



## GRIFFIN FINANCIAL PLANNING QUARTERLY NEWSLETTER

Q2 2024

Thursday, April 25th, 2024



### Life Update

Hey, everyone! If you're new here, this may be your first newsletter of mine. If you've been a client for awhile, or this is your first newsletter, welcome! Plan to receive these quarterly.

Exciting news: We're pregnant! Kaci and I have always dreamed of being parents and this means a lot to us. We're expecting our first baby in October 2024 and are absolutely ecstatic. No news yet on whether it'll be a boy or girl, but you'll find out!

A large portion of my spare time (if there is such a thing) has been spent growing my faith and walking alongside others! I sponsored my cousin coming into the Catholic Church this past Easter and it was a joy to see her experience first hand. Kaci and I have both been busy on different committees/groups and are thankful we have our Catholic faith as the central point of our lives.

I know a lot of you look forward to what DIY project we're doing next at our house. In late April we installed a fence in our backyard with some friends and that was a blast! Now all attention is being focused on the nursery with pictures to come!

### CONTENT

Life Update - 1

Market Update - 2

Disability Insurance - 2

Traditional or Roth? - 3

Critical Illness Plans - 3

Contact Info - 3



Kaci and I at St Stephen the Martyr's annual Dinner and Auction. It was Casino-themed!



My brother, Noah, and I at the Easter Vigil service at St Columbkille in Papillion, NE where my cousin came into the Church!

# Disability Insurance Tips



The month of May is Disability Insurance Awareness Month. I'm not a fan of most of these "awareness month" topics, but disability insurance is near and dear to my heart.

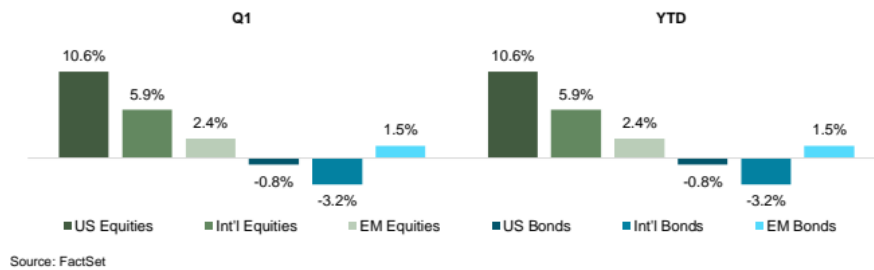
Here are some tips I'd recommend you considering for your financial plan:

- Many employers offer disability insurance to their employees either at no cost or a small cost. A lot of people opt into it but aren't aware of what it actually covers. Ask your HR Department for an explanation of benefits (EOB) or a copy of your policy and read what it covers/doesn't!
- In those work policies, they often cap your benefit at 60% of your current income. Many families cannot afford to survive on 60% of their income if they had to. Individual disability insurance policies (through the companies I represent) can help add extra benefit (often 15-25% of your pay) **IN ADDITION TO** your work benefit.
- There are certain riders available for individual policies. Here is a short list of some and when they may make sense:
  - True Own Occupation Rider: this rider helps define the definition of disability specific to your current job. It is often seen in the medical industry when doctors/nurses/PAs etc. have their own disability insurance policies.
  - Return of Premium Rider: this rider allows you to get some of your money back (often 80%) if you end up not becoming disabled. This comes at a cost and is often helpful for those who are comfortable spending more now, knowing they may recoup it on the back end.
  - Cost of Living Adjustment (COLA) Rider: This rider allows your benefit to increase at a certain amount (often 3%) to help keep up with the cost of inflation.

Ultimately, knowing that your financial plan is in a good place means reviewing things like your insurance policies to know your risks are being mitigated. If you want help reviewing yours, I can help!

# Q1 Market Review

Returns as of March 31, 2024



**Stocks sprang to new highs led by surprising economic resilience and strong corporate profits, while bonds experienced a modest downturn as interest rates rose after markets scaled back interest rate cut expectations.**

Global equities kicked off 2024 with a bang. Within global equities, US stocks led the pack with 10.6% returns, its best quarter since 2019, and notched 22 new record highs along the way. Unlike 2023, the market rally broadened in 2024. In 2023, a narrow group of technology stocks, primarily tied to artificial intelligence, called the Magnificent 71, contributed nearly 60% of S&P 500 annual gains of 26.3%. In 2024, their contribution fell to 41% of the 10.6% gains, while the other 493 stocks contributed 59%. In international equities, better-than-expected progress on inflation in Europe and a weaker yen, paired with optimism from corporate governance reform in Japan, led to new highs for European and Japanese stocks. The developed international region as a whole gained 5.9% for the quarter. While the US and developed international markets set new records, emerging market equities trailed with a 2.4% gain as strong gains in Taiwan, India, and Korea offset losses in China.

