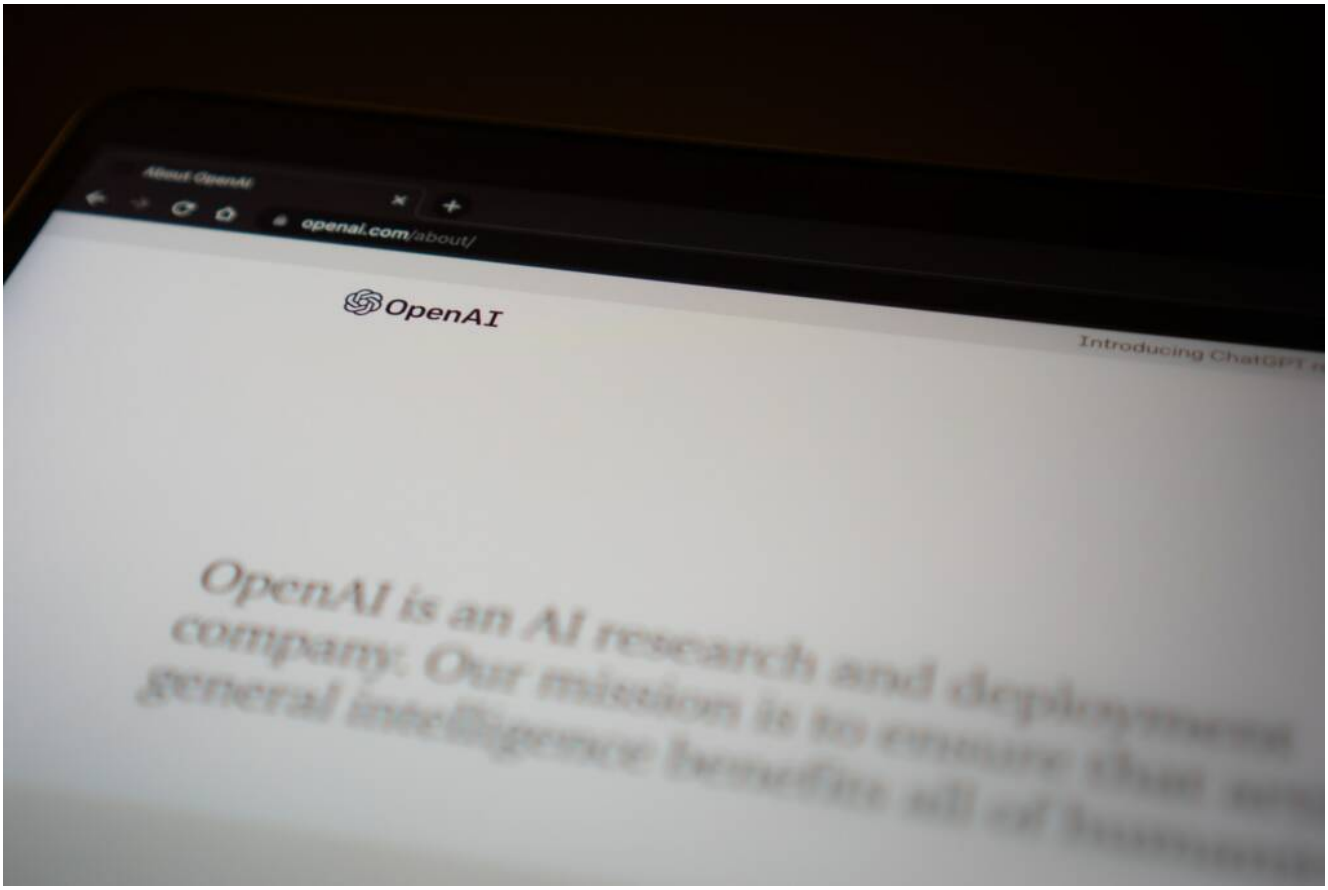
Where does AI Fit In your life?



