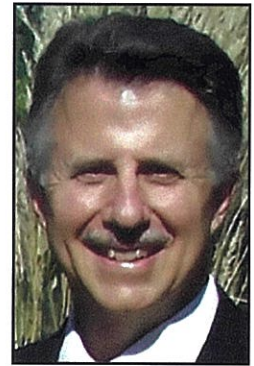




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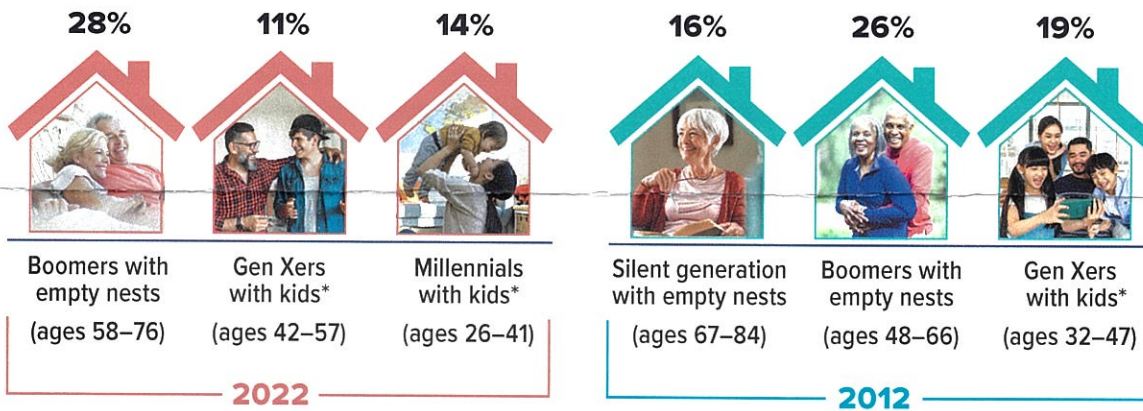


**Bob Scott**  
Broker

## Empty Nesters Own Outsized Share of Big Homes

Empty-nest baby boomers owned twice as many large homes (with three bedrooms or more) as young families with kids in 2022. Careerwise, many boomers benefited financially from the 90s economic boom and/or bought their first homes when it was much more affordable. In recent years, boomers have had little reason to downsize, as many own their homes outright or have mortgages with lower rates than they could get for a replacement home. Millennials' earnings were negatively impacted by the Great Recession, and they've had to spend more of their incomes on housing. Ten years ago, the older generation owned a smaller share of large homes than families that were raising children.

### Share of large U.S. homes owned by each generation (owner-occupied)



\*Minor children under the age of 18

Source: Redfin, 2023



**54%**

Share of baby boomers who own their homes mortgage-free.

Source: Redfin, 2023

# Is Tip Fatigue Wearing You Out?

Traditionally, tipping has been a way to reward workers for providing good service. But the norms around tipping are changing, and if you've recently felt more pressure to tip, you're not alone. A survey by the Pew Research Center found that 72% of adults said that tipping was expected in more places today than it was five years ago, a phenomenon known as "tip creep" or "tipflation."<sup>1</sup>

## Why tipping culture is changing

Tipping affects everyone (even tipped workers have to tip others!) and confusion and complaints about tipping abound. If you're among those feeling uneasy about tipping, blame the pandemic. That's when tipping culture started to change. Consumers, anxious to reward front-line workers and support struggling businesses, left more and bigger tips. Businesses adopted digital ordering and payment solutions that made tipping more convenient and could be programmed with preset tip suggestions that were often higher than customers were used to.

And then inflation took its toll. Businesses that lost employees during the pandemic increasingly realized that tips could help fill wage gaps and attract employees reluctant to return to service positions. But consumers, already having to make their money go further, began to grow weary of seemingly constant tip requests, especially in situations or places where they had not previously been asked to tip.

## Tipping guidelines

Tipping often feels good, but the pressure to tip can be guilt-provoking and confusing. When a worker turns a

screen around and you're prompted to choose a preset tip, it can feel wrong to choose the lowest option. While you might always tip your server at a sit-down restaurant, in situations where you've had little to no direct interaction with any employee, should you even tip at all?

