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Inside This Issue

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GROW TRUST partners

Our name says it all.

Fall 2021

Wealth Building Strategies While Raising A Family

Raising a family is rewarding and expensive. Consider taking these steps to support your family financially through a program of smart investing.

Building a career and raising a family requires management skills. Juggling your time, priorities, and money now while planning for the future can be daunting. Saving now to send your kids to college, take care of your parents as they age, and pursuing a comfortable retirement can be challenging.

Savings alone may not be enough.
Saving part of your monthly income is the first step toward building wealth, but with current interest and inflation rates, saving may not be able to do the job on its own. After putting aside enough cash for an emergency fund, you may want to consider investing in a diversified set of investments such as stocks, bonds, mutual funds, real estate, and more. We can show you how to match your investment portfolio to your tolerance for risk, your age, your goals, and your income to help you build your wealth.

Start with building your retirement nest egg. Most often, parents put their children's future first by building a college fund. While this is certainly important, preparing for retirement should take precedence. Your children have options that you don't. Your kids can use a combination of savings, loans, and scholarships to attend college. You must live on Social Security and the wealth you've accumulated. The last thing you want is to depend on your children's financial support when they begin working and you stop.

Use the tax code to help build wealth.
If you're covered by a qualified employer retirement plan, not only should you consider making the largest contributions you can afford, you should make sure the money is invested in assets with the potential to provide long-term growth. If you are self-employed or not covered at work, consider an Individual Retirement Account (IRA) and/or Self-Employed 401(k), preferably self-directed ones, to hold your investment portfolio. Not only are contributions tax-deductible each year (subject to income and contribution limits), but all your earnings are tax-deferred until you start making withdrawals. You can delay withdrawals until age 70½, giving you many years of tax-deferred growth potential.

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Take advantage of other tax breaks. While contributions to a 529 education savings plan are not deductible from your taxes, growth is tax-deferred, and if used for qualified educational purposes, withdrawals are tax-free. Your employer may offer tax-advantaged benefits like cafeteria plans. As your wealth grows, consider if it's appropriate to allocate money into investment vehicles like tax-free municipal bonds*, Treasury Inflation-Protected Securities, whole life insurance, Real Estate Investment Trusts (REITs), and qualified annuities, to name a few.

Be a good parent, and be good to yourself. How you invest your money is critical to the financial health of you and your family

Source/Disclaimer:

*Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risks.

Qualified accounts such as 401(k)s and traditional IRAs are accounts funded with tax deductible contributions in which any earnings are tax deferred until withdrawn, usually after retirement age. Unless certain criteria are met, IRS penalties and income taxes may apply on any withdrawals taken prior to age 59½. RMDs (required minimum distributions) must generally be taken by the account holder within the year after turning 70½.

Prior to investing in a 529 Plan investors should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary.

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Growtrust Happenings

Here at Growtrust Partners, we have created our very first Internship Program. Interns at Growtrust will be engaged with both general job responsibilities & project activity in a fast-paced environment. They also will build knowledge of relationship management techniques while further developing their analytical and communication skill sets.

Growtrust Partners has four goals for interns: Academic Application, Career Development, Personal Development, and Skill Development. To kick-off our internship program, we hired Kip (KJ) Haverdink as the 2021 Summer Intern. KJ, a student at Bethel University, assisted our team with numerous projects while he interned from May until mid-August. If you know of a college student interested in interning (Summer 2022), please have them email a resume to our internship coordinator- Teresa Datema (Teresa@growtrust.com)

Our colleague and LPL Financial Advisor, Geoffrey Sadek, CFP®, has completed his MBA journey at the University of Chicago- Booth School of Business. Geoff graduated this past summer with his MBA and we couldn't be prouder of his accomplishment!

The Growtrust Partners team is growing with the addition of LPL Financial Advisor, Ron Dangler. Ron has been in the financial services industry for over 30 years. He earned a Bachelor of Science degree from Northern Illinois University and is an Honorary Alumnus of Central Michigan University. He is a member of the Leukemia and Lymphoma Society and a past President of the Grand Rapids Optimist Club.

Ron believes in a consultative and relational approach to investing – he works hard to listen to all his client's needs and goals in order to understand their complete financial picture.

Outside of the office, Ron enjoys spending time with his wife, Jean, and their three children and six grandchildren. Ron has been a resident of the Ada/Cascade area for over 30 years and is an active member of his local church and community. When he's not serving his clients, you may find him biking, doing water sports, traveling, or cooking up a batch of his award-winning chili.

Valuable Verbiage

Child Tax Credit

The child tax credit is a tax benefit granted to American taxpayers for each qualifying dependent child. Designed to help taxpayers support their families, this credit has been greatly expanded by the American Rescue Plan Act of 2021. It is estimated that the new rules will reduce by 45% the number of American children living in poverty.

The child tax credit decreases taxpayers' tax liability on a dollar-for-dollar basis. The recent legislation increased the maximum annual credit from $2,000 per child (under 17) in 2020 to $3,000 per child (under 18) or $3,600 (children younger than 6) for 2021.

Social Security Tip

3 Ways to Get Social Security Benefits:

- Retirement benefits– To qualify for Social Security benefits, you generally need to have worked for at least 10 years. The SSA assigns "credits" to your paid taxes– for 2021, you earn one credit for every $1,470 in earnings, with a maximum of four credits earned each year. Most people will need 40 credits before they can claim Social Security retirement benefits. If you delay retirement beyond these limits (up to age 70), you will receive increased Social Security benefits, up to 32% more. You can also choose to start collecting Social Security benefits as early as age 62, but your benefits will be reduced.
- Survivor benefits- For your family to receive survivor benefits, you'll need to have earned at least six Social Security credits in the three years before your death. Eligibility for survivor benefits requires that:
  - ◇ Surviving spouse is at least 60 or older
  - ◇ Surviving spouse is 50 or older and disabled
  - ◇ Surviving spouse is caring for your child who is younger than 16 or disabled
  - ◇ Children who are younger than 18
  - ◇ Children younger than 19 and enrolled in elementary or secondary school
  - ◇ Children over 18 who are severely disabled
  - ◇ Your surviving parents if they were dependent on you for at least half of their support
- Disability benefits– You only qualify for Social Security disability benefits if you are severely disabled with a condition that entirely prevents your working-and is expected to last a year or longer or result in your death. You must also have earned enough credits to receive payments. You also need to have been working at the time the disability began.

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Growtrust Partners Newsletter –Fall 2021

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Fall Salad with Cranberry Vinaigrette

Ingredients:

- 1/2 cup cider vinegar
- 1/4 cup cranberries
- 1/4 cup olive oil
- 2 teaspoons white sugar
- 1/8 teaspoon kosher salt
- 1 pinch freshly ground black pepper
- 2 heads romaine lettuce– rinsed, dried, and torn into bite-size pieces
- 2 medium heads Belgian endive-washed, dried, and chopped
- 2 red Anjou pears
- 1/2 cup toasted walnuts, chopped
- 1/2 cup crumbled Gorgonzola cheese

Directions:

- In a saucepan, combine vinegar and cranberries. Cook over medium heat until cranberries soften. Remove from heat; add olive oil, sugar, salt, and pepper. Place in blender and mix until smooth. Refrigerate until chilled.
- Core and julienne one pear, core, and dice the other.
- In a large bowl, combine the Romaine lettuce, endive, diced pears, walnuts, and Gorgonzola. Toss and drizzle with enough dressing to coat.
- Divide among salad plates and garnish with julienned pear. Top with any additional walnuts as well. Enjoy!