There’s been so much chatter about potential drawbacks of AI like ChatGPT and Google Bard that many people are overlooking how AI can improve certain aspects of their lives. From automating mundane tasks to performing more efficient internet searches, there are almost limitless applications for these services – if you know how to get the most out of them.

This brief guide to AI will give you a better understanding of what AI can and can’t do, as well as prompts you can try to free up some valuable time at work and at home.

What AI does well.

You’re probably familiar with the most common use case for AI: ask ChatGPT or Bard a question or give it a topic to write about, and it composes a reply of around 500 words. AI is also

very good at summarizing longer text, proofreading, and translating. Another group of AIs, such as Midjourney, can create pictures and songs based on prompts. Computer programmers and website designers can also use AI to generate computer code and troubleshoot errors.

What AI doesn’t do well (yet).

Ask ChatGPT, “Which country won the 2023 Women’s World Cup?” and it replies, “I’m sorry, but I do not have information on events that occurred after my last knowledge update in September 2021.” Some AI can supplement their answers with up-to-date internet searches, but results still need human oversight to check for accuracy.

While AI is good at searching its available databases, finding patterns, and providing basic answers, it doesn’t have the ability to “think” about what you’re asking it. Nuance and context can get lost, as can the need for an emotional response such as empathy or humor. Because it’s just scanning for information, AI also doesn’t really have the ability to judge or make decisions about the information it’s providing. Leading questions with baked-in biases are going to lead the AI to find information that confirms those biases.

Finally, much of the writing AI produces reads like it was written by, well, a computer. Again, AI output needs that human touch in order to speak in your brand’s voice or to reflect your unique personality.

A.I. for Business

Having said that, AI text can still make for a pretty decent rough draft.

Ask AI to write your next blog, email campaign, or a series of social media tweets. For better results, ask the AI follow-up questions or break down long topics into smaller prompts. If you’re a travel agent and ask AI, “Write a blog about why the

Grand Canyon, Yellowstone, and Niagara Falls are good vacation destinations," you'll get about 500 words. If you ask about each place one by one, you'll get about 1500 words to work with.

AI is also a great brainstorming partner. Ask it to help you draft a business plan or come up with blog topics that will appeal to your customer niche.

Entrepreneurs and CEOs who really want to turbocharge growth should consider connecting more specialized AI tools to their marketing and customer acquisition pipelines. Work with a third-party consultant or add a Chief AI Officer to your c-suite.

A.I. for Home

Is your meal rotation getting stale? Tell GPT what's on your usual shopping list and it will whip up a new weekly menu, including recipes.

Not making the best use of your mornings? Ask ChatGPT to help you create a new morning routine with time for eating, exercise, and some peace and quiet.

Need activity suggestions for your kid's birthday party? ChatGPT will give you a list and draft the invites.

