

You've had a baby!



Congratulations

Congratulations on the birth of your child. As new parents, you have many new responsibilities, including a lot of hefty financial obligations. Right now, you're concentrating on immediate expenses like cribs, strollers, car seats, clothes and diapers. While those costs can be a heavy burden, it's important that you not lose sight of important longer-term financial responsibilities, such as providing for the financial needs of your family and building a fund for your child's education.

Now more than ever before, you owe it to yourself—and your growing family—to take control of your financial future.

Now's the time to act

Many people put off thinking about investing and life insurance until "another day." However, as a new parent – with other people now counting on you – procrastination is no longer an option. By exploring your investment options now, you take advantage of a very powerful ally – time. The sooner you begin investing, the longer you'll have for funds to accumulate. And by considering life insurance alternatives now, you'll avoid a harmful trap – the cost of waiting. Delaying too long to purchase life insurance may put your insurability at risk, and the cost of premiums may become prohibitive. Now more than ever before, you owe it to yourself – and your growing family – to take control of your financial future.

The value of life

If you own a car, you surely have auto insurance. If you own a home, you probably have a homeowner's policy. Also, most individuals see the wisdom of having health insurance for themselves and family members. Regrettably, life insurance is too often overlooked. While others have just group coverage obtained through the workplace, on average, they carry the lowest amounts of life insurance. Not to mention group life is temporary; it generally ends when your

job does. That's a potentially risky situation for uninsured or underinsured individuals and their survivors.

With the new expenses that you're coping with, you can truly appreciate the value of your income. If you or your spouse were to pass away, would the survivors be able to maintain the standard of living that they have today? If the answer is no, you should consider life insurance for you and your spouse. The proceeds from life insurance would pass to your beneficiaries free from federal income taxes without the costs and delays of probate. Life insurance benefits could help your family to meet final expenses, make mortgage or rent payments so that loved ones could remain in the family home, pay future education expenses and help your family continue its standard of living.

In addition to insuring the lives of yourself and your spouse, you should also consider purchasing life insurance for your child. Since premium rates are primarily based on age, the premium will probably never be cheaper, and owning a policy helps protect the future insurability of your child. If you opt for a permanent policy, such as interest sensitive whole life, the policy has a cash value component that has the potential for long-term accumulation.

Financial Wellness & Education

Ready for school?

It may be hard to imagine now, but in just a few short years your newborn will be headed off to school. And if you have private school in mind, the bills that accompany an education are in the near future as well. Looking further down the road, most parents want their children to attend college. A college education can be a rewarding experience, filling students with wisdom and enhancing their lives. Moreover, a college degree can offer the potential of a better career, a higher income and an enhanced standard of living. Now, while your child is still young, is the best time to accept a harsh fact of life – sending your child to college will be expensive.

While this reality can be worrisome, college remains within reach for most Americans given the availability of loans, scholarships and tax-advantaged investment opportunities. To ensure that your little one (and you) will be ready for school, it's essential to get an early start. Help from your uncle

Help from your uncle

To help meet educational expenses, it's best to take advantage of special funding vehicles that receive favorable tax treatment from Uncle Sam:

Education Savings Accounts (ESAs) – These accounts offer tax-deferred growth and tax-free withdrawals for qualified educational expenses, such as tuition, books, etc. (Distributions that exceed education expenses will be taxable to the beneficiary and subject to a 10 percent penalty tax.) A key feature of ESAs is that they're not just for college. Funds can be withdrawn tax-free to pay for qualified expenses at any level – primary, high school, college and graduate. ESAs also offer a wide range of investment options, making them an attractive choice for many parents who want to build a fund for their child's education.

529 Plans – These state-administered investment vehicles have no income limits and offer high contribution limits, tax-deferred accumulation and tax-free withdrawals for qualified education expenses at accredited colleges and universities. In some states, contributions are deductible from state income taxes. It's best to first consider your home state's plan to see if you'll benefit from this state tax deduction and if the plan meets your needs.

Benefit from our experience

Foresters Financial Services, Inc. provides everyday families and individuals with financial solutions, guidance and tools, to meet their needs across all life stages. Our Financial Representatives offer personalized service combined with a solid, long-term approach and fresh thinking to help you:

- Save and invest for retirement, education and other life events
- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

Together, we can help you achieve financial and family well-being—now and tomorrow, this generation and the next.

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