

Personal Finance



Safeguard Your Online Legacy

Estate planning isn't just about physical possessions and financial assets, it also includes your digital assets.

As our lives become increasingly intertwined with the online world, it's essential to recognize the importance of including digital assets like cryptocurrency, online accounts, NFTs and digital media in your estate planning strategy.

It has become an essential element of comprehensive financial and personal planning in the digital age. By taking proactive steps to document, protect and communicate your digital wishes, you ensure that your online legacy is managed according to your intentions, providing peace of mind for both you and your loved ones.

DEFINITIONS

Digital assets encompass a wide range of online properties. Cryptocurrency holdings can include your Bitcoin, Ethereum or other digital currency investments. Online accounts can include social media, email and online banking accounts. Digital media encompasses photos, videos, documents and creative works stored digitally.

PLANNING

Start by creating a comprehensive inventory of your digital assets. Include account



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details, access credentials and any encryption keys for cryptocurrency. Document any specific wishes or instructions regarding the management or distribution of these assets. U.S. Bank says assets might include social media accounts, subscription services, email accounts, online banking accounts, credit card accounts, utility accounts, contact lists, shopping accounts, photo and

video sharing and storage accounts, smartphone data, computer data, cloud data, existing digital collections, personal websites or blogs, domain names, cryptocurrency keys and intellectual property.

Designate a trusted individual to act as your digital executor, responsible for managing and distributing your digital assets according to your wishes. Ensure they have access to the

necessary information. Consult an attorney experienced in estate planning to help navigate the legal aspects of digital asset management. Laws regarding digital assets can vary by jurisdiction and are continually evolving.

Implement robust security measures for your digital assets, including strong passwords, two-factor authentication and encryption. Regularly

update and maintain these security protocols.

SPECIFIC CONSIDERATIONS

For cryptocurrencies, provide clear instructions on accessing cryptocurrency wallets, including keys and passwords. Regularly update the value of your cryptocurrency holdings to ensure accurate estate planning.

Some social media platforms offer memorialization options that allow designated individuals to manage your accounts after your passing. Specify whether you want your online accounts to be deleted or preserved as a digital legacy.

Consider the preservation of personal digital media like photos, videos and documents. Some individuals choose to create digital archives or donate their creative works to libraries or institutions. Review privacy settings and permissions for online accounts and digital media. Decide who should have access to what, and under what circumstances. Smart phones often have ways to designate a survivor who will be able to access the data on your phone or unlock your phone in the event of your death.

Estate plans should evolve with your digital presence. Regularly review and update your digital asset documentation and wishes to ensure they align with your current situation. Store your digital estate plan in a safe place such as with your attorney, at an online storage platform or in a fire-proof, waterproof file cabinet or safe.

Consider Collectibles

The road to wealth isn't solely paved with stocks and bonds.

For those seeking alternative investment avenues, the world of collectibles offers a unique and potentially lucrative path. Traditional collectibles have included rare coins, stamps, vintage toys and art.

Investing in collectibles offers an enticing blend of passion and profit potential. It invites you to explore history, culture and creativity while potentially building wealth over time. By taking the time to research, network and carefully manage your investments, you can navigate the world of collectibles with confidence and embark on a rewarding financial journey.

TYPES OF COLLECTIBLES

Rare coins have long been cherished for their aesthetic appeal and their investment potential. Collectors and investors alike are drawn to the historical significance and rarity of certain coins. To start, research and educate yourself on numismatics, the study of coins and currency and consider joining collector forums or seeking advice from experts.

Stamp collecting, or philately, is another alluring world of collectibles. Rare stamps with historical significance or printing errors can fetch substantial sums at auctions. As a beginner, start with a niche you are passionate about, such as postal history or thematic collections.



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Consult stamp catalogs and network with other collectors to gain insights into this investment field.