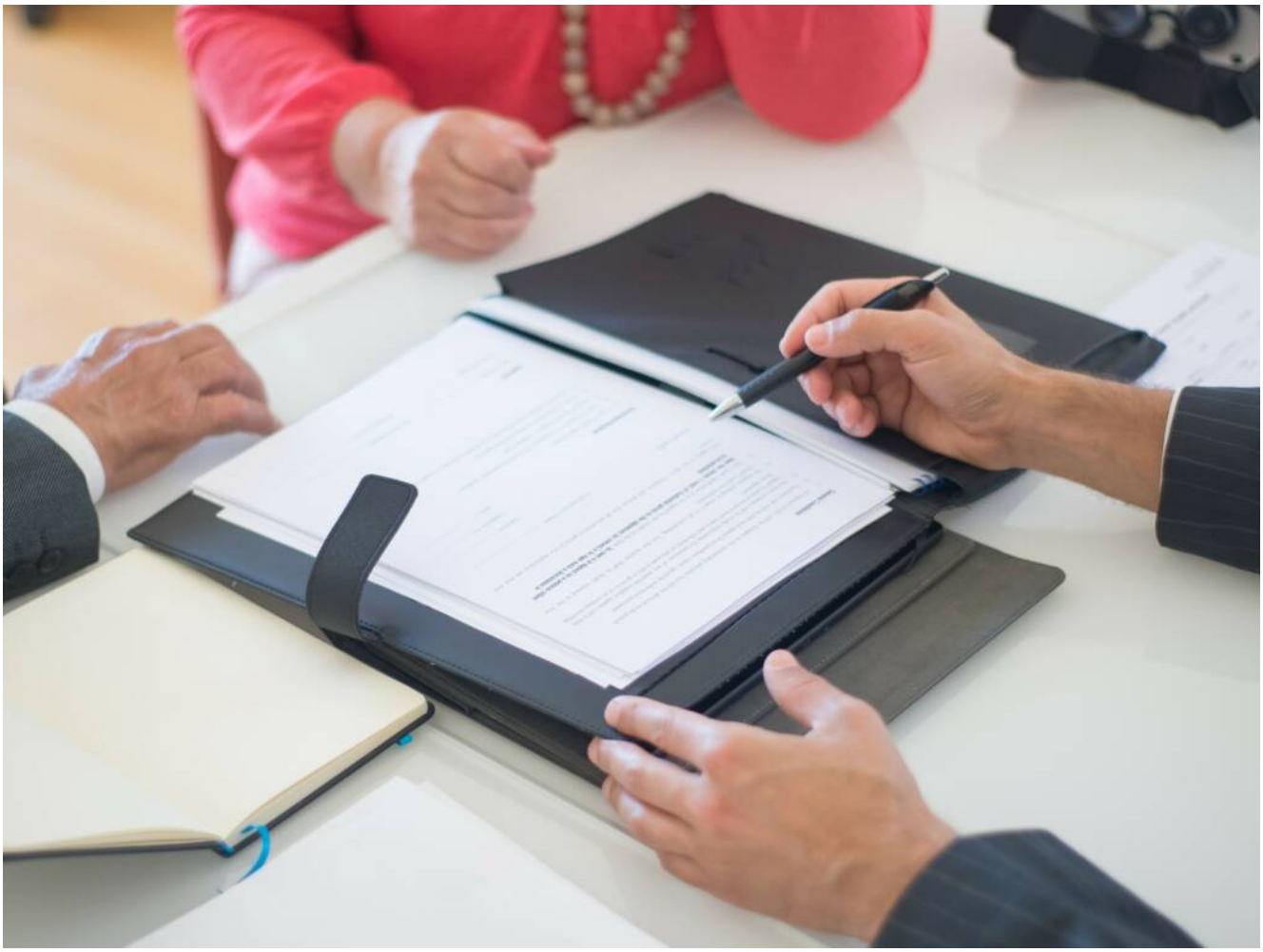
Looking for accurate and up-to-date financial advice?

Step away from the chatbot.

AI might be able to tell you what a Roth IRA is. But it won't be able to tell you how each piece of your financial plan works together to create a better plan for your life.

Let AI handle some of the small stuff. For answers you can trust about the big moments when life and money intersect, give us a call.

Ensure Your Life Wishes Are Granted Through Effective Estate Planning



Legacy planning is often the last piece folks tackle in their financial planning because it’s the least appealing to think about.

Planning for a robust nest egg that will keep you safe, secure, and fulfilled when you stop working? Fun!

Deciding what to do with your assets when you’re no longer around to enjoy them? Not so much.

But if you put off your legacy planning too long, you run a real risk of leaving behind nothing but headaches for your loved ones. It feels like the least important item on your to-do list until it becomes the most important and you can't do anything about it.

Here's a quick checklist that will help you and your spouse outline a legacy plan that will protect your assets, care for each other in the event of incapacitation, and give you both some peace of mind.

1. Create a balance sheet.

Maybe the best way to ease into this process is to set aside emotion for a moment and get the raw numbers on paper.

