NELSONCORPNEWS

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DAVID NELSON


EUGENE KRUEGER


VALERIE HILL


AMY CAVANAUGH


KENNETH NELSON


JACOB WOODCOCK


NATE KREINBRINK


JAMES NELSON


JOHN NELSON


ANDY FERGURSON


JAMIE HUGUNIN


MICHELLE EVERSOLL


AUSTIN ECK


TRAVIS MOREHEAD


MIKE VANZUIDEN


AMANDA SCHAVER


TABATHA WESTPHAL

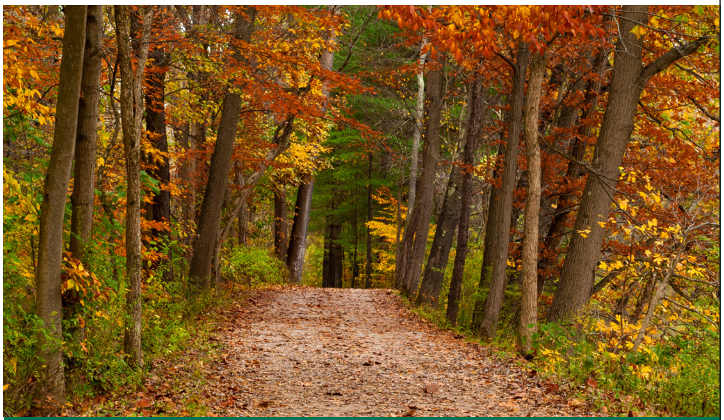

MIKE STEIGERWALD


HANNAH VAN HYFTE


ISABEL HANSEN


MICHELLE GOODWIN


KAELYN GOODSMAN



FALL PLANNING

There's a quiet window every year, right around now, when tax planning still feels optional. Most people wouldn't even think about taxes in the fall, but this is the time to make adjustments for next year. September doesn't carry the deadline energy of April, so it's easy to let the next few months slip by unnoticed, until suddenly it's December and options that were open earlier in the year are gone.

In various meetings or conversations, you may have heard us mention things like Roth Conversions or maybe changing how you approach charitable giving. Maybe you still need to decide how you want take care of your required minimum distribution (just because you are required to take it out, doesn't mean you have to put it in your bank account). If you're still working, maybe you still need to adjust the withholding on your paychecks or increase contributions to your retirement accounts. Not all of these will apply to everyone, of course, but making the decisions and changes in September or October are almost always better than decisions made in a hurry come December. And small adjustments made today can often make a meaningful difference over time.

The final months of the year often pass more quickly than we expect. We'll blink and the new year will be here. But by starting now, you can approach the year-end with confidence rather than feeling rushed to make important decisions.

Our greatest privilege is helping families prepare for the future while enjoying the present and we're so blessed to be able to work with you.

David Nelson

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THINGS TO NOTE

Be aware of ongoing identity theft schemes:

- *Emails designed to trick people into sharing sensitive information or into clicking harmful links.*
- *Calls, texts, fake printed correspondence and misleading social media posts to gain access to personal data.*

SUPPORT OUR LOCAL CHARITIES & BUSINESSES

Check out what's happening at our area charities, businesses, and communities:

- *Touch-a-Truck Fundraiser, September 13, 11:00-2:00, Central DeWitt High School*
- *Riverssance Festival of Fine Arts, September 19-20, Village of East Davenport*

NelsonCorp Nuggets

If you work past age 65 and have group health coverage through a current employer (or spouse), you can often delay signing up for Medicare without paying late penalties. Whether you should enroll depends heavily on your company's size, your prescription drug coverage, and if you use a Health Savings Account.

Source: https://www.medicare.gov/basics/get-started-with-medicare/medicare-basics/working-past-65

FORGOTTEN CORNERS OF FINANCIAL PLANS

When it comes to financial planning, most people do a good job of focusing on the big stuff — the investments in our portfolio, where our income will come from in retirement, getting our taxes done — just like we're usually good about keeping the well-trafficked areas of our home neat and tidy. But there are often dusty, neglected corners in our financial lives that we either forget about or ignore. And by doing so, we often pass up opportunities to improve our financial situation — sometimes even leaving money on the table. Or we take longer to reach our financial goals, because there is something taking up space or holding us back.