Vintage toys can be nostalgic treasures and lucrative investments. Classic toys from renowned brands or limited-edition releases tend to appreciate in value over time. Begin by identifying your niche, whether it's action figures, dolls or board games. Attend toy conventions, explore online marketplaces and assess the condition and rarity of items before making investments.

Investing in art transcends mere aesthetics; it's a financial

endeavor with the potential for significant returns. While it's a competitive field, it's not exclusive to the super-rich. Start by visiting local galleries, attending art fairs and learning about different artists and art movements. Consulting art experts or advisors can help you make informed choices.

GETTING STARTED

Before diving in, research and educate yourself about your chosen category. Understand its history, market trends and the factors that affect its value. Join collector communities, attend events

and engage with seasoned collectors. Networking can provide valuable insights and opportunities to acquire rare items.

Set a clear budget for your investment. Determine how much you're willing to allocate and stick to it. Remember that collectibles can be illiquid assets, so ensure you have funds available for other financial needs. Properly store and maintain your collectibles to preserve their condition and value. Invest in protective measures like climate-controlled storage for art or archival-quality holders for coins and stamps.

Diversify your collection to mitigate risk. Avoid putting all your investment capital into a single item or category. A diverse collection can provide stability in an ever-evolving market. Periodically assess the value of your collectibles through professional appraisals or by tracking market prices. Knowing the worth of your assets is essential for making informed decisions.

For substantial investments or if you're relatively new to collecting, consulting with financial advisors or collectors with expertise in your chosen field can be invaluable.

Early Retirement Goals

With the traditional retirement age fading into the background, the FIRE movement has ignited a blaze of financial freedom.

The FIRE movement stands for “Financial Independence, Retire Early. Investopedia describes it as a movement of people dedicated to extreme savings — sometimes as much as 70% of what they make — and of evaluating every expense in terms of how many working hours it takes to pay for it.

THE FIRE FORMULA

The FIRE formula is: Save aggressively and invest wisely. FIRE enthusiasts aim to accumulate a nest egg that can sustain their desired lifestyle, allowing them to retire decades before the traditional retirement age.

Achieving FIRE often involves saving a large portion of one’s income. It could mean saving 50% or more of earnings, directing these funds towards investments rather than lifestyle inflation. Investopedia says that when proponents of this philosophy have a savings that is 30 times their yearly expenses, they retire. To cover living expenses, they make small withdrawals from their savings, typically around 3-4% of the balance yearly.

FIRE achievers carefully invest their savings in vehicles designed to maximize returns,



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such as low-cost index funds and tax-efficient strategies. Compound interest plays a significant role in accelerating their wealth accumulation. It is a lifestyle that encourages frugality. Practitioners prioritize spending on essential needs while cutting back on non-essential expenses.

Many FIRE proponents maintain side hustles or develop passive income streams to bolster their savings rate and provide financial security during early retirement. Early retirees must consider health care costs. Some leverage

Health Savings Accounts (HSAs) or explore health care-sharing ministries to cover medical expenses.

FIRE VARIATIONS

Investopedia said there are three variations that have evolved depending on the lifestyle choices people make.

Fat FIRE is for those who have a high income. This is for people who make substantially more than the average worker and who want to maintain a traditional lifestyle. They do so with aggressive savings and investment strategies.

Lean FIRE is for those who will adhere to a very strict minimalist living style and extreme savings. These people typically live on \$25,000 per year or less.

Barista FIRE adherents only partially retire. They keep part-time jobs that provide health insurance and use some of their savings without dipping into retirement funds.

GETTING STARTED

Define your FIRE number. Calculate the amount of money you need to achieve financial independence and retire early based on your desired lifestyle.

Create a budget that aligns with your savings goals and identifies areas for potential cost-cutting. Increase your savings rate by reducing discretionary spending and directing those funds toward investments. Learn about investment options and strategies that can help your money grow efficiently.

Maintain an emergency fund to cover unexpected expenses, ensuring your long-term financial plan remains intact. Consult with a financial advisor or planner who specializes in FIRE to create a personalized strategy.

