bonds in his/her portfolio. An investor primarily interested in interest income may have a significant portion of his/her portfolio devoted to bonds.

Know your investment timeframe. As you select bonds for your portfolio, consider when you will need the principal. Investors often purchase bonds with long maturity dates because the yield on bonds tends to increase as maturity dates lengthen. However, if you purchase a long-term bond and sell it before maturity, interest rate changes can significantly affect the bond's market value. Although you can't control interest rate changes, you can limit the effects of those changes by selecting bonds with maturity dates close to when you need your principal.

Determine your risk tolerance. Typically, the higher a bond's return, the greater its risk. Thus, U.S. Treasury securities, which are considered one of the safest bonds, typically carry lower interest rates than municipal or corporate bonds. Make sure you understand the risks involved before purchasing a specific bond.

Understand the tax ramifications. Different types of bonds are taxed differently. Interest income from U.S. Treasury securities is exempt from state and local income taxes, but is subject to federal income taxes. Interest income from municipal bonds is exempt from federal income taxes, and typically is exempt from state and local income taxes for residents in the issuing state. Interest income from corporate bonds is subject to federal and state income taxes. Investors in higher marginal tax brackets typically find tax exemption of interest income more valuable. Any exemption from income taxes applies only to interest income, so capital gains from the sale of a bond are still subject to income taxes.

Consider specific bond variables. Before you purchase a specific bond, make sure you fully understand its features, including the following: maturity date, credit rating, call provisions, coupon rate, yield to maturity, price, tax ramifications of interest income.

Please call if you'd like help evaluating bonds for your portfolio. ❍❍❍

Private College?

Continued from page 1

versities tend to give more need-based aid, if your income and assets are such that your son or daughter will likely get little-to-no income-based assistance, the increased potential scholarship opportunities could make private college a more affordable option.

More Favorable Employment Circumstances — It's no secret that Ivy League universities can carry far more weight when it comes to securing a job after graduation. While it's true that factors such as grades and experience gained from internships can certainly help land your first job, a degree from Yale or Columbia University is likely to procure employers' immediate attention. And although they don't make the Ivy League list, plenty of other private schools are highly reputable within a certain field, such as graphic design or engineering, because they offer more hands-on training and specialty classes than programs at public universities.

The Cons

Higher Price Tag — When you consider that private college tuition costs an average of over three times that of public universities, depending on your college savings and scholarship opportunities, this could mean triple the burden when it comes to paying out of pocket or paying back student loan debt.

Potential Lost Credits — There's always the potential that your child could change his/her mind, which could change things considerably if he/she is attending a private college that only specializes in a particular field of study, such as art. Since they would need to transfer to a new college and the credits they've acquired may not be transferable and/or applicable to their new degree of choice, both time and money could be lost.

As you weigh the pros and cons of your child attending private college, research and discuss the following questions:

- What is his/her ultimate career goal and will attending a public university limit this? How so?
- Is the private school considered prestigious within the chosen career field or will it allow you to make connections you might not otherwise be exposed to?
- Do the post-graduation benefits of a private college education, such as projected salary, outweigh the extra costs?
- Have you considered private college alternatives?

You may decide that the higher costs of the private college you're considering just isn't worth the debt. A private college alternative such as a public Ivy (a prestigious public university) or attending an honors college within a public university can prove equally as beneficial. ❍❍❍

Tips for Your 401(k) Plan

It pays to understand your 401(k) plan. Here are a few tips to help:

- **Maximize contributions** — As soon as you possibly can, begin making contributions to your 401(k) plan, contributing as much as your budget will allow. In 2026, you can contribute a maximum of $24,500 to your 401(k) plan, plus an additional $8,000 catch-up contribution for those over age 50, provided this is offered by your plan.
- **Take advantage of employer matching contributions** — If your company offers a matching contribution, make sure you contribute enough to take advantage of the maximum amount provided.
- **Diversify investments** — 401(k) plans typically offer numerous investment options, so review your plan's investments carefully to make sure you select ones that fit your particular goals, including an allocation plan that fits the long-term nature of the plan.
- **Limit company stock** — Since you know your company so well, you may feel that you should make the company's stock a significant portion of your 401(k) plan. However, since your livelihood is already tied to that company, you don't want too much of your retirement funds to also be tied to the same company. Make sure you don't hold any more than 10% of your total assets in your company stock.
- **Review your plan annually** — Go over all these other factors annually to make sure your 401(k) plan is on track. Use the annual review as a time to review the performance of your investments, making necessary adjustments if needed.
- **Don't touch your plan for other purposes** — If you leave or lose your job prior to retirement, make sure to protect your 401(k) plan. Any loans you have taken will likely have to be repaid within a month or two of leaving your job. Otherwise, the loan will be considered a distribution and taxes and penalties may be assessed. Don't be tempted to cash out your 401(k) plan. Not only will you be reducing your retirement savings, but you may have to pay steep taxes and penalties. Instead, either leave the funds in your former employer's 401(k) plan, or roll your balance over to an individual retirement account (IRA) or to another employer's 401(k) plan.

