Radio 64

* Estate Planning 84 trillion in Wealth Transfer in the next 20 years.
* Limra Another Record Breaking Annuity sales year…by Miles!!
* Retirement Accounts Continue to Rise Despite Confidence in retirement at record lows (Study)
* **State Farm says it's no longer accepting homeowner insurance applications in California due to "historic increases in construction costs outpacing inflation" and "rapidly growing catastrophe exposure" to**[**extreme weather**](https://www.axios.com/science/extreme-weather)**events like wildfires.**
* Why a Bull Market Is a Bad Time to Check Your 401(k)

Your balance is likely up, but there are reasons to resist the urge to peek at your retirement savings

<https://www.cerulli.com/press-releases/cerulli-anticipates-84-trillion-in-wealth-transfers-through-2045>

# Cerulli Anticipates $84 Trillion in Wealth Transfers Through 2045

**JANUARY 20, 2022 — BOSTON**

Financial service providers must adapt their business models to retain walletshare

Multigenerational wealth transfer is one of the most significant factors affecting the high-net-worth (HNW) and ultra-high-net-worth (UHNW) segment—its impact in the coming decades is set to increase substantially. Shifting wealth into next-gen’s hands will reward firms that are able to sustainably establish advisory relationships with younger clients in the years to come, according to Cerulli’s latest report, [***U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021***](https://www.cerulli.com/reports/us-high-net-worth-and-ultra-high-net-worth-markets-2021).

Cerulli projects that wealth transferred through 2045 will total $84.4 trillion—$72.6 trillion in assets will be transferred to heirs, while $11.9 trillion will be donated to charities. Greater than $53 trillion will be transferred from households in the Baby Boomer generation, representing 63% of all transfers. Silent Generation households and older stand to transfer $15.8 trillion, which will primarily take place over the next decade. $35.8 trillion (42%) of the overall total volume of transfers is expected to come from high-net-worth and ultra-high-net-worth households, which together only make up 1.5% of all households.

<https://www.institutionalinvestor.com/article/b8yymq53jbfz3h/UBS-Family-Offices-Are-Fumbling-Their-Own-Generational-Wealth-Transfers>

**Very Good LIMRA STATS on annuity stats** \*Record breaking year

attached: <https://www.limra.com/en/newsroom/news-releases/2023/limra-fixed-annuity-sales-double-in-first-quarter-2023-driving-record-sales-for-the-fourth-consecutive-quarter/>

FIDELITY Q1 2023 Stats:

<https://newsroom.fidelity.com/pressreleases/fidelity--q1-2023-retirement-analysis--despite-economic-challenges--retirement-account-balances-cont/s/3086190f-5ed1-4c54-b7c8-d1ce72445804>

Fidelity® Q1 2023 Retirement Analysis: Despite Economic Challenges, Retirement Account Balances Continue to Rise

<https://www.cnn.com/2023/05/24/economy/american-retirement-outlook/index.html>

# Americans’ outlook on retirement darkens to an 11-year low

<https://news.gallup.com/poll/506012/americans-remain-discouraged-personal-finances.aspx>

#### **STORY HIGHLIGHTS**

* Majority of Americans still rate personal finances as “only fair” or “poor”
* Middle-income Americans have grown more negative about finances in past year
* Affording retirement retains long-held position as top financial worry

WASHINGTON, D.C. -- Americans remain guarded about their personal finances, with the majority (55%) saying their financial situation is “only fair” or “poor” rather than “excellent” or “good” (45%). More also report that their financial situation is worsening (50%) than improving (37%).

Consumers’ perspectives on their finances are nearly identical to what Gallup found a year ago but contrast with 2021, when Americans were generally upbeat about their financial circumstances and momentum.

