



Beyond the Basics

Customized Wealth Strategies

Ten Money-Saving Travel Tips



Exploring the world sounds fun and exciting, but it can be expensive to travel. However, there are ways to experience the trip of your dreams on a budget. Follow these money-saving tips when planning your next vacation to help make it more affordable.

your budget, number of guests, length of stay, and space requirements. Look at ratings and reviews to determine whether a particular location and property will work for you.

- 1. Join a frequent flyer program.** It will probably take time to accumulate frequent flyer points, but the perks can be worth it. Depending on the program, rewards can include cheaper fares, upgrades, free companion tickets, and more.
- 2. Be flexible with scheduling.** Timing your ticket purchases wisely can help you save big. Aim to travel during days of the week when airfare tends to be cheaper. Similarly, try to fly at unpopular hours (e.g., early morning or red-eye flights) for more affordable pricing. Avoid traveling during peak holiday seasons and school breaks, and be aware of big events such as conferences or trade shows that tend to make hotel prices soar.
- 3. Comparison shop.** Research online to find the cheapest flights to your desired destination. Mix and match your airlines and airports for the best rates — you might discover that two one-way tickets are cheaper, overall, than purchasing one round-trip ticket. Consider all-inclusive options, since the up-front price you pay is usually the total cost of your trip.
- 4. Pack smart.** Checked baggage fees can rack up quickly, especially if you exceed an airline's weight limit. Try to stick with carry-on luggage or just remember to pack lightly to avoid paying extra for overweight bags.
- 5. Consider alternatives to hotels.** Lower-cost lodging options can include hostels, home-exchange programs, B&Bs, and vacation rentals. But they do require careful research. Find a match that best suits your needs by narrowing down potential options according to

- 6. Download apps to your smartphone.** Take advantage of free travel apps that can help you save money on things like gas, car rental, airfare, hotels/accommodations, and more. Find and download messaging apps that your family and friends also have so you don't have to pay for text messages you send/receive while traveling.
- 7. Reduce mobile roaming charges.** After a relaxing vacation, you probably won't want to come home to an expensive phone bill due to data roaming charges. Fortunately, many mobile networks offer data roaming deals, so check with your phone's carrier to learn about packages and discounts that may be available to you. And before you embark on your travels, adjust settings on your phone to disable data roaming as well as software downloads. App and phone updates are important, but most can wait until you are connected to Wi-Fi, which is available for free at many places.
- 8. Find free activities.** Regardless of where you're traveling, it's likely that there are plenty of fun and free or low-cost activities. Sightseeing, walking, browsing stores, and attending local concerts/fairs/cultural events are great ways to explore a new place without spending too much (or any) money.
- 9. Act like a local.** Blend in with the locals by dining out and shopping at stores located away from popular tourist streets. Prepare your own food when it's practical, and don't shy away from street food — it's less expensive than a sit-down restaurant.
- 10. Save on car rental.** If possible, stick with public transportation on your trip. But if you must rent a car, book the cheapest option you can find online. You can save even more money by choosing to forego car rental insurance, but you'll want to review your existing auto insurance policy first to see if it comes with some form of coverage for rentals.

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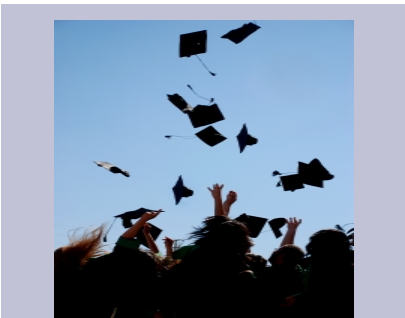
Financial Advice for Recent College Graduates

How Loneliness Can Affect Your Financial Condition

How much money should a family borrow for college?

What is a college income-share agreement?





Financial Advice for Recent College Graduates

You've put in the hard work as a college student and finally received your diploma. Now you're ready to head out on your own. And though you may not have given much thought to your financial future when you were in college, you have new financial challenges and goals to consider. Fortunately, there are some simple steps you can take to start on the right track with your personal finances.

Set financial goals

Setting goals is an important part of life, especially when it comes to your finances. And though your financial goals will likely change over time, you can always make adjustments in the future. Start out by asking yourself some basic questions about your financial goals, such as whether they are short term (e.g., saving money to buy a car or rent an apartment) or long term (e.g., paying off student loans or buying your own home). Next, ask yourself how important it is to accomplish each goal and determine how much you would need to save for each goal.

Understand the importance of having a budget

A budget is an important part of managing your finances. Knowing exactly how you are spending your money each month can set you on a path to pursue your financial goals. Start by listing your current monthly income. Next, add up all of your expenses. It may help to divide expenses into two categories: fixed (e.g., housing, food, transportation, student loan payments) and discretionary (e.g., entertainment, vacations). Ideally, you should be spending less than you earn. If not, you need to review your expenses and look for ways to cut down on your spending.

