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
SEPTEMBER 2026

How to Catch Up on Your Retirement Savings

Are you on the other side of 40 without substantial savings for retirement? If so, it's time to stop worrying and do something about it. It's not too late, but it will take a lot of concentrated effort to get on the right track to a comfortable retirement.

Here are some strategies you can put in place to boost your retirement savings:

Estimate How Much Money You'll Need in Retirement

The first step is knowing how much you will need to live on in retirement. Most experts agree that you will need at least 70% of your pre-retirement income to fund your retirement. Make sure to do a detailed analysis of your likely retirement expenses.

Determine Your Income Sources

Once you have a good idea of how much money you will need for retirement, you then need to determine the income sources you'll have. Look at what your Social Security benefit will be at various ages. Do you have a pension from a previous or current employer? If you have a 401(k) plan, make sure you understand what the expected value of the plan will be at retirement age.

Set Goals and Develop a Plan

If you have a gap between your expected income and the amount of money you'll need to retire, you'll need to put strategies in place to close the gap. Set a goal of how much you'll need to save and in what timeframe. Because you're playing catch-up, you can't afford to be too conservative with your investment selections, and should develop a well-balanced plan that will help you met your goals with a risk tolerance you're comfortable with.

Max Out Employer-Sponsored Plans

Hopefully, you have access to a 401(k) plan or some other type of retirement account. It may be difficult, but you should try to make the annual maximum contribution, which is $24,500 in 2026. This is one of the best ways to save for retirement because it automatically comes out of your paycheck. A traditional 401(k) plan will reduce your taxable income, which will help reduce the pressure on your income. For example, if you are in a 35% tax bracket, your contributions will only cost you 65 cents for every dollar you

Continued on page 2

Nuture Your IRA

It's tempting to pay little attention to an individual retirement account (IRA). After all, with a maximum contribution of $7,500 in 2026 ($8,600 if you are over age 50), how much can an IRA really contribute to the vast sums you'll need for retirement? The answer is plenty, especially if you follow these tips:

- **Start contributing as soon as possible.** That way, tax-deferred or tax-free compounding of earnings can have a dramatic impact on your IRA's ultimate value. Consider the following example. Four individuals, ages 20, 30, 40, and 50, each contribute $5,000 to an IRA this year. What will that amount grow to when each person reaches age 65, assuming an 8% annual rate of return? The 50 year old will potentially have $15,861, the 40 year old will have $34,242, the 30

Continued on page 3

FR2026-0320-0068

How to Catch Up

Continued from page 1

contribute to the account.

If you are aged 50 or older, you can also make catch-up contributions of $8,000 in 2026 for a total contribution of $32,500. And, you should always contribute at least enough to get the employer match if your employer has a matching program.

If you don't have an employer plan (or even if you do), you should start investing in a traditional or Roth IRA. and set up an automatic transfer from your checking account to your retirement account. You can make contributions up to $7,500 in 2026 and $8,600 if you are aged 50 or over.

Downsize Your Life

By the time you retire, you will want a stream of predictable income to cover your expenses coming from a mixture of Social Security, a pension (if applicable), and withdrawals from your retirement savings plan. If you won't be able to cover your expenses with these income sources, it may mean you need to downsize your life, which may require some sacrifices to have what you need to retire.

If you're an empty nester and still living in a big house, it has probably appreciated in value, and you may want to consider selling it and moving to a smaller, less expensive home. In addition to saving on your mortgage payment, you will be saving more on utilities, insurance, maintenance, and property taxes.

You may also need to think of other ways to cut expenses, such as driving a used car versus a new car or only going on one vacation a year versus two or more.

You don't want to wait until retirement to make these changes, since downsizing while you are still working will allow you to put all that you are saving into your retirement plan.

Take a Second Job or Work Longer

If you have a serious gap in your retirement savings, you may need to consider taking a second job so that you can invest the earnings. Get creative about things you can do to make more money. Do you have the writing skills to be a freelance writer? Maybe you're a great seamstress? A graphic designer or perhaps a programmer? Even a job as a pet sitter or dog walker may give you the extra income you need for savings.

You may also need to consider extending the timeframe you are planning to work and retire at a later date. For example, if you're 55 and want to retire at 62, contributing 20% of your income until retirement still won't be as impactful as working three more years until you are age 65.

If you wait to retire at age 70, you'll have even more time to rack up your retirement savings, and you will have fewer retirement years to cover. Additionally, if you wait until age 70 to take Social Security benefits, you could significantly increase your monthly benefit.

Pay Off Your Debt

It's not only about saving; it's also about eliminating debt. If you have thousands of dollars in credit card balances, your retirement savings is most likely going to your credit card company in interest payments. Make a concerted effort to pay off your credit card balances and then continue to pay them in full every month.

With every dollar you find to put toward your retirement savings, set up an automatic transfer from your checking account or a direct contribution from your paycheck. This will help to ensure that the money is going directly to your retirement savings.