Side Hustles

In today's ever-evolving job market, many individuals are exploring creative ways to augment their income.

Whether a person is looking to achieve financial goals, pursue a passion or simply enjoy a bit of extra financial security, side hustles have become a popular avenue for bolstering finances. A side hustle is any work outside your primary job that lets you complement your main source of income.

According to Bankrate.com, 39% of Americans have a side hustle, with Sidehustlenation saying that half of millennials have a side hustle and 70% of Gen Zs are looking to start one. They further say that the average side hustle brings in \$1,122 per month if 12 hours are devoted to it, though LendingTree said the average side hustle is more likely to bring in \$473 a month or \$5,700 per year.

Upwork lists the most popular freelance jobs as writer, web developer, data analyst, graphic designer and programmer. One of the most profitable (and time consuming) side hustles is real estate sales.

Mastering side hustles is about finding the right fit for your skills, interests and schedule. Whether you're looking for a part-time income boost or aiming to turn your



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passion into profit, the following side hustle ideas offer a diverse array of opportunities.

ONLINE TUTORING

With the rise of online and remote education, tutoring has taken a digital leap. Subjects like math, language and science are in high demand and platforms like Zoom and Skype make it easy to connect with students. Whether you're an expert in a particular subject or fluent in a foreign language, online tutoring can be a rewarding and lucrative side gig.

HANDMADE CRAFTS

For the creatively inclined, turning your hobby into a profitable venture is a dream come true. Creating unique items such as jewelry, candles or home décor and selling them on platforms like Etsy can be a fun way to channel your creativity profitably.

PET SITTING/ DOG WALKING

Pet owners often need reliable care for their furry friends. Offering services such as pet sitting, dog walking or even pet grooming can be a

fulfilling and profitable side hustle, especially if you're an animal lover.

FOOD DELIVERY DRIVER

The gig economy has given rise to a plethora of food delivery opportunities. With apps like UberEats, DoorDash and Grubhub, becoming a food delivery driver is as easy as signing up and hitting the road. It's a flexible way to earn extra income on your schedule.

VIRTUAL ASSISTANT

Businesses and entrepre-

neurs often need assistance with tasks like email management, scheduling and administrative work. Becoming a virtual assistant allows you to work remotely and offer your services to multiple clients.

HOME RENOVATION OR REPAIR SERVICES

Offering home renovation or repair services can be a lucrative endeavor. From fixing leaky faucets to remodeling bathrooms, there's always a demand for skilled tradespeople. Make sure you are properly licensed and insured.

Tax-Efficient Investing

In the world of investing, taxes are an ever-present reality.

However, with strategic planning and a keen understanding of tax-efficient strategies, investors can significantly reduce their tax liabilities, ultimately bolstering their overall returns.

Tax-efficient investing helps to build and preserve wealth. It is a way of minimizing tax liabilities and allowing investments to grow more efficiently over time. Remember that tax laws can change, so ongoing vigilance and professional guidance are key to successful tax-efficient investing.

SELECTION AND STRATEGIES

Select investment funds that are designed with tax considerations in mind. Index funds and exchange-traded funds (ETFs) are known for their tax efficiency, as they typically generate fewer capital gains compared to actively managed funds.

Strategically allocate your investments across various account types such as taxable, tax-deferred and tax-free accounts. Different assets have different tax characteristics, so placing tax-inefficient investments in tax-advantaged accounts can help reduce your overall tax burden. Consider tax-managed funds, which are actively managed but with a focus on minimizing taxable distributions. These funds employ strategies like selective selling of securities to reduce capital gains.

Tax-loss harvesting involves strategically selling investments that have incurred losses to offset gains in your portfolio. By doing so, you can minimize your taxable income and potentially reduce your tax bill.

Holding investments for the long term can qualify you for favorable tax rates on capital gains. Assets held for more than one year are typically subject to lower capital gains rates, incentivizing a patient approach to investing.

Consider investing in municipal bonds, which often provide tax-free interest income. Municipal bonds issued by your state of residence may offer additional state tax benefits.