Here are just a few common forgotten corners of financial plans:

Unproductive funds. Like that jar full of coins and dollar bills that gets shoved to the back of a cupboard, it's very easy to stick money into a savings account, certificate of deposit, or money market fund and then forget about it. While there's nothing wrong with using these types of vehicles from time to time, it can also be a very unproductive way to save money, because the cash is just sitting there, uncompounded and often earning very little in interest. At the very least, it's worth looking to see if there are other, newer options that pay out higher interest rates!

Out-of-date beneficiaries. Many people often opt for a "set it and forget it" mentality when it comes to naming their beneficiaries. But life is always changing and rarely static. That's why it's always a good idea to review your beneficiaries every few years in case your family situation or personal wishes have changed.

Mediocre insurance policies. This is a really common one. Often times, people will buy an insurance policy, such as whole life. Then, never having to use it will let it sit and collect dust. Meanwhile, they will continue to pay premiums on the policy, even if those premiums are overly high and the death benefit is absurdly low.

Unreimbursed HSA receipts. Many people who own Health Savings Accounts often forget to submit their health care expense receipts for reimbursement. Fortunately, there's no statute of limitations on these expenses, meaning you can submit your receipts for reimbursement even years after the fact!

Your parents' finances. Those with aging parents know that the day will come when they will have to help manage their parents' financial affairs. Many people try to push off thinking about that day for as long as possible, for a variety of perfectly understandable reasons. Unfortunately, these affairs can become a massive drain on you if left too long.

Your credit score. Some people check their credit score too much; others don't check it nearly enough. But a good rule of thumb is to check your credit reports at least once per year. After all, these reports aren't just to help you get loans — they're a handy early-warning system for fraud and identity theft. That's why you should always scrutinize them for unexpected changes, hard inquiries from businesses, and other red flags.

Unrealized goals. The most sadly neglected corner of all. Many people have private dreams and ambitions they never express to anyone. Maybe they feel too grandiose. Maybe they seem unrealistic. Maybe they're just extremely quirky! Either way, a private dream usually stays just that — a dream. But a spoken dream can be planned for, saved for...and ultimately, lived for.

The reason I'm writing all this? Because, as a financial advisor, my team and I make it our mission to help people — not just with the big stuff in their financial house, but with their "forgotten corners", too. To that end, if you ever have any forgotten corners that need looking after, please give us a call. I would be happy to sit down with you, review your plans, and discuss how to make sure your entire financial house is exactly the way you want it.

Cleaning up the forgotten corners of your home is a great way to free up space, save money, and even gain peace of mind. The same is true with any forgotten corners in your financial life. If you don't have any, that's great! But if you do, please think of me.

WHAT IT MEANS TO BE HUMAN

Being human is something our society has wrestled a lot with recently, especially in this age of AI and with all the questions it brings about everything from art to employment to sheer consciousness. Of course, there are scientific definitions involving the differences between us and other animals. But recently, I came across a story about something that happened exactly fifty years ago next month. A story that, to me, illustrates what it truly means to be human in a way that goes beyond scientific definitions or philosophical debates.

It's a story about a man you've probably never heard of. A man by the name of Shavarsh Karapetyan. I would like to share his story with you today.

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September 16th, 1976, was a chilly morning in the USSR. Nevertheless, the sunrise found Shavarsh, a 23-year old competitive swimmer, running alongside the shore of Yerevan Lake in modern-day Armenia with a 44-pound pack on his back...and steam coming out his ears.

Despite the fact that he had broken ten world records and was already considered one of the fastest swimmers in the world, Shavarsh had recently seen his dream of winning the Olympics taken from him. Maybe it was because he was Armenian, or maybe it was because his family lacked the right connections. Either way, Shavarsh had been rejected by the Soviet Union's swim team. Instead of quitting, though, Shavarsh resolved to train even harder. Nothing would stop him from competing in the Olympics one day.