Please call to discuss your retirement savings plans in more detail. ❍❍❍

Set Your Own Debt Limits

Credit can be a valuable tool that allows you to purchase major items and pay for them over time. But the ready availability of credit also makes it easy to incur more debt than you can comfortably repay. Rather than allowing lenders to set credit limits for you, evaluate your financial situation and determine your own limits.

To find out where you stand with consumer debt, which includes all debt except your mortgage, make a list of your debts and monthly payments. Then calculate your debt ratio by dividing your monthly debt payments by your monthly net income. The general guideline is that your debt ratio should not exceed 10% to 15% of your net income, with 20% usually considered the absolute maximum. However, you should consider your own circumstances and decide how much debt you are comfortable with.

Before purchasing something on credit, carefully evaluate whether it makes financial sense to do so. Some questions to ask yourself include:

❍ Should I wait and save the money so I can pay cash for the item?

❍ Will the cost of the item increase or decrease in the future?

❍ Is it really worth paying interest on the item so I can use it now?

❍ Will I still be within my designated debt limits if I add this new debt payment?

❍ Will the item still have value after I finish paying for it?

Setting your own debt limit and carefully evaluating whether you should purchase an item on credit should help you keep your debt under control. ❍❍❍

Nurture Your IRA

Continued from page 1

year old will have $73,927, and the 20 year old will have $159,602. Compounding of earnings turned the 20 year old's contribution into a much larger balance.*

❍ **Contribute every year until you reach retirement.** Even if you can't afford the maximum contribution, contribute something every year. Over a period of time, a modest investment program can grow to a significant sum. Assume that at age 30 you start contributing $5,000 per year to an IRA, earning 8% compounded annually. After one year, you'll have only $5,400. But that will grow to $29,333 after five years, $72,433 after 10 years, $228,810 after 20 years, and $861,581 after 35 years, when you turn age 65.* (Keep in mind that an automatic investing program, such as dollar cost averaging, does not assure a profit or protect against loss in declining markets. Because such a strategy involves periodic investments, consider your financial ability and willingness to continue purchases through periods of low price levels.)

❍ **Select investments with care.** Your IRA should be a long-term investment vehicle for retirement, so your investments should be appropriate for that long time frame. Even modest changes in your rate of return can substantially impact your IRA's ultimate value. For example, assume you have $10,000 in your IRA, which will be invested for 30 years. If you earn an average rate of return of 6% compounded annually, your balance will equal $57,435. Increase that return to 8%, and your ending balance will equal $100,627, a difference of $43,192.*

❍ **Fund your IRA at the beginning of the year, rather than at the end of the year.** This allows your contributions and earnings to compound for a longer period. For example, assume you are 30 years old and make $5,000 IRA contribution at year-end for 35 years. If you earn 8% compounded annually, your IRA balance would equal $861,584 at age 65. Make the contribution at the beginning of the year instead, and your balance would equal $930,511, a difference of $68,927.*

Please call if you'd like to review strategies to help maximize your IRA's value. ❍❍❍

* These examples are provided for illustrative purposes only and are not intended to project the performance of a specific investment. They do not take into account the effects of commissions or any taxes that may be due.

Time — Friend or Foe?

Time is your foe when you have only a couple of years left to work and you don't have enough accumulated to retire. Time is on your side when you start saving in your twenties, save every month, and keep saving until you retire. This is when you're putting the power of compounding to work for you.

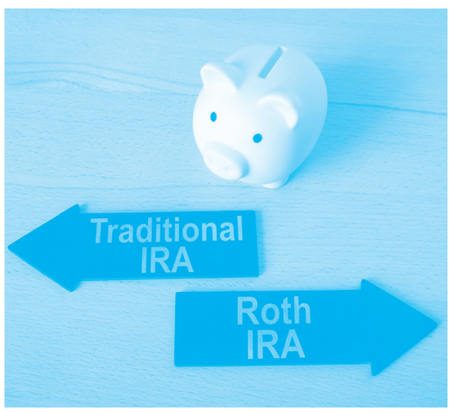
The sooner you start saving, the less you have to put away each month to accumulate the needed funds for retirement. For example, say as a 25-year-old you open an IRA and save $100 a month ($1,200 per year). The IRA earns an average of 6% a year. After 40 years — when you're 65 and ready to retire — your account balance could grow to over $185,000.

But let's say that, instead, you put off saving until you are 45. At the same rate of saving in an IRA with the same returns, by the time you're 65, your IRA balance would be just about $44,000. Starting when you're 45, you'd have to contribute $420 a month to save about $185,000. At least that would be less painful than if you waited until you are 55. Then, to match the end result, you'd have to save $1,175 per month. *(These examples were provided for illustrative purposes only and are not intended to project the performance of a specific investment vehicle.)*

One way that people often try to compensate for getting a late start in saving is to shoot for a higher rate of return. Instead of settling for the 6% a year we used in the example above, why not go for 10%? After all, that is roughly the long-term return on stocks in the S&P 500. But there are two problems with this strategy.