Start by adding up all your assets, including:

- Real estate
- Personal valuables (vehicles, jewelry, etc.)
- Bank accounts
- Investment accounts
- Retirement plans (401(k), IRA, pension, etc.)
- Business interests (ownership, equipment, etc.)
- Benefits payable upon death (life insurance, Social Security, etc.)

From this total, subtract your liabilities, such as:

- Credit card debt
- Mortgage
- Vehicle loans
- Personal loans

This simple balance sheet should give you a rough idea of your net worth. It will also give you a list of items you'll want to consider passing down to heirs, and a list of debts you might want to work on paying down.

2. Determine what plans you have and what plans you need.

At the bare minimum, everyone should have:

- **Last Will and Testament**, which details how you want your assets distributed to heirs and charitable organizations.
- **Power of Attorney**, which authorizes someone of your choosing to act on your behalf if you're incapacitated.
- **Health Care Directive**, which details what kind of care you want should you become incapacitated.
- **Living Will**, which authorizes someone to make medical decisions for you if you can't, based upon what's stipulated in your health care directive.

Any of these documents that you don't have, you should get working on.

If you have any older versions of these documents that you haven't looked at in a few years, you should review them to make sure they're up to date.

3. Discuss your legacy wishes with your spouse.

Now comes the tough part – filling in all the blanks.

Like every other part of your retirement planning, clear and open communication with your spouse is key. If you're having trouble opening this line of dialogue, here are some questions to get you started:

- *Do we have all our important documents (personal ID, bank accounts, legacy documents, etc.) organized in one place?*
- *Who should execute our will?*
- *Who are our key beneficiaries? What do we want to leave them?*
- *What charities or causes would we like to support with our legacy?*
- *What are our medical wishes in the event one or both of us become incapacitated?*

- *If one of us passes, where will the surviving spouse live?*

4. Meet with professionals.

Again, we understand that these are difficult questions to tackle. Many folks prefer to tell themselves, *"I won't be around, I don't care, the good kid will take care of it."*

Unfortunately, your state of residence doesn't consider this a legal estate plan. If you don't have all your essential documents in order when you pass, the state will settle your estate according to local law. In even the closest families, this process can get really messy once the courts start deciding where your assets will end up.

We believe that part of living the best life possible with the money you have is putting a plan in place that will extend your legacy for years to come, while also making a difficult time a little bit easier on your loved ones. The best way to achieve this goal is to work through these hard questions and then bring a "rough draft" of your legacy plan to us.

If you're not sure where to start, we have a process for thinking through and asking these hard questions with you. We can help finalize any lingering details, facilitate any challenging discussions, and connect you with legal professionals who will make sure your legacy is executed the right way when the time comes.

This article was prepared for Aaron Larson's use.

What March Madness Can Teach Us About Your Financial Plan



Who’s the “Cinderella” team you have busting brackets in this year’s March Madness?

Everyone loves a good underdog story, but the history of the Big Dance tells us that the clock strikes midnight more often than not. There are more than 350 schools in Division 1 men’s basketball. But 60 of the 84 National Championship games played since 1939 have been won by only 15 teams, headed by perennial powerhouses UCLA (11 titles), Kentucky (8), North Carolina (6), and Duke (5). A hot streak might propel a surprise school through an extra round or two of the tournament. But much like a solid financial plan, schools that have consistently built their programs for the long run tend to get the best results.

Here are three more traits of successful teams that can make your financial program a consistent winner.

1. Good coaching.

In the middle of the "madness" are young men trying to make the best decisions on a huge stage under unimaginable pressure. The teams that come out on top usually have a coach who can cut through the noise, bring out the best in his players, and keep everyone focused on the big goal. For UCLA, that was the legendary John Wooden, who won more titles as a coach (10) than any other coach – or team!

For your family, we'd like you to think of us as your "financial coach." You can rely on our expertise and experience to guide you through everything from market volatility to major life transitions. And we can use our WaterRock Way process to reevaluate your financial goals and keep you progressing towards them.