What Shavarsh didn't know was that he was actually training for something far more important. His brother, Kamo, and his coach, Lipo, were running with him that morning when they heard a horrible screeching sound. A trolleybus in front of them had careened off a bridge and fallen into the cold, dirty water of Yerevan Lake.

In just a few seconds, the bus and its 92 passengers plunged below the surface.

Shavarsh said about that moment, "There was no other choice...I knew that it wouldn't be right if the world's fastest underwater swimmer was there and didn't even try to help."

He acted immediately, jumping into the water and swimming to the rapidly sinking trolley, already more than 30 feet deep. Using a rock, he broke one of the windows to the bus and started pulling people to the surface, where Kamo and Lipo would swim them back to the shore so the paramedics who were arriving at the scene could attempt to revive them.

The choice to dive put Shavarsh in cold, dirty water. He had little visibility, was rapidly getting exhausted, and injured himself pulling people through the broken glass window. But what mattered in that moment, more than the career he knew he was likely throwing away, was saving the people who could be saved.

He gave himself 25 seconds for each person, not stopping to check whether the person was still alive before bringing them to surface. Kamo and Shavarsh estimate they pulled between 30 and 35 people to the shore before they told Shavarsh that there was likely no one else alive down there. Even when rescue workers begged him to stop, he kept diving.

Twenty people were able to be revived because of Shavarsh's quick action. Twenty-six others were able to swim up themselves thanks to the window he'd smashed.

The cost to Shavarsh? A 104-degree fever. Multiple lacerations and major blood loss. Sepsis and pneumonia in both lungs. 46 days in the hospital in critical condition. He got so sick, his doctors often said that only his Olympic-level training had kept him alive. And due to Soviet censorship, he received almost no notice or publicity for what he'd done.

Despite this, Shavarsh still didn't give up on his dream. After recovering, he continued to train and was even able to set one final world record. But his body was never quite the same...and he was never able to swim in the Olympics. He was forced to retire, knowing it was both dangerous and he got sick any time he was in the water. But instead of being bitter, he opened a shoe shop... and 9 years later, demonstrated his courage and caring once again when he rushed into a burning building and pulled multiple people out.

When someone once asked Shavarsh why he did it all, he answered:

"Anyone can find himself in a place where somebody needs help, and more than once, too. The main thing is to remember what makes you human."

As Shavarsh further explained it, "In difficult moments like this, your love for fellow humans grows even stronger. Our whole lives, we all owe everything to each other."

What does it mean to be human? I think stories like this can answer that question. To be human is to choose to care about other people, even when it comes at a cost to yourself.

To be human is to choose to love.

I hope you enjoyed reading about Shavarsh as much as I did. As we come to the 50th anniversary of his heroic day, I hope we can all choose to be just a little bit more human...and in doing so make the world just that much brighter.

AI AND FINANCIAL ADVICE

Maybe you've never touched it. Maybe you merely dabble with it from time to time. Maybe you use it every day and can hardly imagine life without it. But regardless of which category you fall under, by now you've certainly heard all about it.

I'm referring, of course, to artificial intelligence.

Since ChatGPT exploded on the scene in late 2022, AI has been a never-ending topic of conversation. It dominates online discourse, the halls of government, and even the markets. (Especially the markets.) But one sub-topic I'm often asked about centers on a single question:

"Can I use AI for financial advice?"

The answer is, yes. You can.

But should you? Well, that's a bit more nuanced.

AI is fast, convenient, and powerful. But your finances — the combination of all your investments, savings, income, taxes, debt, and the dreams they empower — represent your life. So, as with any tool, we have to be careful about when to use it…and when not to.

What AI is and what it can be used for

When people talk about "artificial intelligence," what they're really referring to is a **Large Language Model**, or LLM. ChatGPT, Claude, Gemini, and other chatbots use LLMs to calculate the statistically most likely next word in a sentence. It's sort of like the autocomplete function on your phone when you write a text, except much more powerful.

It's important to remember this when interacting with AI, because what you're seeing is not actual intelligence, but rather extremely sophisticated pattern-matching. If you ask AI a question, like, "What's the difference between a 401(k) and an IRA?", it will scour its database for previously-written material on that subject, determine which words are statistically most likely to answer that question, what order they should go in, and then reproduce those words on the screen for you.