### Americans' Assessments of Personal Financial Situation

How would you rate your financial situation today -- as excellent, good, only fair or poor?
Right now, do you think that your financial situation as a whole is getting better or getting worse?

| MISSING: summary MISSING: current-rows. |
| --- |
|  | **April 2021** | **April 2022** | **April 2023** |
|  | **%** | **%** | **%** |
| **Financial situation today** |
| **Excellent** | 121212 | 101010 | 888 |
| **Good** | 454545 | 363636 | 373737 |
| **Only fair** | 343434 | 383838 | 393939 |
| **Poor** | 999 | 161616 | 161616 |
| **Total excellent/good** | 575757 | 464646 | 454545 |
| **Total only fair/poor** | 434343 | 545454 | 555555 |
| **Outlook for financial situation** |
| **Getting better** | 525252 | 37337 | 373737 |
| **Getting worse** | 303030 | 484848 | 505050 |
| **Staying the same (vol.)** | 181818 | 131313 | 131313 |

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Government Employees (continued discussion of the 800,000 Unmade millionaires. The TSP millionaire

<https://www.fedweek.com/fedweek/tsp-millionaire-count-continues-recovery/>

**The count of TSP millionaires continued to recover in the first three months of this year, although** it remains below the level of 12 months before and well below the peak at year-end 2021.

The count stood at just above 88,000 as of March 31, up from just under 77,000 at year-end 2022

# IBEW LOCAL 237 UNION TO RECEIVE $32.2 MILLION – RESTORING PENSIONS FOR 430 MEMBERS AND THEIR FAMILIES, INCLUDING BACKPAY FOR BENEFITS, THANKS TO AMERICAN RESCUE PLAN

Kirsten Gillibrand and U.S. Representative Brian Higgins today announced that International Brotherhood of Electrical Workers (IBEW) Local 237, based in Niagara Falls with 430 members and their families in Niagara and Orleans County, will receive $32.2 million pension-fix payout from the American Rescue Plan. The representatives said that this will ensure that Local 237 members and their families receive the hard earned benefits that they paid into their whole lives, but lost through no fault of their own. The representatives said the hard-earned pensions are full restored giving the IBEW workers the financial security they deserve.

“Western New York union members of IBEW Local 237 and their families could have lost the benefits they earned over a lifetime of work, through no fault of their own — putting their financial security, retirements, and family’s futures at risk. When I became majority leader, I promised I would not stop fighting until our union brothers and sisters and their families got the relief they needed. Thanks to the American Rescue Plan, over 430 IBEW brother and sisters and their families in Western NY will be able to breathe a massive sigh of relief having the restored pensions and benefits they have earned,” **said Senator Schumer**. “Western New York has been, and always will be a union town and that is why I am proud to deliver this major over $32 million in relief for IBEW Local 237 in hard-earned benefits and back pay they deserve.”

# Insurer cites "growing catastrophe exposure" as it stops new sales in California

**State Farm says it's no longer accepting homeowner insurance applications in California due to "historic increases in construction costs outpacing inflation" and "rapidly growing catastrophe exposure" to**[**extreme weather**](https://www.axios.com/science/extreme-weather)**events like wildfires.**

**Why it matters:**Multiple studies show [climate change](https://www.axios.com/energy-environment/climate-change) is [influencing the frequency](https://www.axios.com/2023/05/22/extreme-weather-climate-impact) and severity of extreme weather events, [increasing the risk](https://www.axios.com/2021/11/02/climate-change-wildfires-main-cause-us-west) of wildfires and also the [proportion of storms](https://www.axios.com/2023/02/27/east-coast-gulf-hurricane-wind-risk-study) that reach major hurricane status of Category 3 or above.

* With more severe and frequent severe weather events and [extreme weather swings](https://www.axios.com/2023/01/17/california-storms-historic-drought-whiplash), the resilience of homeowners and communities is on the line and how lenders, insurance companies and others incorporate escalating risks is a key issue, per [Axios' Andrew Freedman](https://www.axios.com/2023/05/22/extreme-weather-climate-impact%22%20%5Ct%20%22_self).

