

Jim Agostini, CFP®, ChFC®
LPL Registered Principal
DaVinci Financial Designs
5301 N. Trenholm Road
Suite A
Columbia, SC 29206
Office 803-741-0134
Mobile 803-530-5375
jim.agostini@dav-fd.com
www.davincifinancialdesigns.com



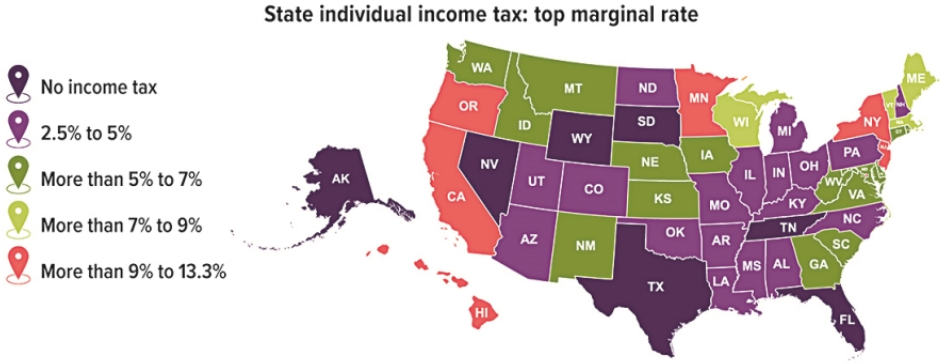
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Number of states that don't have a state or local sales tax: Delaware, Montana, New Hampshire, and Oregon

Source: Tax Foundation, February 2024

State Income Tax Across the Map

Seven states have no state income tax. Of the 43 states with a state income tax (and the District of Columbia), the top marginal income tax rate ranges from 2.5% to 13.3%. Most states (and D.C.) with an income tax have multiple tax brackets with graduated rates; 14 states have only a single tax rate. New Hampshire only taxes interest and dividends, and Washington only taxes capital gains.



Source: Tax Foundation, February 2024

Treasury Yields Hit 17-Year High

As the Federal Reserve raised interest rates to combat inflation, yields on U.S. Treasury securities climbed to levels not seen since before the Great Recession (see chart). Considering how stubborn inflation has been, the Fed may move slowly in decreasing interest rates. So Treasury yields might remain relatively elevated for some time, even though they have backed off recent highs. In the longer term, Treasuries purchased in the current high-rate environment could offer higher yields than new issues, potentially increasing their value on the secondary market.

You might consider holding Treasuries to maturity to add stability and predictable income to your portfolio, or you could purchase them with an eye toward selling if prices rise — or both. Whatever your goals, there are a variety of Treasury securities available, with maturity dates ranging from four weeks to 30 years. Although longer-term securities typically offer higher yields, the opposite has been true during the last two years, in part because short-term Treasuries respond more directly to changes in the federal funds rate, the Fed's primary tool for influencing interest rates. As the funds rate declines, Treasury yields by maturity — called the yield curve — might return to a more typical pattern.

Purchasing Treasuries

Treasuries are sold in $100 denominations and can be purchased as new-issue securities through a Treasury auction, either directly from the U.S. Treasury (treasurydirect.gov) or from a bank, broker, or dealer, or on the secondary market through a brokerage firm.

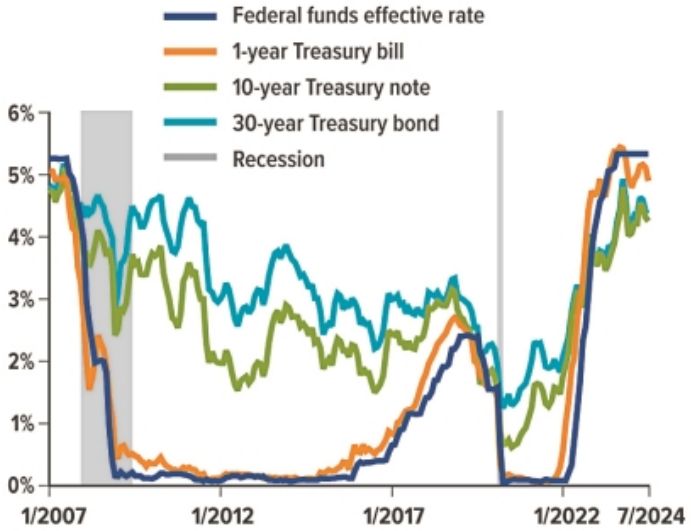
When buying Treasuries (or any bonds), keep in mind that yield is the annual return based on the purchase price and the interest rate paid on the face (par) value, called the coupon rate. When a bond is purchased at face value, the yield is the same as the coupon rate. Treasuries, whether at auction or on the secondary market, are typically sold above or below face value — at a premium or a discount, respectively — to offer a yield in line with the current market. Interest paid on Treasuries is subject to federal income tax but exempt from state and local income taxes.

