

LET'S TALK FINANCIAL WELLNESS[®]

July/August 2026

The Wobbly Retirement Stool

The traditional three-legged retirement stool consists of Social Security, retirement savings, and a pension to provide guaranteed income. However, today, most retirees lack the employer pension leg, and many also have concerns about the future of Social Security and the possibility of benefit cuts.

Bolstering the Pension Leg

What can replace the pension leg of your stool? Annuities are one option. With an annuity, you pay a lump sum to an insurance company, and in exchange, they guarantee you monthly payments for a specific time or even for life. If managing market risk is a concern, this strategy is worth exploring. Before investing in any annuity, talk with your trusted professional.*

Another option is a bond ladder.** This strategy involves buying individual bonds or defined-maturity bond funds that mature at different intervals. Defined-maturity bond funds are investment funds with a specific maturity date, typically indicated in the fund's name. As with individual bonds, at maturity the funds will be liquidated, and all assets will be returned to you.

As each bond or fund matures, you can reinvest the original principal into a new bond or fund, allowing you to maintain a steady cash flow from the interest accumulated. This approach not only can provide regular income but also allows you to take advantage of rising interest rates over time.



Variety Is the Spice

A key to a successful retirement strategy is not put all your investment eggs into one basket. The same principle applies to your retirement income sources. By combining Social Security, your personal savings, annuities, and possibly a bond fund ladder, you can create a robust plan that helps ensure you'll have the income you need. Remember, it's never too early—or too late—to start planning for a comfortable and fulfilling retirement.

** Distributions from annuities are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty.*

***Prices of fixed-income securities may fluctuate due to interest rate changes. Investors may lose money if bonds are sold before maturity. Before investing in any fund, read the prospectus and consider its investment objectives, charges, expenses, and risks.*



Karen Petrucco
Account Manager

**The Prudential Insurance
Company of America**
1060 Broadway #1161
Albany, NY 12204

Tel: 800-243-5334
Fax: 800-720-0780
karen.petrucco@prudential.com
www.prudential.com

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Retirement Version
 **Prudential**

Celebrate Independence

As we prepare to celebrate Independence Day on July 4th—marking America's 250th birthday—fireworks, parades, and barbecues symbolize freedom from tyranny and the fight for self-determination. This spirit of liberty also strongly relates to personal finances: becoming debt-free is your own declaration of independence from financial burdens.

In recent years, U.S. household debt has reached record highs, with total consumer debt exceeding \$18 trillion, according to the Federal Reserve Bank of New York. High-interest credit card balances alone surpass \$1.2 trillion, often with rates over 20%. Carrying excessive debt limits options, causes stress, and hampers true independence.

Debt management starts with a plan:

- Create a budget to track income and expenses, identifying areas to cut back.
- Prioritize high-interest debt using strategies like the debt avalanche (target highest rates first) or snowball (pay smallest balances for quick wins).
- Pay more than the minimum to reduce interest and accelerate payoff.
- Build an emergency fund to avoid new borrowing.
- Seek help if needed—credit counseling or consolidation can provide structured relief.

Just as the Founding Fathers fought for national sovereignty, take control of your finances to pursue freedom from creditors. This Independence Day, pledge to reduce your debt—your path to financial freedom and peace of mind.



Back-To-School Shopping Tips

Back-to-school shopping is an exciting but costly time for families. Households with K-12 students are expected to spend about \$850–\$900 on clothing, shoes, supplies, and electronics, according to the National Retail Federation. As costs increase, smart budgeting and saving strategies can help manage expenses without sacrificing quality.

Begin with a realistic budget and a prioritized list

Check your child's school supply list and take stock of what you already have at home—many notebooks, pens, or backpacks from last year might still be usable. Categorize needs into "must-haves" (essentials like binders and calculators) and "nice-to-haves" (new outfits or gadgets).



Shop sales and timing carefully

Back-to-school deals hit their peak in July and August—check weekly ads from stores like Target, Walmart, and Amazon. Take advantage of sales tax holidays in many states, and spread out your purchases to get the best discounts instead of buying everything at once.

Hunt for extra savings

Use coupons, cash-back apps, and credit card rewards. Buy gently used or refurbished clothing and tech from thrift stores, online marketplaces, or community groups. Think about buying in bulk for shared supplies like glue sticks or markers.

Involve the family

Establish spending limits together and promote reusing or repurposing items. These actions not only lower expenses but also help teach essential money-management skills.

With careful planning, you can outfit your student for success while staying financially comfortable.

