



*Our core purpose, our passion, is to make a positive and profound difference in the lives of our clients and in the communities we serve.
~Hudock Capital*

Inside this Issue

- * **Family Money Talks**
- * **Key Index Returns**
- * **Upcoming Events**
- * **In the News**
- * **After the Closing Bell**

Family Money Talks

Transfer wisdom, not wealth

Maybe you heard the adage, “The first generation makes it, the second generation spends it, and the third generation blows it.” Believe it or not, research shows it’s often true. When wealth is passed down, 70% of families lose their wealth by the next generation, with 90% losing it the generation after that.¹

So why does this happen?

Often, the wealth transfers but the wisdom doesn’t. Sixty-seven percent of affluent Americans haven’t talked to their adult children about wealth or don’t plan on it.² Parents often fear that talking about money will cause their kids to become unmotivated and entitled—or could risk changing their relationship. These are legitimate concerns—especially if assets are the focus of the conversation. But there’s a better way to equip adult kids to manage wealth responsibly. You can have productive conversations about money without talking about assets by using the money talks approach.

First, What a Family Money Talk Is

Instead of assets, family money talks focus on what wealth means to each family member and what they hope to accomplish with it. Topics can range from financial fundamentals to family members’ thoughts, feelings, and beliefs about money and its purpose in their life. A family money talk is not a time to discuss “who gets what,” dictate what family heirs should do with their finances or give a financial lecture.

Rather, it’s an opportunity to share the wisdom you’ve learned about earning and managing wealth in an engaging and non-threatening way. Not to be confused with estate-planning conversations, family money talks are discussions about family members’ values and hopes for the future as they relate to wealth—without discussing family assets specifically. Family money talks focus on three types of intelligences— financial, emotional, and family—all of which contribute to financial wisdom. They also help spark a family dialogue that’s personal and insightful. But first let’s define these intelligences:

- Financial intelligence: Financial knowledge and skills

- that enable you to make prudent financial decisions that build and sustain wealth.
- Emotional intelligence: Understanding your relationship with money, particularly how our emotions influence our financial decisions and behaviors.
- Family intelligence: Family history, values, and hopes for the next generation, and how these values were formed. How your parents felt and talked about money likely influenced the feelings and discussions you have with your own children.

When having a family money talk, you don't have to wing it, and it doesn't have to be boring. The following discovery exercise can help you kick-off a family money talk and provide a structure for your conversation.

Second, a Financial Intelligence Exercise to Get You Started

The financial intelligence exercise is effective yet simple, making it an easy place to begin your family money talk. There are six categories of financial intelligence: saving, spending, managing debt, investing, giving, and budgeting. You likely have a story or personal experience related to each one. Stories are a powerful tool that allow your adult kids to learn from your real-world experience—positive or negative. You can share a story about a triumph, a story of resilience, or a changed perspective.

1. Take a moment and think about the six categories of financial intelligence. Is there a story or past experience you can share that's related to one of those categories?
2. Your story can be about your biggest financial regret, your best money decision, a funny situation, or an important lesson you learned.
3. Frame your story with the following:
 - What happened
 - How you responded after the event
 - What you learned
 - What difference it made

In other words, how did the experience shape the way you handle your finances today?

Sharing a story with your children is a great way to begin talking about money without the feeling of a lecture. After hearing your story, your adult kids may naturally share a story of their own. If they don't, that's okay. They might want to know more about your experience and ask questions. Either way, you're sharing wisdom.

Don't be afraid to share stories about financial mistakes you've made, or hardships you've faced. Doing so lets your kids know you've made some missteps while also conveying the importance of perseverance. Now that you have a financial intelligence story to tell, you can start thinking about when you'll bring it up.

Third, How to Bring It Up

Start simple. The conversations don't need to have grand themes but should have a simple idea of what you'd like to discuss. You don't have to call a formal meeting or schedule a sit-down with your children; these conversations should happen in settings natural to you and your family.

Be on the lookout for opportunities to share that story, e.g., a long car ride to the beach, over dinner, or over a round of golf.

You can easily start with, "Did I ever tell you about the time I..." Over time, come up with and share more financial intelligence stories that focus on the other categories of financial intelligence.

"My Kids Are Adults, So It's Too Late To Have These Family Money Talks"

Your kids may already have an established way of handling their finances. But over time, as you share financial intelligence stories, the bits of wisdom you've learned over the years may have an influence on them in the future. They might even ask you first.

Remember Three Things About Family Money Talks

First, family money talks give you a way to talk about money without talking about assets. It's a way to share the wisdom you've learned about creating and managing wealth without coming off as a lecturer. Second, financial intelligence stories are a way to share your biggest financial regret, your best money decision, a funny situation, or an important lesson you learned. They're effective because we all like to hear a good story. Third, you don't have to share a financial intelligence story at a formal meeting. Bring it up during a casual conversation.

The First Generation Might Make the Money, But the Third Generation Doesn't Have to Lose It

Do what most American families avoid—talk about wealth with your kids. The best part: You don't have to talk about your assets. Someday your kids will inherit your wealth. Make sure you pass along the wisdom to manage it too.