For that reason, the best and most reliable way to apply AI to your personal finances is to treat it like a more in-depth, conversational Google search.

It's an excellent way to:

- Get a quick answer to a question ("What age can I start taking Social Security benefits?")
- Search for resources ("Show me some resources that will help find, purchase, and then manage a vacation home.")
- Check your thinking ("I've heard that the cheapest day to fly to Europe is on Wednesday. Is that true, or is there more I should know?")

AI is also great for organizing, filtering, and finding data. For example, let's say you wanted to build a budget for an upcoming vacation. You could prompt AI with the amount of money you have available to spend along with a list of places you wanted to see and activities you want to do, and have it organized into a spreadsheet with every expense broken down and itemized.

With AI, you can also have it summarize a document, pull data out of a report, or ask it to compare different financial choices.

Why you shouldn't rely on AI too much

With all that said, AI has some very definite flaws and limitations, which is why it shouldn't be overly-relied on when it comes to finances.

For one thing, AI is infamously prone to something called "hallucinations." This is when a chatbot generates information that is inaccurate or just plain made up. It doesn't happen all the time, but it does happen enough to make AI less reliable than the average encyclopedia.

The reason this happens is because of the way an AI works. Remember how I said everything a chatbot generates is based on the data it's trained on? If AI lacks the correct data to answer a question or follow a prompt properly, it will make a "guess" based on the data it does have.

Another reason AI can be an unreliable partner is because it is frequently guilty of making assumptions…and then letting those assumptions affect what it generates. For instance, a study by MIT found that AI often assumes the gender of the person prompting it based on the words they use.[1] Worse still, AI would change its recommendations based on that assumed gender.

According to the study:

"…advice from prompts written by women led to nearly $60,000 (4.10%) less wealth than advice from prompts by men, largely driven by lower recommended equity exposure and less active rebalancing."

Which brings me to the most important reason you should not overly rely on AI:

AI is superb at providing *information*; it is not well-suited for giving *advice*.

What's the difference? Well, the act of "informing" is essentially providing facts and data meant to educate. "Advice," on the other hand, is a recommendation based on your specific situation. It's meant not just to increase your knowledge, but to guide your decisions. And this is not yet something AI is very capable of doing.

To understand why, think again about what AI actually is and how it works. It generates text based on statistical plausibility. That means any advice it gives is not truly specific to you. And while providing AI with more input can increase the quality of its output (though, sometimes not knowing what to input is the reason for the question in the first place), every answer to every prompt will still be mere pattern-matching, and not truly tailored to your past, your personality, your emotions. AI doesn't know you. It's just really good at statistics.

That matters, because just as your financial goals are intensely personal, so too must be the path you take towards them. The media often likes to portray financial goals as the same choices on a menu that everyone has to select: Retire by a specific age, travel a certain amount, leave a legacy for your children. But that's just surface level stuff. A person's *real* financial goals are much more complex.

Like this:

"I need to retire so I have more time to take care of my disabled sister, but I'm afraid I won't have the money to do that and still accomplish my bucket list."

"I've always dreamed of seeing the small village in Germany where my great-grandparents got married, but inflation and market volatility make it feel impossible."

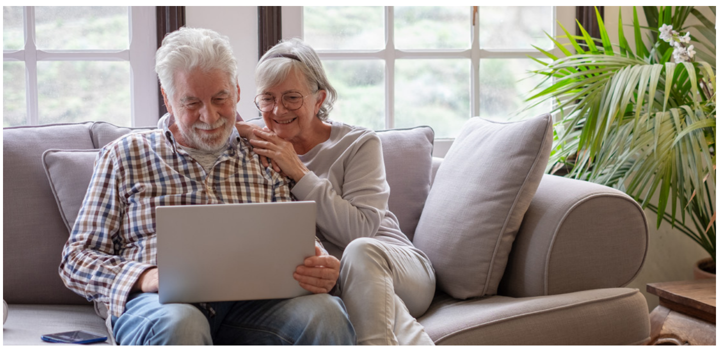
"I want to leave my family a legacy, but my oldest child has passed away leaving two kids of his own behind, my second lives in a different state, and my youngest isn't good with money, so I don't know how to divide my assets evenly between all of them."