Ultimately, tipping is always voluntary and it's up to you to decide who, where, and how much to tip. While there are no set rules, here are some guidelines you can use to inform your decisions.<sup>2</sup>

- Full-service restaurant or food delivery: 20% of total bill
- Quick service restaurant: 10%
- Online food orders/takeout: \$1 to \$5 per order
- Bar or coffee shop: \$1 to \$2
- Hotel bellstaff: \$1 to \$5 per bag
- Hotel housekeeping: \$1 to \$5 per night
- Valet/parking attendant: \$1 to \$5 when car is delivered
- Rideshare/taxi driver: 15% to 20% of the fare

## Finding a balance

Planning ahead can help you avoid some of the frustration around tipping and still tip fairly and appropriately.

**Do an informal audit.** How much have you spent on tips during the last month or two? Does that align with your budget?

**Set tipping limits you're comfortable with.** You can always make adjustments at the register.

**Reserve higher tips for special situations.** This might be rewarding a worker at your favorite coffee shop, or showing your appreciation when someone provides extra-special service.

**Don't feel bound by on-screen tip recommendations.** Use the "custom" tip option when available to leave the amount you want.

**Carry small bills.** These can be used in traditional tip jars, or when traveling, to reward workers who don't have access to digital tips.

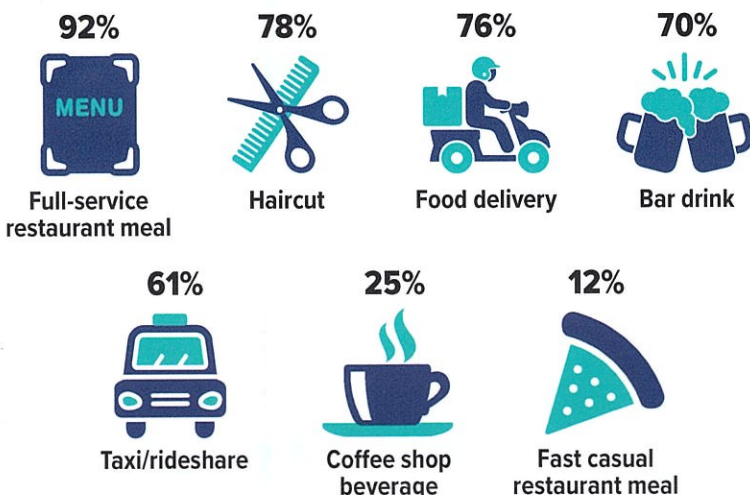
**Talk to the manager or business owner if you have questions or complaints.** It's not always clear where your tips are going (for example at fast-casual restaurants or when ordering online), so feel free to ask. And reserve your complaints about tipping expectations for management, rather than workers.

**Respect policies.** While many businesses encourage tipping, some do not allow their employees to accept tips for legal reasons. Instead, consider leaving positive feedback.



## To Tip or Not to Tip?

Percentage of U.S. adults who say they always or often tip for:



Source: Pew Research Center, 2023

1) Pew Research Center, 2023; 2) Toast, 2023; American Hotel & Lodging Association, 2023; U.S. News & World Report, 2023

# Playing Outside Is Good for Kids – and Their Eyesight

The World Health Organization projects that 50% of the global population could be affected by myopia (or nearsightedness) by 2050, up from 30% today. Cases of myopia are increasing worldwide, though it has long been more prevalent in East Asia (including China and Taiwan). However, more children in western nations are also becoming nearsighted, and at younger ages. In the United States, myopia rates have increased from 25% in 1971 to 42% in 2017.

Myopia typically develops in children between the ages of five and 16. If left untreated with glasses or contact lenses, the condition worsens and can lead to blindness later in life. Much like it sounds, people who are nearsighted have trouble seeing distant objects clearly. Myopia was long assumed to be largely genetic, but more recent research has identified another risk that may be preventable. When children don't spend enough time outdoors using their long-distance vision, their eyes may elongate and make it harder to focus.

Surveys show that children spend an average of about seven hours per day looking at screens (on computers,

smartphones, and other devices) for both education and entertainment purposes — a statistic that suggests many kids may not see enough daylight. To help prevent nearsightedness, the International Myopia Institute recommends children spend 80 to 120 minutes per day outside in the daylight (not necessarily exposed to direct sunlight). For children or adults with myopia, decreasing the amount of time spent looking closely at books or digital devices may help slow the condition's progression.