Within US markets, all sectors except real estate were positive for the first quarter. The market rally broadened as sectors beyond technology, such as financials, energy, and industrials, also enjoyed double-digit gains and outperformed the S&P 500 index, while defensive sectors, such as utilities and consumer staples, lagged.

Across size, bigger stocks did better and, within style, growth continued to outperform value. Large caps (S&P 500) rose by 10.6% and outperformed small caps (S&P 600), which only rose by 2.5%. This divergent performance can be attributed to the fact that the small-cap index has a lower weight of technology stocks. Finally, across style, the Nasdaq, a heavy growth and technology-oriented index, gained 9.3%, while the Dow Jones 30, a value-oriented index often synonymous with dividend payers, was up 6.1%.

Bond investors suffered modest losses as interest rates rose following scaled-back expectations for interest rate cuts. US bonds fell 0.8% in the first quarter of 2024. Lower quality bonds, such as high yield, were surprisingly resilient on strong fundamentals and gained 1.5%. Finally, across other asset classes, commodities and gold gained while REITs fell. Gold, viewed as the ultimate safe haven asset, gained 7%, driven by increased purchases from central banks, rising concerns over geopolitical conflicts, and anticipated Federal Reserve interest rate cuts. Lastly, rate-sensitive REITs came under pressure and fell 1.3%.

## Traditional or Roth? Which contributions make sense?

Every year around tax time we have many conversations with folks about tax breaks. Often, the conversation about their 401(k) comes up. Within retirement accounts, you often have the opportunity to either make pre-tax contributions or post-tax (Roth) contributions. Let's look at the two.

TRADITIONAL 401(K)	ROTH 401(K)
<ul style="list-style-type: none"> <li>• <b>Contributions</b> are made <b>pretax</b>, reducing your current taxable income</li> <li>• <b>Distributions</b> in retirement are taxed as ordinary income</li> <li>• <b>Withdrawals</b> of contributions and earnings are taxed</li> <li>• May be rolled over to a traditional IRA with no tax payment</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Contributions</b> are made <b>after tax</b>, with no effect on current taxable income</li> <li>• <b>Qualified distributions</b> in retirement are not taxed</li> <li>• <b>Withdrawals</b> of contributions and earnings are not taxed under certain circumstances</li> <li>• May be rolled over directly to a Roth IRA with no tax payment</li> </ul>

Making contributions into the Traditional 401(k) give you the opportunity for a tax break today. However, that tax break may not always be what you need/are looking for. Remember, a tax break today means you pay the taxes when you're spending in retirement. Some people believe they will owe less in taxes when retired than what they're currently paying. That tax break may make sense in that situation. But if your situation is reversed, it may not make sense. The Roth 401(k) contribution may be a better fit if you feel you're going to pay more in taxes in retirement than what you're paying today.

Again, this is not tax advice, just meant to spark curiosity. If you're interested in discussing more, reach out to us about your situation.



**Calen Griffin**  
Financial Planner

C: (402) 871-2085

E: calen.griffin@mutualofomaha.com



**Annalee Sorensen**  
Administrative Assistant

P: (402) 509-3678

E: annalee.sorensen@mutualofomaha.com

## Scared of Heart Attack/Stroke/Cancer?

Ever since the COVID-19 pandemic, people have been much more cognizant about their health. I've had several clients make large, sweeping life changes to better their health. I'm not a health coach, so I'm not writing to give you workout or diet advice.

Mutual of Omaha offers a suite of products to help provide lump-sum cash payments in the event you're diagnosed with a list of covered medical diagnoses. See below for a screenshot from our client brochure:

### Product Options

1. Critical Illness Insurance Policy
2. Cancer Insurance Policy
3. Heart Attack/Stroke Insurance Policy

### Focus on Your Treatment, Not Your Finances

A one-time, lump-sum payment is sent directly to you to help cover out-of-pocket expenses not covered by your health insurance plan. Use the funds to cover:

- Lost income
- Ongoing living expenses; mortgage, utilities, groceries, etc.
- Home health or childcare services
- Travel to treatment facilities
- [Health insurance deductibles and copays]

Please reach out if you're interested in seeing the cost to cover you and your family!