2. Balanced players.

While all-time great players like Kareem Abdul-Jabbar, Magic Johnson, Larry Bird, and Michael Jordan have all left their marks on the NCAA Tournament, no one wins the championship by himself. The best teams have players who complement each other, fill in each other's weaknesses, and give their coach flexibility to adjust to different challenges through every stage of the tournament.

We help folks achieve a similar balance in their financial plans. A diversified portfolio can provide options and some stability when the markets are unsettled. You'll also have more levers to pull if you need to make a major adjustment to your financial plan, such as buying a new home, paying for college, or making an unexpected early transition into retirement.

3. Strong defense.

Does defense really win championships?

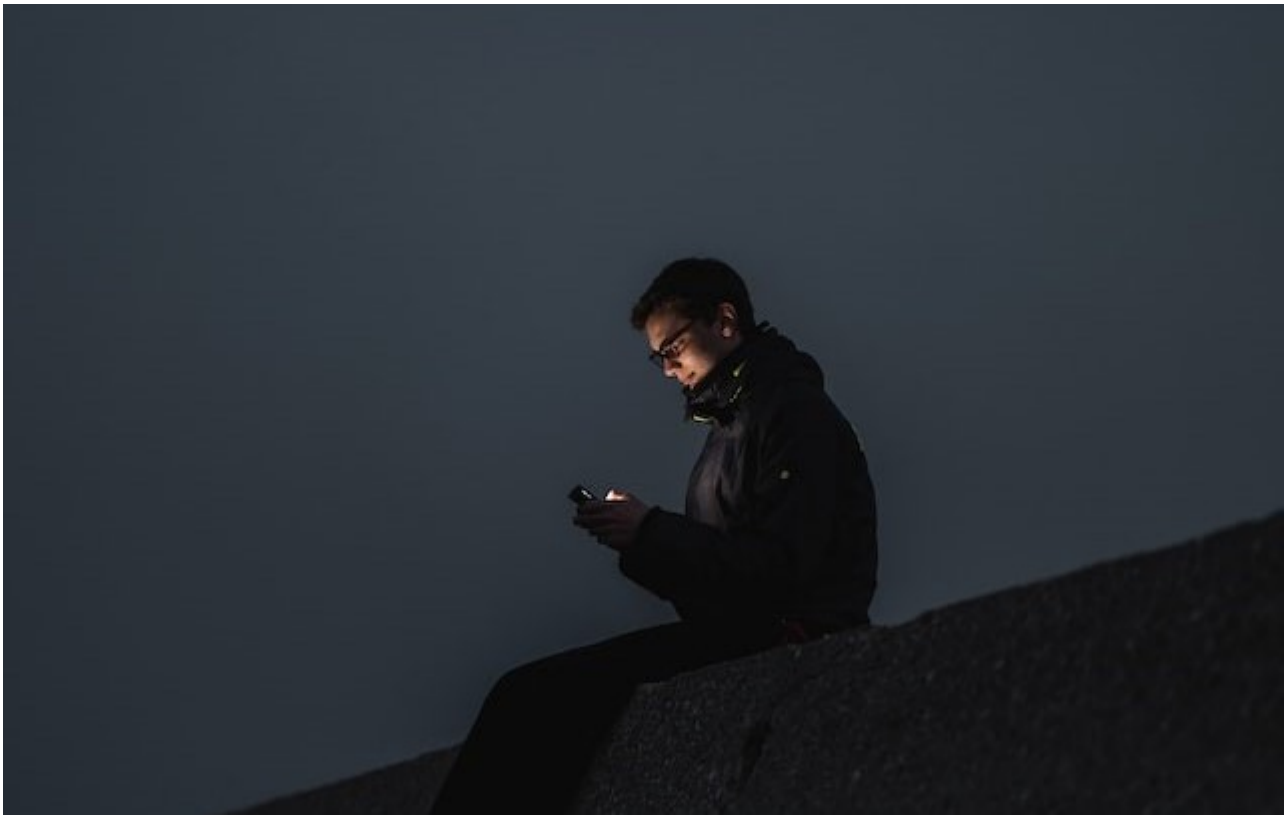
According to a 2018 study by the NCAA, a team's offensive efficiency is actually more important to its success in March.