The first is that stocks don't always provide consistent returns. Second, to earn higher rates of return, you have to take on more risk. That's fine when the big returns come in, but in the long run. big returns in some years are paid for with big losses in others. Whenever you absorb a big one-year loss, it takes a higher-than-normal rate of return in following years to break even.

It's never too late to increase how much you save, but if you feel like you're not where you should be on the road to retirement, the sooner you start putting more money aside — and investing it wisely — the better. Please call if you'd like to discuss this in more detail. ❍❍❍



Financial Data

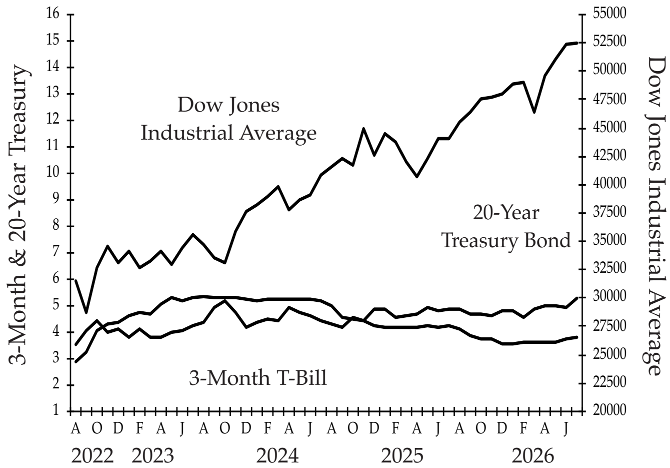
	Month-end				
Indicator	**May-26**	**Jun-26**	**Jul-26**	**Dec-25**	**Jul-25**
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.43	0.51	0.44	0.41	0.44
3-month T-bill yield	3.60	3.74	3.82	3.57	4.24
10-year T-bond yield	4.45	4.44	4.75	4.18	4.37
20-year T-bond yield	4.98	4.93	5.28	4.79	4.89
Dow Jones Corp.	5.35	5.40	5.72	5.00	5.26
30-year fixed mortgage	6.62	6.49	6.75	6.27	6.81
GDP (adj. annual rate)#	+0.50	+2.10	+1.50	+0.50	+3.80

	Month-end			% Change	
Indicator	**May-26**	**Jun-26**	**Jul-26**	**YTD**	**12-Mon.**
Dow Jones Industrials	51032.46	52319.20	52485.03	9.2%	18.9%
Standard & Poor's 500	7580.06	7499.36	7489.72	9.4%	18.1%
Nasdaq Composite	26972.62	26213.72	25373.85	9.2%	20.1%
Gold	4560.50	4029.00	4036.00	-7.1%	21.9%
Consumer price index@	333.02	335.12	333.95	3.0%	3.5%
Unemployment rate@	4.30	4.30	4.20	-8.7%	2.4%

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

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

August 2022 to July 2026



Past performance is not a guarantee of future results.

News and Announcements

The Need for an IRA

In some ways, a 401(k) plan or defined-benefit plan from an employer can provide a false sense of security. You may feel, without analyzing the situation, that you're saving enough for retirement. But you may also want to contribute to an individual retirement account (IRA) for some or all of the following reasons:

❍ **You'll probably need the additional funds for retirement.** Even with Social Security and pension or 401(k) benefits, you'll probably need other savings to fund your retirement. There are a variety of ways to save, but an IRA can be a good alternative.

❍ **You'll lower your taxes.** You can lower your taxes currently by contributing to a traditional deductible IRA or in the future by contributing to a Roth IRA. With a traditional deductible IRA, you receive a tax deduction on your current-year income tax return. When you withdraw the funds in the future, you'll owe ordinary income taxes on the contributions and earnings. With a Roth IRA, you don't receive a current-year tax deduction, but qualified distributions are withdrawn without paying any federal income taxes.

❍ **You're more likely to use the funds for retirement.** If you save in a taxable account, it's easy to use the funds for other purposes. However, the government discourages the use of IRA funds for other purposes by assessing a 10% federal income tax penalty when funds are withdrawn before age 59½ (except in certain limited circumstances). That makes it more difficult to withdraw the funds and more likely they'll stay in the IRA.

❍ **You have a wide variety of investing options.** With a 401(k) plan, you typically have a limited number of investment options. However, with an IRA, you can invest in a wider variety of investments. ❍❍❍

FR2026-0320-0068

Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices do not account for any fees, commissions or other expenses that would be incurred. Returns do not include reinvested dividends.
The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 actively traded "blue chip" stocks, primarily industrials, but includes financials and other service-oriented companies. The components, which change from time to time, represent between 15% and 20% of the market value of NYSE stocks.
The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is a market value weighted index with each stock's weight in the index proportionate to its market value.
The Nasdaq Composite Index is a market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks. The index includes all Nasdaq listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debentures.
The Consumer Price Index (CPI) is a measure of inflation compiled by the US Bureau of Labor Studies