Sources: *The New York Times*, August 26, 2023; NPR.com, October 17, 2023



## Just Your Average Millionaire

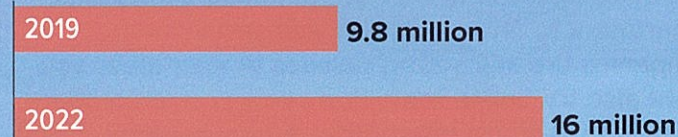
The Federal Reserve's Survey of Consumer Finances (conducted every three years) revealed that the average net worth of U.S. families surpassed \$1 million (\$1,063,700) for the first time in 2022, after increasing 42% from 2019. (A family's net worth is the total of their financial assets minus their liabilities, or debts.) The historic rise during the 2019–2022 period was due in part to pandemic-era stimulus payments and low interest rates, which pushed up home values and stock prices. And overall, these financial gains far outpaced the losses in purchasing power caused by high inflation.

Unfortunately, having a national average net worth that exceeds \$1 million does not mean the typical American is a millionaire. A small number of very wealthy households skews the average. As always, the median net worth (\$192,900 in 2022) was much lower than the average, but its growth was by far the largest on record. Even after adjusting for inflation, the three-year increase in the median net worth (37%) rose more than the average (23%), showing that wealth inequality narrowed.

Still, the net worth of U.S. families varies greatly depending on housing status, education, and income level. Only about 12% of U.S. families have a net worth above \$1 million, and many of those are older. This emphasizes the financial reality that for most people it takes time and diligence to build wealth.

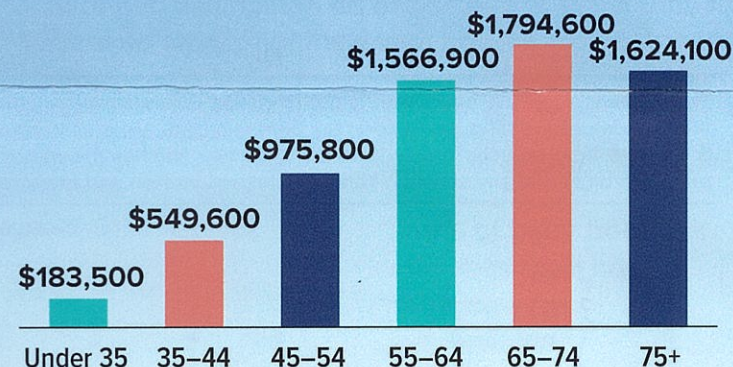
Sources: Federal Reserve, 2023; *The Wall Street Journal*, October 27, 2023

### Number of Millionaire Households



Source: *The Wall Street Journal*, October 27, 2023

### Average (mean) net worth, by age group



Source: Federal Reserve, 2023



# Extreme Weather and Your Home Insurance: How to Navigate the Financial Storm

With wildfires in Maui, Hurricane Idalia in Florida, and the heat wave that blanketed the South, Midwest, and Great Plains, 2023 was a record-setting year for extreme weather in the United States. In fact, last year the U.S. saw more weather and climate-related disasters that cost over \$1 billion than ever before.<sup>1</sup>

An increase in extreme weather events in recent years has caused many insurance companies to raise rates, restrict coverage, or stop selling policies in high-risk areas. This has left some homeowners in a precarious situation when it comes to insurance, as they are now faced with higher premiums, lower home values, and the possible nonrenewal of their policies.

## Handling a nonrenewal

If you receive a notice of nonrenewal from your insurer, your first step should be to contact the company and ask why your policy was not renewed. They may reverse their decision if the stated reason is something you can fix — by installing a fire alarm system or fortifying a roof, for example.

If that doesn't work, you should begin shopping for new coverage immediately. Start by contacting your insurance agent or broker or your state's insurance department to find out which licensed insurance companies are still selling policies in your area. You might also try online tools that allow you to compare rates and coverage offered by various insurers. Finally, ask for recommendations for insurers from friends, neighbors, and coworkers who live nearby.

## Insuring higher-risk homes

If your home is deemed to be at high risk due to its geographic area, you may want to look for an insurance

## Average number of billion-dollar disasters per year (inflation-adjusted)



Source: NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters, 2024

company that specializes in high-risk home insurance. High-risk policies often have significant exclusions and policy limits and are more expensive than standard home insurance policies. However, they might provide coverage for a home that would otherwise be uninsurable.

If you have trouble obtaining home insurance coverage through traditional channels, you may be eligible for coverage under your state's Fair Access to Insurance Requirements (FAIR) plan. FAIR plans are often referred to as "last resort" plans because they may be the only option available if your home is in a high-risk area. Coverage under a FAIR plan is more expensive than standard home insurance and tends to be limited; it may only provide basic dwelling coverage. In addition, most states require you to show proof that you have been denied coverage before you can apply for a FAIR plan.

1) NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters, 2024

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