Following these tips will help make the most of your 401(k) plan. Please call if you'd like to discuss this topic in more detail. ❍❍❍

Financial Data

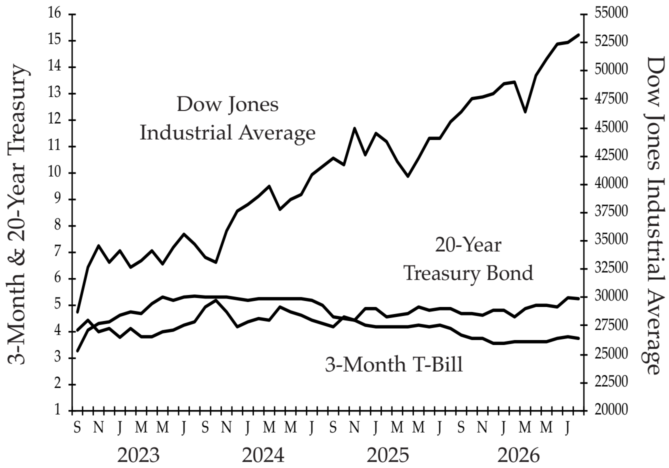
Indicator	Jun-26	Jul-26	Aug-26	Dec-25	Aug-25
	Month-end				
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.51	0.44	0.44	0.41	0.44
3-month T-bill yield	3.74	3.82	3.77	3.57	4.10
10-year T-bond yield	4.44	4.75	4.75	4.18	4.23
20-year T-bond yield	4.93	5.28	5.24	4.79	4.86
Dow Jones Corp.	5.40	5.72	5.72	5.00	5.07
30-year fixed mortgage	6.49	6.75	6.70	6.27	6.60
GDP (adj. annual rate)#	+0.50	+2.10	+1.50	+0.50	+3.80

Indicator	Month-end			% Change	
	Jun-26	Jul-26	Aug-26	YTD	12-Mon.
Dow Jones Industrials	52319.20	52485.03	53185.90	10.7%	16.8%
Standard & Poor's 500	7499.36	7489.72	7686.14	14.9%	21.8%
Nasdaq Composite	26213.72	25373.85	26370.89	13.5%	22.9%
Gold	4029.00	4036.00	4443.00	2.3%	30.3%
Consumer price index@	335.12	333.95	333.92	3.0%	3.4%
Unemployment rate@	4.30	4.20	4.10	-10.9%	-2.4%

— 4th, 1st, 2nd quarter @ — May, Jun, Jul Sources: *Barron's, Wall Street Journal*

4-Year Summary of Dow Jones Industrial Average, 3-Month T-Bill & 20-Year Treasury Bond Yield

September 2022 to August 2026



Past performance is not a guarantee of future results.

News and Announcements

Consider Maturity Dates

Bonds can be purchased with maturity dates ranging from several weeks to several decades. Before deciding on a maturity date, review how that date affects investment risk and your ability to pursue your goals.

Typically, yield increases as the maturity date lengthens, since you assume more risk by holding a bond for a longer time. Investors are often tempted to purchase bonds with long maturity dates to lock in higher yields, but that strategy should be used with care. If you purchase a long-term bond knowing you'll need to sell before the maturity date, interest rate changes can significantly affect the bond's market value. Two fundamental concepts about bond investing apply:

❍ **Interest rates and bond prices move in opposite directions.** A bond's price rises when interest rates fall and declines when interest rates rise. The existing bond's price must change to provide the same yield to maturity as an equivalent, newly-issued bond with prevailing interest rates. You can eliminate the effects of interest rate changes by holding the bond to maturity, when you will receive the full principal amount.

❍ **Bonds with longer maturities are more significantly affected by interest rate changes.** Since long-term bonds have a longer stream of interest payments that don't match current interest rates, the bond's price must change more to compensate for the interest rate change.

Although you can't control interest rate changes, you can limit the effects of those changes by selecting bonds with maturity dates that align with when you need your principal. In many cases, you may not know exactly when that will be, but you should at least know whether you are investing for the short, intermediate, or long term. Please call if you'd like to discuss bond maturities in more detail. ❍❍❍

FR2026-0414-0287