

YOUR SWS TEAM UPDATE!

It's hard to believe we're already halfway through the year. June brings longer days, a slower pace, and a chance to focus on what matters most. At SWS, we're celebrating a season of growth this summer, having welcomed **five** new full-time team members: Megan Yadusky, Mason Chestang, Delaney House, Caroline Alford, and Jacob Mejan (pictured left to right). As we settle into summer, it's a great time to refocus on the financial habits that support long-term stability and success, no matter where you are in your journey.



In today's dynamic and challenging financial environment, many savers and investors are concerned about their ability to properly save and utilize their hard-earned money. Successful savers understand the value of revisiting key foundational strategies that are vital for helping achieve financial stability and long-term wealth.

Maintaining a successful financial lifestyle can incorporate proficiency in several key areas, including having an overall grasp of your finances, understanding the basics of your income and expenditures, using credit and debt sense, and knowing how to save and invest your hard-earned dollars.

We believe an educated client is our best client. We know that your financial journey can be enhanced with proper knowledge, strategic planning, and a commitment to setting and following long-term goals.

Volatility and uncertainty will always be a part of an investor's journey. Seasoned investors always make time to recap and remember smart money management techniques. While there are many strategies that could help you reach your financial goals, we feel that every investor, regardless of their age, work status, or income, will benefit from reviewing the following fundamentals.

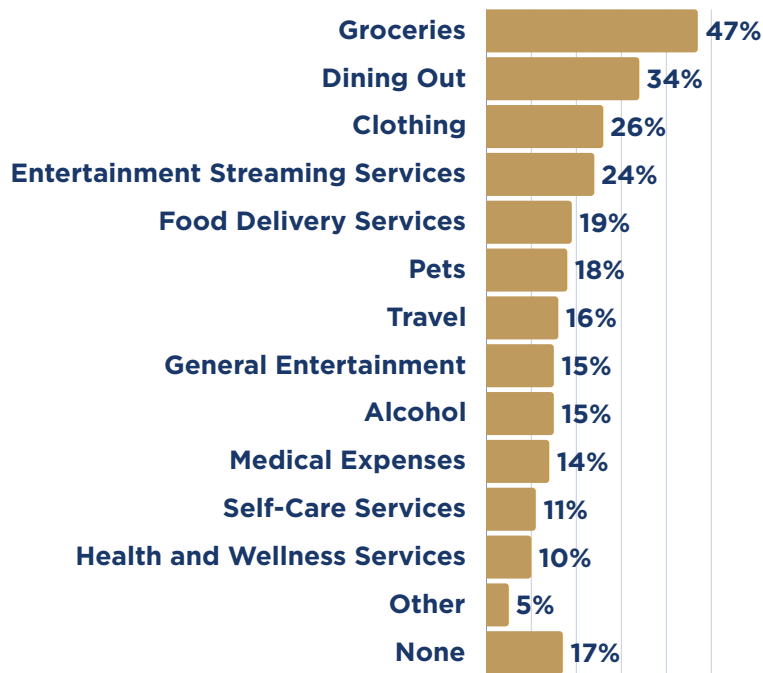
INVESTING IS A LONG-TERM COMMITMENT

First and foremost, we believe investing is a long-term commitment. Many people turn to equity markets to build wealth in their retirement or personal portfolios. Regardless of your specific goals, equity investing should always be approached with a long-term perspective. Historically, equities have rewarded those who stay invested over time. Seasoned investors understand the difference between "investing" and "trading": investing is a long-term strategy, while trading is short-term and carries greater risk.

Having a long-term mindset allows investors to better manage the emotional impact of market volatility. During periods of uncertainty, those who remain focused on their long-term goals typically feel less stress and anxiety than those who react to short-term market movements. Experienced investors know the value of tuning out media noise and staying committed to their financial plan.

As financial professionals, our role is to help clients build strong, long-term investment strategies that reflect their time horizon and risk tolerance.

OVERSPENDING CATEGORIES



Source: NerdWallet Survey of 2,070 Americans conducted online March 31-April 4, 2023, by The Harris Poll. Source: NerdWallet Respondents could choose more than one answer.

UNDERSTANDING THE IMPORTANCE OF A BUDGET

A sound budget that is adhered to can take the guesswork out of your incoming and outgoing cash flow. It can help you plan for future purchases, determine what you need to put aside to reach savings goals, and understand what money you need to allocate toward daily living expenses.

Do you have a vacation or event you need to plan for in the next 12 months? Having a personal budget will help you determine how much and at what frequency you'll need to put funds aside for that trip or event. Seeing these figures in a tangible way can help make the decision whether you need to buy a "nice, but not necessary" item you are considering easier. In creating your budget, you may discover many adverse spending habits that you didn't even know you had. Many people are first introduced to the concept of saving at an early age when they were given their first dollar of allowance. Creating and following a spending plan

that accounts for current and future income and expenses seems easy, right? While the concept may seem simple, this is the one area that most people find themselves going off track, let alone forgetting altogether. Thomas Jefferson once noted, "Never spend your money before you have earned it". Back then, he probably never imagined how easy it would be to spend money with the swipe of a card or click of a button that we are tempted with today.

How many hopeful savers have devised a budget at the beginning of the year only to see it fall by the wayside before the first quarter even ended? According to a recent finding by WalletHub, over 86% of Americans have a budget. However, according to NerdWallet, a report highlights that 83% of Americans, even those who have created a budget, admit to overspending. To make the spending snowball even larger, many use credit cards to cover the overspending, thus incurring interest charges.

The easiest part can be to create a budget; the hardest part is sticking to it. Staying passionate about your financial goals and keeping them consistently at the forefront of your mind can help you stick to your plan when tempted to unnecessarily spend.

