

# LIFE & MONEY

The Bodnar Financial Quarterly Newsletter



## Talkin' 'bout my generation

By John Bodnar, CFP®

"The greatest wealth transfer in modern history has begun."

So begins an article in *The Wall Street Journal* last month. Americans aged 70+ control more than a quarter of all U.S. wealth, and Baby Boomers and older Americans are expected to give away \$70 trillion between 2018 and 2042. And yes, that's trillion ... with a "t."

Roughly \$61 trillion will go to heirs—millennials and Gen Xers—with the rest going to charity.

But people aren't waiting until death to give money to younger generations. As some of us know from experience, today's parents and grandparents are helping with school tuition, day care, car payments, down payments on homes, and more.

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**THE PROFESSOR AND  
THE MADMAN**

The total amount of wealth being handed down for these purposes is impossible to know. Since the IRS typically doesn't get involved unless a gift exceeds \$15,000, these "smaller gifts" are not counted in the \$75 billion in annual gifts reported to the IRS in 2016.

Inheritances and gifting between generations can bring a fresh start to those paying off loans, stability to those starting families and buying homes, and freedom to take risks in starting new work ventures and businesses.



Of course, for the giver, gifting money is a balancing act. Giving away too much too soon can come at the expense of your retirement. Can you afford to give it away early? How much is enough? How can you minimize taxes? Does your approach make sense for the life goals of the recipient? The answers look different for every person and family.

Estate planning is more than a will, living will, and power of attorney (POA). If you'd like to explore your inheritance and gifting options, call the office.

Let's do the math and figure out if you can afford to start handing down wealth during your children's and grandchildren's peak life-building years, while they are still finding their way and not at their peak earning potential—and while you are still alive to enjoy watching them put it to good use.

## SAVE THE DATE!

Want to learn more about gift and estate planning? Join us to hear about the basic rules and latest updates to both in 2021. Capacity is limited, so please RSVP to secure a seat. Friends are welcome!

**WHAT:** Client Seminar on Inheritance and Gift Planning Strategies in 2021

**WHEN:** Tuesday, October 12 at 6PM

**WHERE:** Park Avenue Club, 184 Park Ave, Florham Park, NJ 07932



## Meet Jane, our new client services rep!

Jane is the newest addition to our team and will be helping with all client services needs and requests. She joins us after more than 20 years providing HR and employee relations expertise to national firms, including 13 years as senior administrator and labor relations manager at AT&T.

Jane and her husband Michael are celebrating their 27th wedding anniversary this month (8/5/94), and share two wonderful sons, Michael and Connor.

## What we're reading...

Every quarter, we compare notes on who is reading the most interesting book. Jackie wins this round with the fascinating origin story of the greatest achievement in the history of the English language—the making of the Oxford English Dictionary.

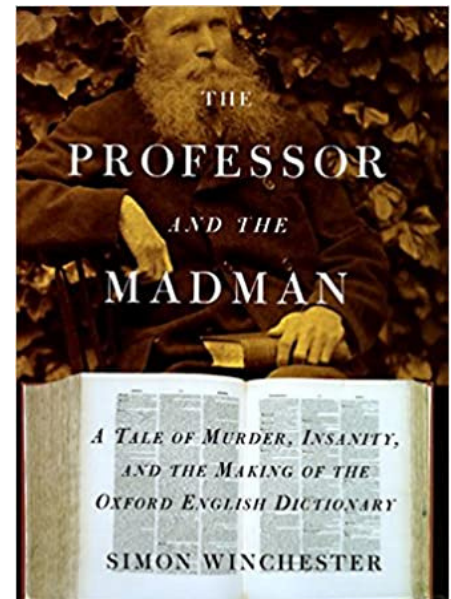
If you're skeptical a book about dictionaries could be a page-turner, consider this: it all begins with a murder, and the author details the case using government files previously locked away for more than a century.

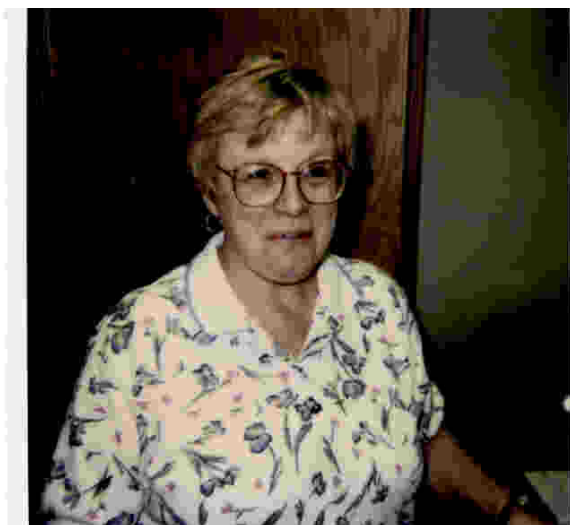
The Oxford English Dictionary uses quotations from published works to illustrate the history and use of every single word. To achieve this seemingly impossible task, Prof. James Murray, the editor of the project, appealed to the public to write quotations on paper slips and mail them to the Scriptorium.

More than 10,000 quotations were submitted by a single man, William Chester Minor, an American surgeon who had served in the Civil War. They wrote to each other for nearly 20 years. Every time Murray invited Minor to visit Oxford, his offer was mysteriously refused. Finally, Murray set out to visit him. The carriage pulled up to a brick mansion and he was led into a book-lined study, where a man sat behind a mahogany desk. Murray assumed the man was Minor. He was so, very, wrong.

*"There was a brief pause, a momentary air of mutual embarrassment. A clock ticked loudly. There were muffled footsteps in the hall. A distant clank of keys. [T]he man behind the desk cleared his throat, and spoke... 'It is not at all as you suppose. I am in fact the Governor of the Broadmoor Criminal Lunatic Asylum. Dr. Minor... has been a patient here for more than 20 years. He is our longest staying resident.'"*

*The Professor and the Madman* is an extraordinary tale of madness, genius, and obsession. If you love words, true crime, and stories of random encounters that change the course of history, this is for you.



*Jeanne Boes*

## Key financial dates

**September 15:** Deadline for 2021 federal and NJ third quarter estimated tax payments.



**September 30: Jeanne's last day at Bodnar Financial.**

**October 1:** First day to file the Free Application for Federal Student Aid (FAFSA) for 2021. Some colleges award on a first-come, first-served basis.

**October 1 – November 1:** Open enrollment season begins! Time to review your employer benefits, including health, 401(k), disability, life, and more.

**October 15:** Tax extension deadline. Medicare open enrollment begins (and ends Dec. 7). If you want to make changes for your 2022 coverage, this is the window to do it.

**Ongoing:** New Jersey opened a new COVID-19 Special Enrollment Period for eligible residents to enroll in a health plan through the end of 2021. Those who qualify can enroll right away and coverage will start on the first day of the month following a plan selection.

## CONTACT US

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