Safe Financial Travel

Summer getaways are fun—but costly if you're not careful. Protect your money with these quick tips:

- Alert your bank/credit cards — Tell them your travel dates and destinations to avoid card freezes.
- Set a firm budget — Include flights, lodging, food, activities, souvenirs, plus a 15% buffer for surprises. Track spending daily.
- Use credit cards wisely — They offer better fraud protection than debit. Avoid public Wi-Fi for banking; use a VPN if needed. Carry some cash as backup.
- Dodge scams — Book only through trusted sites, skip wire transfers, ignore “free trip” offers or fake rentals. Verify everything.



- Monitor accounts — Check balances daily via apps and enable transaction alerts. Report issues immediately.

Plan smart, stay vigilant, and enjoy your trip worry-free—your wallet will stay safe too!

Advice For The College-Bound

You spent 18 years caring for almost every aspect of your child's life. Soon, your child will be heading to college and becoming independent. Help your child get ready for a life of independence – and responsibility – by reviewing some basic life skills.

Bank Account Basics

College-bound students need to know how to balance a checkbook, and that bounced checks cost a lot of money. Emphasize that an ATM card is not free money but merely simplifies withdrawals from a checking account.

Establish Credit

College students can benefit from establishing their own credit early in their first year. Because high interest charges add up quickly over time, teach your student to pay off any balance each month so that growing interest charges do not create a financial burden. Building good credit while in school can lead to cheaper



credit after graduation, helping students buy vehicles and rent apartments more easily.

Health Insurance

Before your child leaves, ensure you are not automatically billed for college-sponsored health insurance. Usually, you can include or keep your children on your health insurance policy until they turn 26.

Let Go

Teaching your child the basics of money now will help you let go and see your young adult flourish.

Last Will And Testament

A last will and testament (commonly called a will) is a legal document that details your wishes for how your assets—such as property, money, and personal belongings—should be distributed after your death. It gives you control over your legacy, prevents confusion, and spares loved ones from relying on state intestacy laws, which might not match your preferences.

Key basics of a will include:

- Testator — You, the person creating the will, must be at least 18 (in most states) and of sound mind (understanding the document's purpose, your assets, and beneficiaries).
- Beneficiaries — Individuals, charities, or organizations you name to receive your property. You can make specific bequests and include a residuary clause for remaining assets.
- Executor — The trusted person you appoint to manage your estate, pay debts/taxes, and distribute assets during probate.
- Guardians — If you have minor children, designate a guardian to care for them.
- Validity requirements — The will must typically be written, signed by you, and witnessed by at least two disinterested people (not beneficiaries). Some states require notarization.



A will only covers probate assets; jointly owned property or accounts with beneficiaries pass outside it. While simple wills can be created with online tools, consult an estate attorney for complex situations to ensure enforceability.

Mid-Year Retirement Check Up

As summer arrives, it's a good time to review your retirement savings strategy and make adjustments if needed. Here's a look at some important areas to evaluate:

Your Goals

Consider whether your retirement date, health, and expected spending in retirement have changed. You might be willing to accept a lower standard of living to retire sooner. Alternatively, you may plan to travel more in retirement, which could require additional savings or a later retirement. If your goals are flexible, your strategy should adapt accordingly.

Your Contributions

How much are you putting away toward retirement? Is the amount sufficient to help you reach your financial goals in retirement? If you are coming up short, contribute a little extra to your retirement plan. In 2026, you may contribute up to \$24,500 annually, plus an extra \$8,000 if you are at least age 50. And if you contribute to a 401(k) plan, your contributions are tax-deferred.

Your Investment Mix

Many near-retirees take a more conservative approach with their investments as they get closer to their target date. You might want to consult a financial professional to ensure your investment strategy aligns with your goals, risk tolerance, and timeline.

Your Debt

One effective way to boost your disposable retirement income is to eliminate as much debt as possible before your big day, starting with credit card balances. If you're accustomed to buying a new vehicle every few years, consider keeping it longer after paying it off. The money you save can be used to pay down other debts.

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Your Retirement Income

How much you save for retirement and how much you can spend are two different things. That's because taxes can significantly impact your disposable income. Downsizing your home or even renting can reduce the real estate taxes you'll pay. If you're open to moving, you might consider states with favorable tax policies on retirement income and Social Security payments. Or, if you qualify by income, think about opening a Roth IRA with tax-free withdrawals in retirement.



The attached has been given an 'Approved As Is' status by the Corporate Advertising Compliance Team. Advisors who are interested in using and/or customizing pre-approved materials should ensure an understanding of the **Pre-Approved Communications** section of the **Advisor Compliance Manual** posted on the Resource Center. This section of the compliance manual includes instructions on how to use pre-approved materials and meet the necessary Books and Records requirements.



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 5, 2026

Reference: **FR2026-0217-0225/E**

Org Id: 23568

1. LTM-177 July/August Retirement
Rule: FIN 2210
5 Pages

Our review is based on the understanding that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A). If our understanding is inaccurate, please notify the Department immediately as additional comments are necessary.

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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