It's these situations, these needs, these dreams, that require not just information, but advice. And not just any advice, but advice truly specific to you.

AI is an exciting tool. A tool that has come on by leaps and bounds in recent years. A tool that will undoubtedly play a major role in society over the years to come. But while it has plenty of uses, remember that all tools must be used carefully, thoughtfully, and only in the right situations. Just as a wrench can't replace a hammer, and a hammer can't function as a saw, AI is excellent for information and organization.

But it's not the best thing to turn to for financial advice.

[1] *"Half of Americans now ask AI for financial advice, but how good is it?" MIT Sloan School of Management, https://mitsloan.mit.edu/press/half-americans-now-ask-ai-financial-advice-how-good-it*



NELSONCORP MEDIA APPEARANCES

Be sure to catch our weekly educational content featured locally on television, radio, and the newspaper. You can get this and more at www.nelsoncorp.com/blog.

On 4 Your Money Nate Kreinbrink explained that, unlike the dot-com bubble, today's AI-driven market gains are being supported by strong corporate earnings, though investors should still remain cautious. David Nelson discussed the gap between Wall Street and Main Street, noting that stock prices reflect future profit expectations while consumer sentiment is shaped by higher costs and economic pressures. In "Bonds in Control," viewers learned how bond markets help drive interest rates, borrowing costs, and important investment decisions. Long-term investment success comes from focusing on fundamentals, understanding market drivers, and staying disciplined through changing conditions.

4 Your Money airs Tuesday mornings on FOX 18 News at 8am and on WHBF CBS Local 4 News at around 6:10pm and is a paid appearance.

This month on Financial Focus Nate Kreinbrink emphasized that retirement success requires more than building savings by creating a tax-efficient withdrawal strategy, understanding spending needs, and preparing for the lifestyle changes retirement brings. David Nelson shared lessons from a remote Canadian fishing trip before highlighting the importance of disciplined, data-driven investing and avoiding emotional reactions to market movements. David also reviewed current market conditions, stressing that investors should stay focused on long-term financial plans rather than short-term headlines or uncertainty. Whether preparing for retirement or navigating volatile markets, thoughtful planning and a long-term perspective are essential for financial confidence

Financial Focus airs every Wednesday at 9:00 am on KROS FM 105.9 and AM 1340.

THE ROLE OF PROPERTY IN RETIREMENT PLANNING

250 years ago, Thomas Jefferson wrote that all people have certain unalienable rights, including life, liberty, and the pursuit of happiness.

While those words are as inspiring today as they were then, the United States Constitution, on the other hand, words it a little differently: That no person may be deprived of life, liberty, or property without due process of law.

Of course, property is not only a natural right, but an important consideration in retirement. It impacts your daily living, your income, your expenses, your estate planning, and more.

That's why I think it's important to focus on several property-related concerns and decisions. Some of these will apply to you and some may not, but all are worth thinking about.

This month we will look at owning property abroad, the importance of proper titling, and an estate planning tool that all property owners should be aware of.
In the coming months, we will focus more on property as both a source of income and expense.

What's Around the Bend: Living Abroad

Maybe it's sipping wine in the City of Light or eating sushi in Tokyo. Maybe it's inhaling the sweet fragrance of a springtime garden in England or feeling the warmth on your face outside a villa in Tuscany. Wherever it is, if you've traveled outside the country much in your life, you probably have a favorite place to visit.

A place that makes you think, "I could live here."

It's not the most common retirement goal around, but it's one that many people contemplate at some point or another: The prospect of living abroad.