Treasury bills (T-bills) are short-term securities issued with maturities of four, eight, 13, 17, 26, and 52 weeks. T-bills are sold at a discount from their face value, and the difference between the discount price and the face value at maturity, called the discount rate, is interest paid on the bill.

Treasury notes (T-notes) earn a fixed rate of interest every six months and are issued in maturities of two, three, five, seven, and 10 years. The 10-year Treasury note is often referenced regarding the performance of the bond market and is also used as a benchmark by the mortgage market.

Following the Fed

Yields on short-term Treasuries, up to the one-year bill, generally follow the federal funds rate. Until the rapid increase in the funds rate that began in 2022, longer-term Treasuries offered higher yields, because investors typically demand a higher premium for tying up their cash for a longer period.



Source: Federal Reserve, 2024

Treasury bonds (T-bonds) are similar to T-notes but have a maturity of 20 or 30 years. Like the T-note, they provide an interest payment every six months.

Treasury inflation-protected securities (TIPS) are inflation-indexed bonds with the principal adjusted by changes in the Consumer Price Index (CPI). If the CPI rises, the principal value of TIPS increases, which can be a helpful hedge against inflation. TIPS are issued in maturities of five, 10, and 30 years. (Unless you own TIPS in a tax-deferred account, you must pay federal income tax on the income plus any increase in principal, even though you won't receive any accrued principal until the bond matures.)

Treasury floating-rate notes (FRNs) are issued with a two-year maturity and an interest rate that is adjusted weekly, based on the most recent discount rate for 13-week T-bills. However, interest payments are made quarterly.

U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities fluctuates with market conditions. If not held to maturity, they could be worth more or less than the original amount paid.

If You Don't Have a Will Yet, Why Not?

A will is a fundamental estate planning document. It outlines how you wish your property to be distributed, who should handle matters related to settling your estate, and who you want to care for your children after you pass, among other things.

If you don't yet have a will, you're not alone. According to a recent survey by Caring.com, 64% of Americans think having a will is important, but only 32% have one.[1] There are many reasons people put off drafting a will — here are four that you might relate to.

1. Just haven't gotten around to it

It's easy to procrastinate when it comes to drafting a will. Even if it's something you think you should do, it's probably not high on the list of things you want to do. Perhaps you're uncomfortable thinking about your own mortality, or maybe you're worried about how complicated or costly the process will be.

Focusing on some of the benefits of having a will might give you the motivation you need to get started. A will is a way to make sure your loved ones are cared for and that your last wishes are honored. A legally binding will gives you more control over what happens to your property and helps ensure that your treasured possessions end up in the right hands. You can name an executor or personal representative who you believe will responsibly handle the details of settling your estate. And having a will is especially important if you have minor children and want to protect them by naming a guardian who will best be able to handle the responsibility of raising them.

If making these decisions sounds daunting, there's help available. An estate planning attorney can help address your concerns and guide you through the process.

2. It's not the right time

Too young? Not married? Childless? In good health? Not wealthy enough? People often think it's not the right time to draft a will, but there's no better time than now. Most adults have money or possessions that they would like to leave to someone, and waiting until the circumstances seem perfect is risky. Health problems may come on suddenly, and trying to draft a will at that time can be stressful. Even worse, if you suddenly become incapacitated, it may be too late.