But in 2021, the Harvard Sports Analysis Collective found that the most successful teams also tend to have smaller gaps between their offensive efficiency and their defensive efficiency. In other words, the best teams don't just outscore their opponents, they also have the ability to protect their leads and lock down games when it matters the most.

You can think of earning and investing your money as the offensive part of your financial game plan. Protecting your wealth is the defensive part. In addition to balanced saving and investing strategies, it's common in our planning process to create "emergency buckets" that can cover 6-12 months of your expenses in a pinch. We also tie insurance and estate planning into your plan so that you, your loved ones, and your money are better positioned for life's ups and downs.

Sports contain many valuable life lessons, but your financial planning is more important than any game. And we're confident that our process can help you pursue something bigger than any trophy: a confident financial future.

Does FOMO Hold You Back?



What are you missing out on?

Probably not as much as you think.

But in our hyper-connected world with its 24/7 news cycle, the Fear of Missing Out (FOMO) has made many people focus more on what they're not doing than on what they are doing. That can lead to some bad decisions and missed opportunities to improve your quality of life.

Here are three ways that FOMO can distort your perspective on what's really important.

Losing perspective on your portfolio.

The vast majority of investors who build wealth through the markets do so by making consistent contributions to a balanced, diversified financial plan. That might not sound as exciting as jumping on the latest social media investment craze. But over time, this experienced strategy is a lot more feasible than trying to take shortcuts.

For example, the "meme stock" craze boosted shares of GameStop

and AMC in 2021. But those companies came crashing back down to earth in 2022. And while all securities experience ups and downs, many folks suffering from FOMO "bought high" right before the meme stock bubble burst or overinvested in these trendy stocks instead of diversifying into traditional brokerage or retirement accounts.

Will some of these FOMO investments rebound and turn profits over time? Maybe. But if you treat investing like a slot machine, you may "miss out" on the ability to build a strong foundation for long-term financial growth.

Losing perspective on your time.

According to Statista, in 2022 the average person spent 147 minutes per day on social media. Some of that time educates us about what's happening in the world, connects us with friends and family, and brings an extra smile to our coffee breaks.

But a big chunk of those 147 minutes is spent seeing other people do things that we're not doing. Not surprisingly, more and more scientific studies are finding a link between high social media use and FOMO. And when we're looking at exquisite snapshots of meals we can't afford or tropical vacations we can't find time for, that can lead to feelings of low self-worth and even depression.

Rather than worry about what everyone else is doing, it might be worth reexamining your own daily schedule to make sure you're spending time on the things that are most important to you. If you've always hated running, training for a half-marathon just because your friends are will only make you — and them — miserable. Instead, consider unplugging at the beginning or end of every day to do something you love, whether that's half an hour of yoga or reading an extra bedtime story to your children. Using your time your way will be much more fulfilling than eating food you don't really like, planning for a trip you don't really feel like taking,

or buying a boat you'll never drive enough.

Losing perspective on Life's milestones.

As we age, FOMO can take on some complicated new dimensions. Seeing colleagues promoted ahead of you might make you worry that you've peaked in your career. Market fluctuations and global economic challenges might make you worry about the security of your retirement. Packing your kids off to college might make you worry about missing out on their lives.

Acknowledging, planning for, and celebrating all the important moments in your life is an essential part of our Planning Process. Looking back on the milestones you've crossed should fill you with pride and gratitude. Hopefully, those feelings can help you stay focused on the personal goals that you've plotted in the future and the financial plan we're working on together that will help you to pursue them.

This article was prepared for Aaron Larson's use.

Don't Let the Stock Market Spook You



As if the Halloween season isn’t scary enough, ongoing market volatility has been unsettling investors. But much like the temporary frights, you experience when walking through a haunted house, navigating the market’s ups and downs is all part of the journey towards a better financial future.

Answer these three questions and the things that go BOO! in your portfolio right now might feel a little less frightening.