If this ever becomes a retirement goal of yours (even if it's just to own property abroad that you spend a few months out of the year in), there are a few things to know:

- If you spend 183 days or more in a country, you may be taxed as a resident. But many people don't know that, depending on what you do in a foreign country (Based on a 'Center of Vital Interests' rule), you could be subject to full taxation no matter how long you are there.[1]
- If you are a business owner or executive, doing business while overseas could inadvertently create a "permanent establishment" for your company in that country. That would make it liable for taxation there.
- If you want to make your oversees dream home become your permanent home, the U.S. may treat your global assets as if they were immediately sold at fair market value and you would be subject to any capital gains on unrealized gains.[2]
- You will need to disclose any accounts held overseas that exceed $10,000 (at any point) on your tax filing.[3]
- Some countries have "forced heirship" laws. They will force specific percentages of your assets to your children or spouse, regardless of what's stated in your U.S.-based will or trust.[4]

Living abroad in retirement is certainly not something that can be decided on a whim. It involves managing taxation, maintaining business interests and income streams, and navigating complex legal systems.

But by planning carefully and proactively, it can also be a wonderful experience that makes retirement everything you dreamed it would be.

What's Over the Next Hill: Proper Property Titling

For many, part of the "American Dream" is owning real property. In retirement, that dream can often become a reality. Whether it's finally paying off the house you've owned for decades, purchasing a second "vacation" home, building a family cabin, becoming a landlord, or helping a child purchase a house, property can be a source of both pride and income.

Prior to completing any property purchase, though, you will likely be asked by a real estate agent, and later by the title company handling the sale, how title is to be held.

Proper titling is important for a variety of reasons. Understanding the difference between **sole proprietorship, joint tenancy, tenants-in-common,** and **community property** impacts creditor protection, estate planning, and family financial harmony.

Sole ownership means just that: the title is vested in one person or entity. The buyer will sign as a single individual (having never been married) or an unmarried individual (widowed or divorced,) or a married individual acquiring an interest as sole and separate property with the other spouse relinquishing all right, title or interest.

Tenancy-in-common allows any number of people to hold title together with each having a divided interest, equal or unequal. This form of ownership is common among business owners, parents and children, and unmarried domestic partners. Since one co-tenant cannot act on behalf of another, and they are not liable for the acts or omissions of other co-tenants, creditors can assert a claim against only a portion of the property evidenced by a co-tenant's interest.

For estate planning purposes, a co-tenant has all the rights of a sole owner for their portion of the property, including the power of appointment to give their interest away while alive or leave an interest by will at death. (For gift or estate tax purposes, keep in mind though that the value of a co-tenant interest may be discounted if the new co-tenant does not enjoy the total ownership of the property.)

Joint-tenancy differs from tenants-in-common in that the property ownership interests, which can be owned by any number of people, cannot be divided. There is only one title to the property, and all owners have equal rights of possession. Upon the death of an owner, that person's ownership interest ends and cannot be willed or given away. The survivor, or survivors, retain all ownership interests.

This brings us to a common mistake made by retirees and pre-retirees, which is to put children on property as joint tenants. The thinking is that by doing so, they can pass on their property without going through probate. This can be true; however, it can also create a taxable event in that the transfer of a joint-tenant interest is considered a gift requiring the filing of a gift tax return. (This also exposes the property to creditor claims of any joint tenant.)

Since a joint-tenancy arrangement passes the property to the surviving joint tenant, the decedent tenant has no power of appointment over that property at death. Parents holding property in joint-tenancy have effectively disinherited their children since the first-to-die parent cannot appoint his/her interest in the property to an heir by means of a will.

Finally, we have **community property.** There are currently nine community property states in the U.S.: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

These states treat property held and titled by married couples as community property similar to joint tenancy with two very important exceptions. At the death of the first spouse, the decedent has full power of appointment, or the ability to give their interest to whomever they please. Most commonly, the property will be left to the surviving spouse to use for the rest of their life, then be passed on to the children. Finally, at death, the property receives a full stepped-up cost basis, enabling the surviving spouse to sell the property without a capital gains tax.

As you can see, the question of titling, while not necessarily complex, is certainly not one that comes with a one-size-fits-all answer. So, if you ever think about purchasing property in retirement and aren't sure which form of titling is right for you and your family, please let us know! We would be happy to discuss your options with you.

What's On the Horizon: Passing the House Along Through a QPRT

In the last section, I mentioned how many retirees often intend on leaving property to their children. It's an extremely common goal… but many people don't know about a powerful tool that can help. It's called a **Qualified Personal Residence Trust**, or QPRT.