Remember that the most important part of budgeting is sticking to it, so you should monitor your budget regularly and make changes as needed. To help stay on track, try to make budgeting a part of your daily routine and be sure to give yourself an occasional reward (e.g., dinner at a restaurant instead of cooking at home).

Establish an emergency fund

An emergency fund is money set aside to protect yourself in the event of an unexpected financial crisis, such as a job loss or medical bills. Typically, you will want to have at least three to six months' worth of living expenses in your cash reserve. Of course, the amount you should save depends on your individual circumstances (e.g., job stability, health status).

A good way to establish an emergency fund is to earmark a portion of your paycheck each pay period to help achieve your goal.

Manage your debt situation properly

Whether it's debt from student loans or credit cards, you'll want to avoid the pitfalls that sometimes accompany borrowing. To manage your debt situation properly, keep track of your loan balances and interest rates and develop a plan to manage your payments and avoid late fees. If you need help paying off your student loans, consider the following tips:

- Find out if your employer offers some type of student debt assistance
- Contact your lender about your repayment options
- Consider whether loan consolidation or refinancing is available

Maintain good credit

Having good credit will impact so many different aspects of your financial situation, from obtaining a loan to gaining employment. You can establish and maintain a good credit history by avoiding late payments on existing loans and paying down any debt you may have. In addition, you should monitor your credit report on a regular basis for possible errors or signs of fraud/identity theft.

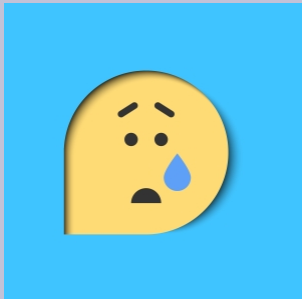
Determine your insurance needs

Insurance might not be the first thing that comes to mind when you think about your finances. However, having the right amount of insurance is an important part of any financial strategy. Your specific insurance needs will depend on your circumstances. For example, if you rent an apartment, you'll need renters insurance to protect yourself against loss or damage to your personal property. If you own a car, you should have appropriate coverage for that as well. You may also want to evaluate your need for other types of insurance, such as disability and life.

As for health insurance, you have a couple of options. You can usually stay on your parents' insurance until you turn 26. In addition, you may have access to health insurance through your employer or a government-sponsored health plan, or you can purchase your own plan through the federal or state-based Health Insurance Marketplace. For more information, visit healthcare.gov.



How Loneliness Can Affect Your Financial Condition



According to the Pew survey, people who say they are somewhat or very dissatisfied with their personal financial situations are significantly more likely to feel frequent loneliness than those who are satisfied with their finances (17% versus 5%).

According to a Pew Research Center survey, one in 10 Americans reports feeling lonely or isolated from others all or most of the time. While this number may not sound significant, it is alarming, considering that loneliness can also take a toll on your financial situation.

A link between loneliness and dissatisfaction

The Pew survey found that frequent loneliness is linked to dissatisfaction with one's family, social, and community life. People who say they are somewhat or very dissatisfied with their personal financial situations are significantly more likely to feel frequent loneliness than those who are satisfied with their finances (17% vs. 5%). And 14% of people who say they don't have enough income to lead the kind of life they want report feeling lonely or isolated often, compared with just 5% of individuals who have enough income to lead their ideal lives.¹

A relationship to finances

Although the Pew survey did not draw any specific conclusions, it indicated a link between loneliness and satisfaction with one's financial situation, suggesting how frequent loneliness can lead to financial problems.

Specifically, loneliness can cause a lack of awareness about major financial issues, as well as an increased vulnerability to fraud. Lonely people have fewer opportunities to discuss

finances with others face-to-face. This makes it easier for scam artists to take advantage of them by faking emotional support while stealing money.

Research has also linked loneliness and worsening chronic conditions. One study found that social isolation is associated with an estimated \$6.7 billion in additional federal Medicare spending annually. As social isolation increases, chronic illnesses can grow more severe and result in higher medical bills and stress levels. This can have a harsher impact on those trying to cope alone.²

