

**Subject:** Greenleaf Newsletter: Get Ready for Bigger Savings Opportunities! Also, Teens Can Learn Financial Management with a No-Cost Youth Account.

**Date:** Wednesday, November 30, 2022 at 9:34:45 AM Pacific Standard Time

**From:** Greenleaf Financial Group

**To:** info@greenleaf-fg.com

*Hello Greenleaf,  
Welcome to Our November  
Client Newsletter*

- **Big Tax-Advantaged Savings Opportunities in 2023.**
- **Question: Where Can I Open an Investment, Savings, and Spending Account for My Teen with Some Parental Oversight?**
- **Market News: Stock and Bond Markets Continue to Rebound**

**Get Ready for Some Big Tax-Advantaged Savings Opportunities in 2023!**

Inflation has few friends, but it does lead to higher savings limits in workplace plans and IRA accounts. For 2023, the new limits are will be:

**401(k), 403(b), and 457 Plans**

\$22,500 if under age 50;  
\$30,000 if age 50+

Company contributions are not included in these 401k and 403b limits.

**SIMPLE IRA and SIMPLE 401(k)s**

\$15,500 if under age 50;  
\$19,000 if age 50+

**SEP IRA's**

Lesser of 25% of employee

**Question:**

**Where Can I Open an Investment, Savings, and Spending Account for My Teen with Some Parental Oversight?**

**Answer:** Investing apps have proliferated, but few can rival the security, financial learning benefits, and cost-free qualities of a ***Fidelity Youth Account.***

Designed for teens age 13 to 17, the account is meant to promote saving, careful spending, and hands-on investing experience in one secure place. The account has parental oversight options through the Fidelity mobile app.

**How Much Does the Fidelity Youth Account**

**Market News:**

**Stock and Bond Markets Rebound Again**

Several encouraging factors sent most segments of the stock market higher over the past month. Lower inflation and rising confidence among consumers and small businesses were especially influential. International stocks rose the most with value stocks and long-term bonds also achieving noteworthy gains. Only growth stocks had a month in the red.

Opinions vary as to what we'll see next. The same issue of Barron's had one article with the opener, "The worst may be over for the stock market." Several pages later, a separate article

compensation or \$66,000 if under age 50;  
Lesser of 25% of employee compensation or \$73,500 if age 50+

### **Traditional IRA's and Roth IRA's**

\$6,500 if under age 50;  
\$7,500 if age 50+

Traditional and Roth IRA contributions are subject to adjusted gross income limits as shown on [this overview](#).

### **Health Savings Accounts**

\$3,850 for employee only;  
\$7,750 for family coverage

Individuals age 55 and above can make an additional \$1,000 per person contribution. However, spouses must deposit their \$1,000 contribution into a separate HSA account.

Company contributions are included in the maximum HSA limit shown above.

HSAs can be funded like an IRA. Deposits do not have to come solely from payroll contributions. However, you must have high-deductible healthcare coverage.

### **Cost?**

There are no account or subscription fees. In addition, there are no domestic ATM fees for the account's debit card. Finally, the account has no minimum balance requirement.

To get your teen started, Fidelity will put \$50 in your teen's Youth account (*under qualifying conditions*).

You will need to open your own brokerage account -- or use an existing one -- in order to transfer money into your teen's account, but there are no fees or minimum requirements for your account either.

### **What Investments are Allowed in the Youth Account?**

Fidelity offers fractional share investing for as little as \$1, so your teen can get investing experience with minimal financial risk. Only publicly traded stocks and Fidelity mutual funds can be purchased in the teen's brokerage account.

Fidelity does not permit cryptocurrency investments, penny stock purchases, options trading or buying on margin. The company has designed a Youth Learning Center that your teen can see on the Fidelity app.

### **What Parental Oversight Will I Have?**

You will initiate and approve the account opening process. You also retain the ability to close the account and/or cancel the debit card at any time.

You will also be an "interested party" with inquiry access, such that you

proposed that "2023 is expected to be the culmination of [inflation and recession worries], with many on Wall Street expecting a downturn to take hold in the first half of the year."

Indeed, monetary policy adjustments -- such as the year's multiple interest-rate hikes -- are slow to show their effect, thereby making timing predictions notoriously difficult and uncertain.

However, there is general agreement that a recession - if it occurs - will likely be moderate since households are not overextended as they were leading up to the 2008 recession.

In our opinion, growth stocks will likely not be the dominant market leaders again for some time. We are reviewing client portfolios to be sure you have enough exposure to defensive sectors such as healthcare and consumer staples. Defensive sectors often pay a nice dividend and can even thrive during volatile economic times.

will be able to review debit card statements and trade confirmations, plus all online transactions as they occur.

You will be designated as the teen account's Trusted Contact and will receive copies of monthly statements.

Finally, you are allowed to set up alerts for your teen's trades, transactions, and cash management.

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