A QPRT allows the older generation to make a future interest gift to the younger generation of a primary or secondary home at a discounted value for gift and estate tax purposes. Since it is a gift of a future interest, the grantors (Mom and Dad), may retain the right to use the property for a term of years.

The mechanics of a QPRT are fairly straightforward. The grantor, or maker, of the trust is the owner of the home. The children are typically the beneficiaries of the trust.

The grantor gives the property to the trust. However, the grantor reserves the right to use the property for a set number of years he determines. The right to use and enjoy the property is assigned a value as determined by current IRS valuation tables. This value is subtracted from the current value of the property, and the remainder is considered to be the taxable transfer.

At the conclusion of the term, the property is then owned outright by the trust. It can remain there or be distributed to the beneficiaries.

The beneficiaries may sell the property, use it themselves, or even lease it back to Mom and Dad, provided the lease is at fair market value. If they elect to sell the property, their tax basis is the tax basis of the grantor plus any gift taxes paid.

The tax advantages of the QPRT stem from the discounting that occurs when the property is originally transferred and from the fact that future appreciation in the property is transferred tax-free to the next generation.

For example, let's assume that Mom and Dad transfer their Lake Tahoe vacation home, valued at $1 million, to a QPRT that names two children as beneficiaries. They retain the right to use the vacation home for 15 years. Their retained interest is valued at $750,000. The discounted value of the gift is calculated to be $250,000. So, they file a gift tax return and claim the use of $250,000 of their credit exemption.

Over the next 15 years the property doubles in value. When the term finishes, the kids get the property and decide to sell it. If Mom and Dad paid $500,000 for the home, they would have a taxable gain of $1.5 million. The federal capital gains tax would be 20% of the gain, or $300,000.

On the other hand, had the parents died and the $2 million home been taxed in their estate, the tax could have been as high as 40%, or $800,000.

A QPRT is only right in very specific circumstances. It's certainly not a universal estate planning tool. But if you have property you plan to continue to use but would like to give to the next generation someday, it's certainly a tool worth considering!

[1] *"IRS Publication 519," Internal Revenue Service, https://www.irs.gov/publications/p519*

[2] *"Expatriation tax," Internal Revenue Service, https://www.irs.gov/individuals/international-taxpayers/expatriation-tax*

[3] *"Report of Foreign Bank and Financial Accounts, Internal Revenue Service, https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar*

[4] *"American Abroad Beware: Forced Heirship Laws Can Undo Your Estate Plan," Forbes, https://www.forbes.com/sites/virginialatorrejeker/2026/05/26/american-abroad-beware-forced-heirship-laws-can-override-your-estate-plan/*

THE MAN WITH THE RED BANDANA

Every September we remember the events of 9/11. For those of us who did not lose loved ones on that awful day, time tends to dull the ache somewhat. But one thing time cannot dull is the inspiration we feel whenever we learn about the many acts of heroism and sacrifice performed by countless men and women who had to face the unthinkable before the towers fell.

Take, for example, the story of a young man who saved at least a dozen lives before giving his own. His name was Welles Crowther, a young trader who worked in the South Tower of the World Trade Center. But to those he saved, he will always be remembered as the man with the red bandana.

Out of the Darkness, a Voice of Calm

At 9:02 a.m. on September 11, 2001, the skylobby on the 78th floor of the South Tower was filled with people, all debating whether to stay or go as the North Tower burned. At 9:03, the lobby was dark and filled with smoke. The second plane had struck.

Most of the people in the lobby probably died instantly, but a few survived, albeit with injuries. As these survivors tried to make sense of what was going on, a man appeared holding a red bandana over his nose and mouth. “Anyone who can walk, get up and walk now,” he ordered. “Anyone who can help others, find someone who needs help and then head down.”

His voice, survivors remembered, was calm and authoritative. Slowly but surely, he led groups of people down several flights of stairs, then went back the way he came to see if others needed help. He even carried one woman on his back, setting her down only when they had finally reached clean air. “This way to the stairs,” he said, whenever he returned to the 78th floor. “This way to the stairs.”