AVOID DEBT

Now more than ever, it's very easy to spend "imaginary" money. What used to take time with writing a check at the counter, we can now simply be done by swiping a debit card or digital wallet in a second. What wasn't available to us if we didn't have cash, is now at our fingertips with credit cards and digital pay options. But not without a cost - it can take only a few seconds to rack up thousands of dollars of unnecessary debt and interest charges.

As Ramsey fans, we believe in the power of the Baby Steps to build lasting financial peace. This seven-step plan starts with saving a \$1,000 emergency fund and paying off debt using the debt snowball. From there, you build savings,

AVERAGE CONSUMER DEBT BALANCE IN 2024

Mortgage	HELOC	Student Loan	Credit Card	Auto Loan/Lease	Personal Loans	Total Average
\$252,505	\$45,157	\$35,208	\$6,730	\$24,297	\$19,014	\$105,056

invest for the future, and pay off your home. Each step helps you avoid debt and take control of your financial future. Incurring personal debt or taking loans with high interest rates can be one of the quickest ways to slow down or even stop any forward progress toward your financial goals. Avoiding debt is critical for preventing financial headaches that immediate gratification of even the best purchase cannot solve.

MAINTAIN AN EMERGENCY FUND

According to NerdWallet's 2023 consumer budgeting report, emergency savings and investments are on the top of Americans' financial priorities. An emergency fund can help buffer life's unexpected turns. These funds should be dedicated to assisting you in the event of unplanned necessary expenses or financial emergencies. For example, the loss of a job, unexpected home repairs, or emergency medical bills. You may be tempted, but remember, these funds are not to be used for travel excursions or for impulsive purchases.

I'm sure most of us have heard the saying, "pay yourself first". This doesn't mean buying that new featured item that your social media algorithm has incessantly advertised. It means setting aside an allotted percentage of your paycheck each month into savings or the emergency fund. Many savers also take the opportunity to advance their efforts by setting aside a portion or all of their tax refunds into these accounts.

While income, necessary monthly expenditures, dependents, and lifestyles can differ, a good strategy for every saver is to aim for having at least three to six months' worth of expenses saved in case of an emergency.

AVOID LIQUIDATING EQUITIES TO PAY FOR LARGER EXPENSES

Do you anticipate a big purchase, such as buying a car in the near future? Are you hoping to pay cash for this car? Do you have a trip or vacation planned? Are you doing some remodeling in your home?

Planning to have appropriate cash reserves for these larger expenditures is more strategic than keeping your fingers crossed hoping that your investments will rise and be the best source of funds the day you need them. Liquidating your investments at the wrong time can prove to be costly. Successful investors try to be intentional when it comes to funding large expenditures.

LIVE WITHIN YOUR MEANS

The best savers live within their means. In tune with keeping a budget and not going into debt, living within your means is easier said than done.

A good exercise is to write down your must-have expenses, such as housing, food, gas, medications and utilities. Don't forget to add a line for your savings and emergency fund. Then write down your non-negotiable "want but don't necessarily need" items, such as streaming subscriptions. Ideally, the total cost of your necessary items should leave you some savings and breathing room. If you're finding yourself putting more and more on your credit cards and are unable to pay them off every month, you're not living within your means. Successful savers and investors monitor their spending habits and think about the future.



"Do not save what is left after spending. Spend what is left after saving." - Warren Buffett

ENJOY YOUR LIFE!

After all this discussion about diligently saving, it may seem a bit impossible to actually enjoy the money you have in the present day. Benjamin Franklin coined the famous phrase, “A penny saved is a penny earned.” But don’t forget that your hard-earned money should be enjoyed as well. Being diligent is important, but after you have accumulated a reasonable amount of savings, try not to eliminate all personal enjoyment just to squirrel away a few extra dollars. For some, this means finally taking that bucket list vacation or simply cultivating and enjoying their favorite hobby. For others, this could mean spoiling their grandchildren, investing in experiences or pursuing meaningful philanthropic work.

Remember, money allows you freedom, choices, and opportunities to enjoy your life.



As stewards of the resources God has entrusted to us, may we continue to approach each financial decision with wisdom, gratitude, and faith. Whether we are budgeting, saving, giving, or investing, each choice is an opportunity to reflect our trust in Him and our commitment to managing His blessings well. Even small, intentional steps can honor the Lord and create a lasting impact for generations to come. May we live each day in a way that leads to, “Well done, good and faithful servant” (Matthew 25:21), trusting not in wealth, but in the One who provides it.

KEEP YOUR COMPLETE FINANCIAL FUTURE IN VIEW

The most important step toward financial success is having a strategy. The next is sticking to it. As the steward of your wealth, we’re here to support you throughout your journey.

If you’d like to review your overall financial picture, we can discuss it at your next meeting or schedule a time to connect. Every client’s situation is unique, and we tailor our recommendations to your individual goals.

Our objective is to understand the goals of our clients and then create plans to address those goals and needs. As always, we appreciate the opportunity to assist you and your financial matters. If you have any questions or concerns, **please call us at [919.803.0035](tel:919.803.0035).**

WE WANT TO SERVE OTHERS LIKE YOU!

BECOME AN SWS AMBASSADOR AND JOIN US FOR SPECIAL EVENTS & PRESENTATIONS*

THREE WAYS TO QUALIFY:

- **Add someone to our newsletter mailing list**
- **Introduce someone to our team of CERTIFIED FINANCIAL PLANNER® Professionals**
 - **We offer complimentary initial consultations!**
- **Invite us to speak at an FPU or another group you care about**

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