**Zoom in:**State Farm, the [top home insurance firm](https://www.iii.org/top-10-writers-of-homeowners-insurance-in-california) in California, stopped accepting new sales Saturday. The American International Group [announced](https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/aig-to-exit-california-homeowners-insurance-market-at-january-end-68512476) last year it was[pulling policies](https://www.wsj.com/articles/wildfire-risk-in-california-drives-insurers-to-pull-policies-for-pricey-homes-11642593601?mod=article_inline) in the state amid wildfire risk concerns.

* California Insurance Commissioner Ricardo Lara moved to protect homeowners by [introducing](https://www.insurance.ca.gov/0400-news/0100-press-releases/2022/release082-2022.cfm) insurance pricing regulations, including a one-year moratorium preventing homeowner insurance cancellations and non-renewals in some fire-affected counties.

**Zoom out:**It's not just California. Some insurers pulled out of Louisiana and Florida last year after forecasters warned of "another active Atlantic hurricane season," [per Bloomberg](https://www.bloomberg.com/news/articles/2022-07-01/insurance-meltdown-sets-louisiana-florida-homeowners-scrambling#xj4y7vzkg).

* Florida is facing an insurance crisis ahead of the official start of the hurricane season on June 1, when property insurance companies in the state to get their reinsurance in place, Axios Miami's [Deirdra Funcheon reports](https://www.axios.com/local/miami/2023/05/19/why-property-insurance-keep-rising-florida-miami%22%20%5Ct%20%22_self). Some companies have gone insolvent and [rates have skyrocketed](https://www.axios.com/local/tampa-bay/2023/04/06/florida-insurance-rate-hikes-hurricane).

**By the numbers:**There were nearly 12,000 disasters attributable to extreme weather and climate-related events during the 1970-2021 period — costing $4.3 trillion and rising, according to updated [United Nations analysis](https://www.axios.com/2023/05/22/extreme-weather-climate-impact) out last week.

* In California, [Cal Fire](https://www.fire.ca.gov/incidents/2022) reports 7,490 wildfires razed 362,455 acres, killing nine people and destroying or damaging 876 structures.

**What they're saying:**"We take seriously our responsibility to manage risk. We recognize the Governor’s administration, legislators, and the California Department of Insurance (CDI) for their wildfire loss mitigation efforts," State Farm said in [a statement](https://newsroom.statefarm.com/state-farm-general-insurance-company-california-new-business-update/) Friday that emphasized existing customers wouldn't be affected by the decision.

**Why a Bull Market Is a Bad Time to Check Your 401(k)**

**Your balance is likely up, but there are reasons to resist the urge to peek at your retirement savings**

[Why a Bull Market Is a Bad Time to Check Your 401(k) - WSJ](https://www.wsj.com/articles/why-a-bull-market-is-a-bad-time-to-check-your-401-k-8dcf27d3?mod=markets_major_pos4)

By [Anne Tergesen](https://www.wsj.com/news/author/anne-tergesen) June 15, 2023 9:00 pm ET

Savers tempted to check their 401(k)s now that [stocks are back in a bull market](https://www.wsj.com/articles/global-stocks-markets-dow-news-06-08-2023-ef63fc60?mod=article_inline) should hold off.

When it comes to logging into your 401(k) to check the balance, less is always more whether the market’s up or down. **The quick dopamine hit of seeing a bigger balance can be habit forming and lead some to make risky moves with their money,** behavioral economists say. Brokerage data suggests bull markets are also when savers seem most susceptible to developing an account-checking habit.

It sounds counterintuitive, but obsessively checking your balance during good times may be as [hazardous as doing it during downturns](https://www.wsj.com/articles/how-to-peek-at-your-401-k-without-freaking-out-11656734403?mod=article_inline) such as the one last year, said Sarah Newcomb, **a behavioral economist and founder of coaching and consulting firm Thrive Financial Empowerment Center.**

Frequent checkers “will feel every up and down of the market and put themselves on an emotional roller coaster,” a recipe for making suboptimal decisions, she said.

Among the five million participants in 401(k) plans Vanguard Group administers, 62% checked their accounts in 2022, when the S&P 500 index sank 18.11%, according to FactSet.