Next Steps

1. Within a week, complete the financial intelligence discovery exercise.
2. Within two weeks, share a financial intelligence story with your kids.
3. Visit hartfordfunds.com/family to download the Family Money Talk whitepaper to learn about the other two types of intelligences.

References:

¹5 Huge Lies About Generational Wealth, finance.yahoo.com, 1/22

²14 Reasons Parents Don't Discuss Money (and Why They Should), nytimes.com, 8/19

Source: Courtesy of Hartford Funds; Written by Kathleen Burns Kingsbury

Key Index Returns	
Index	QTD Total Return %
Dow Jones Industrial Average	6.14
Nasdaq Composite	9.31
S&P 500 Index	10.56
Russell 2000 Index	5.18
MSCI World ex-U.S.A*	5.49
MSCI Emerging Markets*	2.09
Bloomberg Barclays Global Aggregate Bond TR USD	-2.07
20+ Year Treasury Bonds Index	-3.68

Source: Black Diamond

QTD returns: as of March 28, 2024

*U.S.D.

2024 Upcoming Events

Crosscutters Game

Friday, August 23rd
Cutters Cove

Holiday Events:

The Club at Shepard Hills

Tuesday, December 3rd
11:00 am

Williamsport Country Club

Friday, December 6th
11:00 am

Williamsport Country Club

Saturday, December 7th
11:00 am

In the News

Barbara Hudock Ranks #45 on *Forbes*' Best-In-State List

On April 3, 2024, Barbara was included in *Forbes*' Best-In-State Wealth Advisors List, ranking Barbara #45 in Pennsylvania¹. This is the fifth year that *Forbes* has named Barbara as a Best-In-State Advisor.

The *Forbes* ranking of America's Top Wealth Advisors and Best-In-State Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative criteria learned through telephone, virtual and in-person due diligence interviews, and quantitative data such as revenue trends and assets under management. The algorithm additionally weighs factors such as service models, compliance records and industry experience, and focuses on those that encompass best practices in their approach to working with clients.

Barbara said, "I am deeply humbled by this extraordinary honor. This recognition is a testament to the hard work of our dedicated team of professionals who devote themselves to helping our clients realize their goals. And to our clients, I am incredibly grateful for the trust you place in us every day as we continue creating customized strategies to help you live the lives you've always imagined. Thank YOU!"



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If you have any suggested topics or feedback about the Hudock Capital Group Newsletter, please feel free to call us and share!

¹Data provided by SHOOK™ Research, LLC. Data as of 6/30/19, 6/30/20, 6/30/21, 6/30/22, 6/30/23.

Forbes.com (January, 2020; February, 2021; April, 2022; April, 2023; April, 2024). Forbes America's Top Wealth Advisors and Best-in-State Wealth Advisors ranking was developed by SHOOK Research and is based on in-person, virtual, and telephone due diligence meetings to measure best practices, client retention, industry experience, credentials, review of compliance records, firm nominations; and quantitative criteria, such as: assets under management and revenue generated for their firms. Investment performance is not a criterion because client objectives and risk tolerances vary, and advisors rarely have audited performance reports. SHOOK's research and rankings provide opinions intended to help investors choose the right financial advisor and are not indicative of future performance or representative of any one client's experience. Past performance is not an indication of future results. For more information, please see www.SHOOKresearch.com. SHOOK is a registered trademark of SHOOK Research, LLC. Fee paid to ranking provider for advertisement materials after ranking announced.

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After the Closing Bell



**"When you are present in the moment, you get out of your own way."
- Eckhart Tolle, The Power of Now**

I love this quote. It speaks to the importance of truly being present and that we hold the power to fully experience each moment by simply getting out of our own way. I was reminded of this while skiing again recently. Gliding through the Utah snow, I realized that I enjoyed skiing because it commanded my attention. It forced me to get out of my own way and focus on the moment. And, in that moment, I became one with landscape, felt the rush of cold air on my face and became enveloped in a silence that spoke volumes. In that moment, there was no grieving, or worrying about the past, or anxiety for the future. In that moment, there was only the thrill of being alive. It was a powerful reminder that joy and happiness reside in those moments where we choose simply to be present.

To me, embracing the silence and the power of "present moments" is when one feels fully alive and, it is, I believe, the key to happiness.

Being fully present with family, friends, clients and teammates brings that happiness to life for me. Being fully present while playing the piano or biking in a beautiful place brings me that joy as well. Being fully present in even the simplest moments does too. There is nothing better than giving in to a good laugh as laughter is a gift that allows us to be fully present. I feel so blessed to be able to experience these things and am grateful to have learned that by getting out of our own way, being present in the moment is something all of us can do.

My goal is to laugh more, listen more, BREATHE more, and be present in the moment more. Sometimes it's easier said than done, but making the effort to create those "present moments" makes all the difference. I'm sharing a photo of one of those present moments from my last skiing trip. Somehow my photos never seem to capture all the magic of a moment, but hopefully the joy of being present shines through. I hope you enjoy the photo, I hope you're creating your own present moments and I'd LOVE for you to share the joy of your present moments with me.

Barbara