1. What am I really afraid of?

Anytime problems feel overwhelming, it’s a good idea to try to shrink the issue down to size. So, instead of just feeling “afraid” about the market’s bumpy 2022, try to pinpoint what, specifically, has you spooked.

For example, are you worried that you won’t be able to retire in the next six months because there’s a dent in your nest egg?

Are you a new retiree and you’re worried that market volatility, combined with inflation, is going to reduce your

purchasing power and standard of living?

Is your company struggling in this uncertain economic environment and you're worried about a potential layoff?

There's nothing that any of us can do about market volatility. But if you're anticipating a change in your income stream, you can adjust your budget. If your job doesn't feel stable, you can brush up on your resume and start reaching out to your professional network.

And if the path towards retirement is unclear, you can meet with your financial advisor and review how your plan is designed to support you no matter what's happening in the markets.

2. What adjustments can I make and what opportunities are available?

Again, one of the most powerful ways to take control of your money is to review your household budget. Look at your last six months of bank and credit card statements and you'll probably find a subscription you're not really using or a bad habit that you can correct, like eating too many expensive carry-out meals.

You should also consider talking to your financial advisor about potential adjustments to your saving, investing, or withdrawal plan. Perhaps now is the time to tap into a retirement savings bucket so that you can keep living your best life while you wait for the markets to stabilize. Or, your advisor might be able to help you identify some "buy low" opportunities that will grow in value over time.

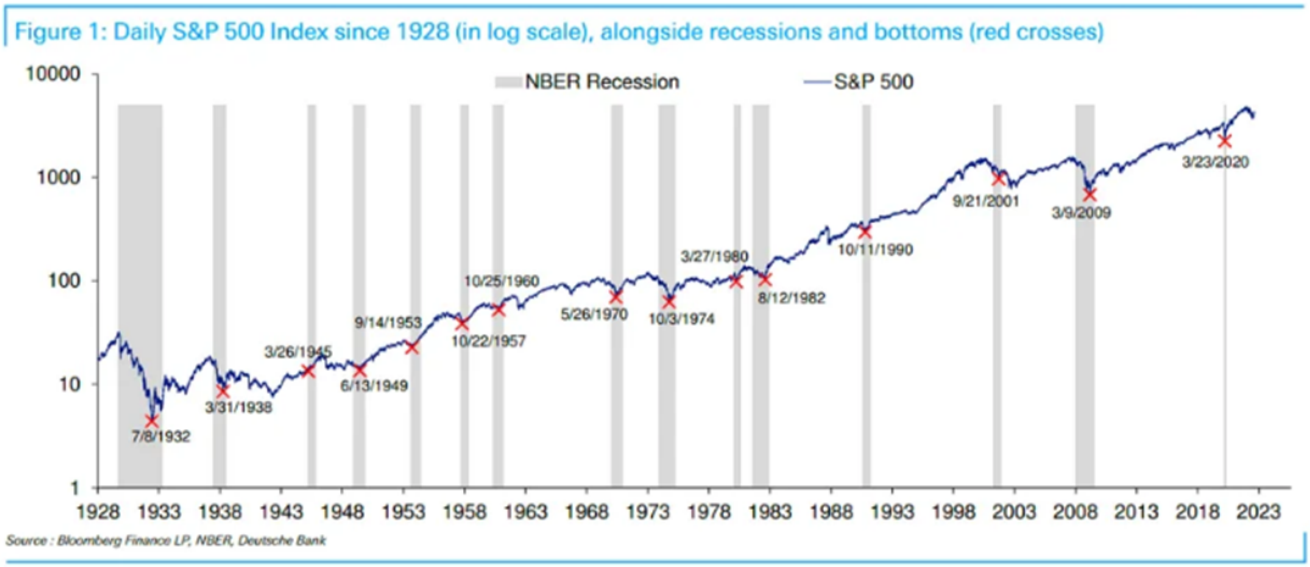
3. What does the big picture look like?