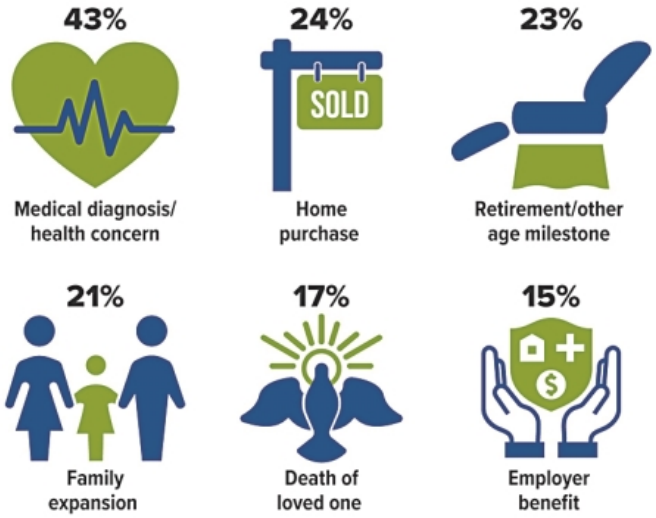
Your life will inevitably change as the years pass, and any will drafted now can (and should) be reviewed and revised occasionally to account for family and financial changes.

3. Don't think it's important

Unless you have personal experience with settling an estate, you may underestimate the consequences of dying without a will (called dying intestate). Decisions will be made by the court on your behalf, and your property will be distributed according to the laws of your state. Who is entitled to your assets will depend on those laws, and handling that when there is no will can be especially complicated, time-consuming, stressful, and expensive for your family.

Motivating Situations

Almost one out of four Americans without a will say that nothing would motivate them to get one. Here are the percentages of those without a will who say these situations would motivate them.



Source: 2024 Wills and Estate Planning Study, Caring.com (multiple responses allowed)

4. Family dynamics are complex

Putting off drafting a will might seem logical when you are facing deep-rooted family issues or complicated situations. Why not just leave it to others to sort out after you're gone? Unfortunately, not having a legal document that outlines your specific intentions can make an already difficult situation worse. Leaving the disposition of your assets up to the court to decide may have unintended consequences for family members and lead to irreparable rifts or even litigation.

A will is only part of an estate plan

Finally, as important as a will is, it's just one component of your estate plan. You may need other legal documents such as trusts, powers of attorney, and advance medical directives to fully address your needs. Ask an estate planning attorney to evaluate your individual situation and help you put a plan in place.

1) 2024 Wills and Estate Planning Study, Caring.com

Can You Put the Brakes on Rising Auto Insurance Premiums?

When your auto insurance policy renews, chances are that your premium will be going up, possibly by a lot. Rates vary by state and location, but nationwide, premiums increased more than 20% between May 2023 and May 2024.[1]

Higher vehicle prices and repair costs (including parts and labor), more accidents, a rising number of fraud cases and lawsuits, and severe weather events have affected the bottom line of insurers, leading to across-the-board rate hikes. That's not good news for your wallet, but there are still steps you can take to help make your premium more affordable.

Review your coverage. A good time to review your auto policy is before it renews, but you can make coverage changes or shop for new insurance at any point. Auto insurance rates vary greatly from company to company, so shop around. While price is important, you'll also want to select a financially sound company that offers great customer service. If you're happy with your current insurer, call the company or your agent to explore additional ways to save money.

Try to avoid downgrading to the minimum coverage required by your state. That could leave you financially vulnerable if you have an accident. If your vehicle is leased or financed, you'll likely be required to maintain a certain level of insurance.

Look into discounts. These vary by state and insurer but may include discounts for low annual mileage, insuring multiple vehicles or bundling policies with the same company, installing anti-theft or other safety devices, completing driver training courses, and having a safe driving record. Some insurers offer discounts for participating in a usage-based (telematics) program that uses driving statistics uploaded from an app or tracking device to adjust rates based on driving habits.

Raise your deductible. You may be able to save money by choosing the highest deductible you can afford. Your deductible is the dollar amount you agree to pay out of pocket if you have an accident that is your fault. According to the Insurance Information Institute, raising your deductible from $200 to $500 could save you 15% to 30% on collision and comprehensive coverages, while raising it to $1,000 could save you 40% or more.[2]

Get quotes when car shopping. Before deciding on a vehicle, find out how much it will cost to insure — certain makes and models will be more expensive. For example, premiums for electric vehicles may be substantially more than for gas-powered vehicles, in part because repair costs are higher. The vehicle's value, age, safety record and features, and where it will be located may also affect your premium.

1) U.S. Bureau of Labor Statistics, 2024

2) Insurance Information Institute, 2024

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