Contribute regularly to tax-advantaged retirement accounts like 401(k)s and IRAs. These accounts offer tax

deductions or tax-free growth, helping you build wealth while deferring taxes to retirement.

Avoid frequent trading within your investment portfolio as it can trigger capital gains taxes. Adopt a buy-and-hold strategy to reduce the frequency of taxable events.

GETTING STARTED

Seek advice from a tax advisor or financial planner with expertise in tax-efficient investing to develop a personalized strategy.

Diversify your investment portfolio to spread risk while considering tax implications of each asset class. Keep abreast of changes in tax laws and regulations that may affect your investment strategy. Periodically assess your portfolio to identify opportunities for tax-efficient adjustments, such as rebalancing or tax-loss harvesting.

Research and select funds with a history of tax efficiency and low turnover. Implement a tax-efficient strategy from the outset to avoid unnecessary tax consequences in the future.



Travel Hacking

Thrifty travelers have uncovered the secret world of travel hacking.

Advanced tips and strategies have emerged for using credit card rewards, miles and loyalty programs. These tools can unlock affordable globetrotting.

Many of these techniques require a higher level of dedication and organization, but the pay-off can be rewards such as international first-class flights and luxury hotel stays.

Remember, though, responsible credit card use and adhering to program rules are paramount to successful travel hacking.

CREDIT CARDS

Beyond initial sign-up bonuses, experienced travel hackers strategically select credit cards that align with their travel goals. Some cards offer higher rewards for specific categories like dining, travel or groceries. By diversifying their card portfolio, travelers maximize their earning potential.

Credit card churning involves opening and closing credit card accounts to take advantage of welcome bonuses multiple times. While this strategy can be lucrative, it requires meticulous planning and responsibility to manage multiple cards effectively and ensure you close them out before an annual fee is charged. Also, Forbes warns that a pattern of opening and closing credit cards is a red flag for many

credit card issuers. It's also important to know that this technique can affect your credit rating because it lowers the average age of your accounts, increases the inquiries into your credit history and changes your credit utilization amount. Also, many banks have rules and policies that discourage credit card churning.

Advanced travel hackers employ manufactured spending techniques to meet minimum spending requirements

for sign-up bonuses without increasing their actual expenses. Techniques like buying gift cards or using prepaid cards require a deep understanding of rules and regulations.

Nomadic Matt says the ideal travel credit cards should have a large welcome bonus, a low spending minimum, an added category spending bonus, special travel perks and no foreign transaction fees. He stresses that it is important to pay off balances every month.



enhance the travel experience. Savvy travelers leverage status matches and challenges offered by airlines and hotels to quickly attain elite tier benefits without the typical qualifying requirements.

Monitoring airline and hotel promotions is an art form. Earning bonus miles or points during limited-time promotions can significantly boost your travel rewards balance.

Travel hackers adeptly use point transfer options and conversion techniques.

Converting points between loyalty programs or transferring miles between airlines can unlock valuable redemption opportunities.

GETTING STARTED

Familiarize yourself with credit card terms, conditions and loyalty program rules. Misusing rewards programs can lead to account closure and loss of points.

Organize your portfolio and maintain meticulous records of your credit cards, rewards, and accounts to manage your travel hacking strategy effectively. Continuously monitor travel forums, blogs and newsletters to stay up-to-date on the latest promotions and hacks. Plan your trips strategically, keeping an eye on award availability and peak travel seasons.

Use cards with high rewards for everyday spending categories to accumulate points faster. Consider using travel hacking tools and apps that can help you track rewards and find optimal redemption options.

REWARD PROGRAMS

Frequent flyers often choose loyalty programs affiliated with different airline alliances strategically. This flexibility allows them access to a broader range of routes and destinations while capitalizing on partner benefits. Some travel hackers recommend signing up for at least three airline loyalty programs.

Elite status perks, such as priority boarding and lounge access, can significantly