Fundamentally, most investors understand that volatility is a temporary pain we endure on the way to long-term growth. But the combination of high inflation, the war in Europe, COVID

variants, political and economic turmoil in Great Britain, our own contentious elections, and the possibility of a recession have many nervous investors concerned that this time might be different.

It's important to remember that while Gross Domestic Product numbers suggest we might be nearing a recession, other important economic data, such as low unemployment and a high number of job openings, [show that the economy may be stronger than cable news and social media would have you believe](#).

To widen our lens even further, take a look at this chart of daily S&P 500 returns since 1928.



Source: https://finance.yahoo.com/news/two-ways-of-thinking-about-this-chart-of-stocks-and-recessions-132828658.html

There are many scary and tumultuous points on this timeline, from the Great Depression and World War II to 9/11 and the Great Recession. And while the S&P 500 experienced significant losses when the economy did slip into a recession, it also has, historically, recovered those losses and continued to grow.

However, it's very possible that stock market scares are going to continue after Halloween, and potentially into next year.

If you’re still having nightmares about your nest egg, let’s talk soon about our market outlook and your financial plan.

This article was prepared for Aaron Laron’s use. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All indices are unmanaged and may not be invested into directly. Investing involves risk, including possible loss of principal.

Preparing to Send Kids to College



Between the student debt crisis, COVID-19 lockdowns, and post-pandemic changes to the workplace, it’s never been more important for students to make the most of their college

experience. And if you're a parent who's preparing to foot the bill and hoping to turn that extra bedroom into a hobby room, it's important that you set clear expectations for what your child needs to accomplish before graduation.

Here are three discussion points that can help you, your spouse, and your child establish some ground rules so that all of you get more value from the next four years.

1. Academic expectations.

C's may very well earn degrees, as the old saying goes. But while your child is no longer competing for a spot in college, that doesn't mean they should start slacking in the classroom. Middling academic performance could jeopardize a scholarship your child earned. It could also make it more difficult to secure spots in selective classes and programs later in college – particularly if a post-graduate degree is part of the plan. Moreover, if your A student is suddenly struggling to get by, that could be a sign that he or she isn't taking classes seriously or is dealing with mental health issues that you should address as a family.

Beyond engaging in their classwork to learn, students should use college to sharpen skills that will help them succeed in the workforce: time management, collaboration, perseverance, focus, and curiosity. Push your child to do more than get by and they'll learn how to push themselves toward greatness.

2. Financial expectations.

In addition to building good work habits, college is also an opportunity to teach your child good money habits. Even if you can afford to pay for tuition, room, and board, you might have your child contribute to total costs as well. Having some skin in the game might motivate your child to put in that extra effort to excel.

Of course, the costs of college don't stop once the tuition

and housing bills get paid. What is your child's plan for covering basic living expenses? Have a conversation about part-time work, setting a monthly budget, the importance of saving and investing early, and using debt responsibly. This last point is especially important as many credit card companies barrage freshman with enticing introductory offers including fine print they may not understand. It's likely your student will have enough debt to worry about when they start working without adding a high-interest credit card bill into the mix.

3. Networking expectations.

For motivated students who want to build a glide path from the classroom to a good job, the resources at a college or university are almost endless. High achievers who demonstrate a commitment to hard work can form invaluable relationships with professors, administrators, counselors, alumni, and other mentors. Many schools have strong connections to local companies, community organizations, technical certification programs, and government offices.

Joining student organizations can help students connect with their peers and start addressing issues both on campus and in the broader community. And all these contacts and experiences can be resources when it's time to start applying to graduate school or looking for a first job. Talk to your child about how they plan to make these important connections and start cultivating their first professional network.

Ultimately, college will be what your student makes of it. Once you've set your expectations, you'll have to give your child some space to find their best way to meet those expectations and prepare themselves for adult life.

We can't help with homework, but if you'd like to set up an appointment before move-in day, we'd be happy to sit down with you and your child to help him or her get started on the path

to long-term financial success.

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