A little less lonely

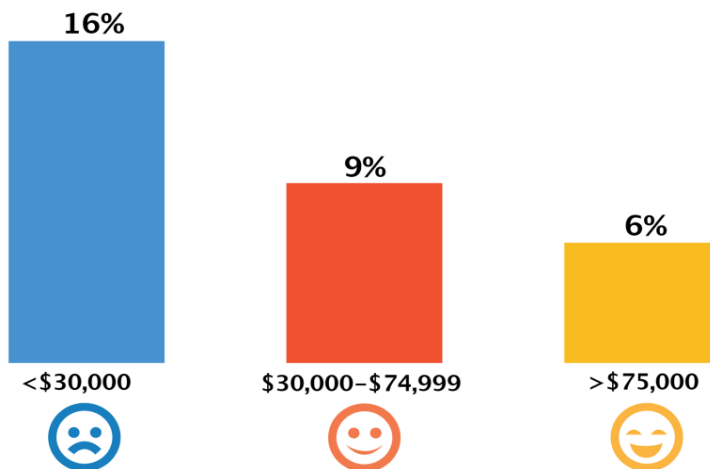
Fortunately, there are ways to fight against loneliness and its effect on your financial condition. Start by expanding your social circle. Seek volunteer opportunities that will introduce you to new people as well as help you give back to your community. Establish routines that will keep you busy and develop healthy habits that don't cost money, such as spending time outdoors, joining a weekly group, reading, and meditating. Consider seeking guidance from a medical professional who may be able to connect you with local resources to integrate more social engagement into your life.

¹ Pew Research Center, December 3, 2018

² AARP, "Medicare Spends More on Socially Isolated Older Adults," November 2017

INCOME AND ISOLATION

Percentage of individuals, based on annual family income, who report feelings of loneliness or isolation from those around them all or most of the time



Source: Pew Research Center, December 3, 2018

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How much money should a family borrow for college?

There is no magic formula to determine how much you or your child should borrow for college. But there is such a thing as borrowing too much.

How much is too much? One guideline is for students to borrow no more than their expected first-year starting salary after college, which, in turn, depends on a student's particular major and/or job prospects.

But this guideline is simply that — a guideline. Just as many homeowners got burned in the housing crisis by taking out larger mortgages than they could afford, families can get burned by borrowing amounts for college that seemed reasonable at the time but now, in hindsight, are not.

Keep in mind that student loans will need to be paid back over a term of 10 years (possibly longer). A lot can happen during that time.

What if a student's assumptions about future earnings don't pan out? Will student loans still be manageable when other expenses like rent, utilities, and/or car expenses come into play? What if a borrower steps out of the workforce for an extended period of time to care for children and isn't earning an income? There are

many variables, and every student's situation is different. A loan deferment is available in certain situations, but postponing loan payments only kicks the can down the road.

To build in room for the unexpected, a smarter strategy may be for undergraduate students to borrow no more than the federal student loan limit, which is currently \$27,000 for four years of college. Over a 10-year term with a 5.05% interest rate (the current 2018-2019 rate on federal Direct Loans), this equals a monthly payment of \$287. If a student borrows more by adding in co-signed private loans, the monthly payment will jump, for example, to \$425 for \$40,000 in loans (at the same interest rate) and to \$638 for \$60,000 in loans. Before borrowing any amount, students should know *exactly* what their monthly payment will be. And remember: Only federal student loans offer income-based repayment (IBR) options.

As for parents, there is no one-size-fits-all rule on how much to borrow. Many factors come into play, including the number of children in the family, total household income and assets, and current and projected retirement savings. The overall goal, though, is to borrow as little as possible.



What is a college income-share agreement?

A college income-share agreement, or ISA, is a contract between a student and a college where a student receives education funding

from the college today in exchange for agreeing to pay a percentage of future earnings to the college for a specified period of time after graduation. The idea behind ISAs is to minimize the need for private student loans, to give colleges a stake in their students' outcomes, and to give students the flexibility to pursue careers in lower-paying fields.

Purdue University was the first college to introduce such a program in 2016. Under Purdue's ISA program, students who exhaust federal loans can fund their education by paying back a share of their future income, typically between 3% to 4% for up to 10 years after graduation, with repayment capped at 2.5 times the initial funding amount.¹

A handful of other colleges also offer ISAs; terms and eligibility requirements vary among schools.

ISAs are considered friendlier than private student loans because they don't charge interest, and monthly payments are based on a student's income. Typically, ISAs have a minimum income threshold, which means that no payment is due if a student's income falls below a certain salary level, and a payment cap, which is the maximum amount a student must pay back relative to the initial funding amount. For example, a payment cap of 1.5 means that a student will pay back only 1.5 times the initial funding amount. Even with a payment cap, a student's payment obligation ends after the stated fixed period of time, regardless of whether he or she has fully paid back the initial loan.

¹ U.S. News & World Report, September 26, 2018

1 COLLEGE
GIVES FUNDS
TO STUDENT



2 STUDENT USES
FUNDS TO COMPLETE
SCHOOL



3 STUDENT
GETS JOB AFTER
GRADUATION



4 STUDENT REPAYS
COLLEGE BASED ON
INCOME