In contrast, with the index up 31.49% in 2019, 18.4% in 2020 and 28.71% in 2021, 66% to 69% of participants checked their balances.

**When stocks are down, many investors avoid unpleasant news, in what is known as the ostrich effect, Newcomb said.**

Taking frequent peeks when stocks are up can cause investors to make moves that could potentially undermine their long-term financial security, such as loading up on stocks to chase higher returns, said David Blanchett, head of retirement research at PGIM, the asset-management arm of Prudential Financial.

Such moves can leave investors overexposed to stocks in a market meltdown, magnifying losses.

Seeing your 401(k) balance grow may also make you feel wealthier, raising the temptation to overspend and undersave, Blanchett said.

**Your phone isn’t helping**

**Mobile devices are increasing the temptation to check accounts more often.**

**Savers checking their 401(k) accounts with mobile devices looked at them 25 times on average in 2022, up from 20 times in 2021, versus 10 times for those using computers in both years,** according to Vanguard.

The more people look at their 401(k)s, the lower their long-term returns are likely to be, according to two landmark studies from behavioral economists Shlomo Benartzi and Richard Thaler. They found that investors with distant goals who resisted the temptation to monitor the market earned significantly higher profits over time than those who checked annually.

That doesn’t mean all who check their balances end up trading.

About 6% of participants who manage their own 401(k) investments transferred money from one fund to another last year, down from 8% in 2021 and 10% in 2020, according to Vanguard.

Among workers exclusively using a diversified target-date fund, which shifts money from stocks to bonds as investors age, only 2% traded last year, Vanguard said.

Joel Dickson, global head of advice methodology at Vanguard, said that because trading levels are low, “the checking activity we see seems to be somewhat benign.”

**The stress is real**

Still, that doesn’t mean frequent checking won’t cause some harm.

The volatility of stocks helps explain why. Since 1929, the S&P 500 has posted negative total returns on 46% of days in which the markets are open, subjecting those who check their balances daily to lots of bad news.

In contrast, those who looked at where they stood once a year saw losses only 26% of the time. Over 10-year periods, the odds of a loss were just 6%, according to BofA Global Research.

Even in a bull market, “if you check often you will see losses more often, which causes stress,” said Blanchett. That effect is magnified for the average person, because the pain of losing is more powerful than the pleasure of gaining, he added.

**Set a schedule for checking your 401(k)**

There is no magic formula for how often to check your 401(k) balance, but it helps to impose limits.

**Beware of These Three Hidden Costs of Divorce**

People who are divorcing might not realize that dealing with health insurance, retirement accounts and real estate could add up fast financially.

[**https://www.kiplinger.com/personal-finance/beware-of-hidden-divorce-costs**](https://www.kiplinger.com/personal-finance/beware-of-hidden-divorce-costs)

[SARA STANICH,](https://www.kiplinger.com/author/sara-stanich-cfp-cdfa-cepa) - JUNE 19TH, 2023

Divorce is not only emotionally challenging, but also financially draining. It is often a time of emotional upheaval, resulting in stress and anxiety about the future. Financial costs can add to the overall stress of the situation. While you may expect that two households will cost more to maintain than one, there are less well-known related costs as well. You can make more informed decisions and prepare for the financial impact of divorce by understanding these hidden costs.

This article will explore three specific areas where hidden costs of divorce can surface: [health insurance](https://www.kiplinger.com/personal-finance/insurance/health-insurance), retirement accounts and real estate. Each aspect plays a significant role in a couple's financial stability, and the division of assets can lead to unforeseen expenses and complications. By being aware of these potential pitfalls, individuals can better prepare themselves for the financial consequences of divorce. In addition, knowledge about these hidden costs allows people to navigate the complex divorce process confidently and better understand how to protect their [financial future](https://www.kiplinger.com/personal-finance/brighter-financial-future-where-to-start).

**Hidden divorce cost #1: Getting health insurance**

If you were previously covered under your spouse's employer-sponsored health plan, obtaining new health insurance for yourself can be costly. Premiums, deductibles and out-of-pocket expenses may increase, leaving you with a higher financial burden.

**Hidden divorce cost #2: Dividing retirement accounts**

Dividing retirement accounts is a critical aspect of divorce proceedings that can involve unexpected costs. When transferring funds from one spouse's workplace retirement plan to another, a [qualified domestic relations order](https://www.investopedia.com/terms/q/qdro.asp) (QDRO) is necessary. A QDRO is a legal document that outlines how retirement assets should be divided. The preparation of this document by a QDRO specialist can cost over $1,000 and must be accepted by the plan. In addition, a separate QDRO is needed for each company plan, which could increase costs further.

Dividing an [IRA](https://www.kiplinger.com/retirement/retirement-plans/traditional-ira) rather than a company [401(k)](https://www.kiplinger.com/retirement/retirement-plans/401ks) may be a less expensive option. The Internal Revenue Code (IRC) stipulates that the distribution of an individual retirement account (IRA) can be mandated in a divorce decree or a [marital property settlement agreement](https://go.redirectingat.com/?id=92X1679927&xcust=kiplinger_us_3012675720204304400&xs=1&url=https%3A%2F%2Fwww.nolo.com%2Flegal-encyclopedia%2Fhow-to-split-retirement-accounts-in-divorce.html&sref=https%3A%2F%2Fwww.kiplinger.com%2Fpersonal-finance%2Fbeware-of-hidden-divorce-costs) sanctioned by a family court and integrated into a divorce decree or judgment.

**Hidden divorce cost #3: Transferring real estate and mortgage refinancing**

There could be many unexpected costs if one spouse buys out the other's share in a real estate transaction. Obtaining an objective third-party appraisal of the property's value is recommended, as the parties have opposite incentives for the estimated value. The seller would want to estimate the highest possible price, while the buyer would prefer a lower price.

Moreover, transfer taxes or other fees may be imposed when transferring property ownership from one spouse to another. For example, [New York City's rates](https://propertyclub.nyc/article/our-guide-to-the-ny-state-and-nyc-transfer-tax) range from 1% to 1.425%, plus additional rates for New York state. Therefore, it is crucial to consult with a real estate attorney or tax professional to understand the applicable taxes in your area.

Also, mortgage refinancing is typically required if one spouse decides to keep the property and remove the other from the mortgage. The buyer must qualify for the mortgage independently, and additional costs, such as application fees, closing fees, appraisal fees and potential prepayment penalties, may be incurred.

Furthermore, mortgage payments will often be higher in the current rising [interest rate](https://www.kiplinger.com/economic-forecasts/interest-rates) environment, increasing the overall cost of keeping the property.

**Securing your financial future**

Divorce can be a financially challenging experience with many hidden costs that can leave individuals feeling overwhelmed and unprepared. The potential expenses related to health insurance, retirement accounts and real estate can add up quickly, creating a significant financial burden if not anticipated and planned for. To navigate this complex process effectively, individuals must be aware of these possible pitfalls and take appropriate steps to mitigate their impact on their financial future.

To ensure a more secure financial outcome, consulting with professionals who can provide guidance and support throughout the divorce process is essential. Attorneys, financial planners and tax experts can offer invaluable insight and advice on managing the various financial aspects of divorce, helping individuals make informed decisions that protect their financial well-being.

By proactively seeking professional assistance and developing a thorough understanding of the hidden costs associated with divorce, individuals can better prepare themselves for the financial aftermath of this life-changing event and safeguard their financial future.

[**https://finance.yahoo.com/news/workers-are-still-raiding-their-retirement-savings-at-record-rates-210945047.html**](https://finance.yahoo.com/news/workers-are-still-raiding-their-retirement-savings-at-record-rates-210945047.html)

**Is a College Education Still Worth the Price?**
Bloomberg News | Jul 6, 2023
<https://www.linkedin.com/pulse/college-education-still-worth-price-bloomberg-news>

\*\*matt never did 800,000 millionaires unmade last year because of 2022 global markets