Only One Way Out

It’s hard to overstate the importance of this simple bit of instruction. The plane that struck the South Tower did so at an angle, severing every stairwell but one. This was the one Welles Crowther directed people to. It was the only escape, the only lifeline. But it was filled with smoke and debris. Many people thought it impassable, and decided to head up instead of down. Thankfully, Crowther kept a remarkably clear head and held his nerve. It’s impossible to know how many lives were saved thanks to his calm demeanor, quick thinking, and bravery, but to save only one would be noteworthy. To save dozens, as Crowther likely did, was miraculous.

To have the courage to continue going up the stairs as others went down was heroic.

“If he hadn’t come back,” one survivor later said, “I wouldn’t have made it. People can live 100 years and not have the compassion, the wherewithal to do what he did.”

But at the time, no one knew his name. His heroism lived on only in the stories swapped by survivors and recounted to journalists. In a famous piece by the New York Times published less than a year later, he was described only as a mysterious man with a red bandana.

The Man with the Red Bandana

The story would have probably ended there had Crowther’s parents not read those accounts. They instantly recognized the nameless man as their son. Previously, all they knew was that their son’s body had been found alongside those of firefighters running a command center in the South Tower lobby. It was clear that he had probably been trying to help, but that was all they knew.

As a boy, Welles loved to emulate his father, who always kept a blue bandana with him. But instead of a blue bandana, Welles chose red. Like his father, Welles became a volunteer firefighter and dreamed of one day joining the FDNY so that he could devote his life to helping others. When the planes struck, Welles fulfilled his dream.

Several months after the attacks, Welles’ mother, Allison, reached out to one of the survivors mentioned in the NYT article. She sent the survivor a picture of her son, who only needed an instant to confirm that it was indeed Welles. For his parents, it was probably a bittersweet confirmation.

Still, as Welles’ father once said: “If Welles’ story helps people to think of others, then God bless them, God bless him.”

For the survivors Welles saved, finally knowing who he was made all the difference. “It does help me put myself in a lot more peaceful mind than I used to be,” as one survivor put it. “It helped me heal a little bit more, at least mentally.”

“I (still) see this incredible hero, running back and forth and saving the day,” said another survivor. “In his mind, he had a duty to do—to save people.”

September 11 was a long time ago. For many, time has dulled the ache of that awful day, but it can never dull the importance, the significance, the magnitude of what Welles Crowther did. Even now, after all this time, there is so much about September 11 that can move us and inspire us if we let it. There is so much we can learn, so much we can emulate. Hopefully none of us will ever have to experience that kind of situation … but whatever life has in store for us, I hope we can meet it with the same resolve and strength that Welles Crowther did.

I hope that we, too, can be somebody’s calm voice out of the darkness.

• TAX & RETIREMENT PLANNING

RETIREMENT INCOME TAXES

4 ways to potentially reduce your tax burden in retirement.

01

KEEP TAKING ADVANTAGE OF TAX-ADVANTAGED ACCOUNTS

The longer you let tax-deferred accounts like 401(k)s and traditional IRAs go untapped, the longer the funds can grow and the lower your tax bill for a given year can be.

02

PLAN AHEAD FOR RMDS

If you own a traditional IRA or 401(k), you must take Required Minimum Distributions (RMDs) when you turn 73. RMDs can potentially bump you into a higher tax bracket, so another approach is to start taking smaller distributions earlier to spread out your taxable income over time.

03

CONSIDER RELOCATING

While you should never decide where to live because of tax benefits, some states are more tax-friendly than others. If you are considering relocating for lifestyle reasons, keep the state's tax laws in mind.

04

HAVE A WITHDRAWAL STRATEGY

Track all of your income, how much you're deriving from each source, and when you tap into each one. Additional income sources can bump you into a higher tax bracket—this can be prevented by rearranging the order in which you draw from various accounts and only taking what you need to meet expenses and reach your most important goals. Let us know if you have any questions about this.

Minimizing taxes on your retirement income is just as powerful as earning more income altogether!

THIS MONTH'S FEATURED CHARITY IS HAND IN HAND

Hand in Hand

Twenty-five years ago, two Quad Cities families asked a simple but powerful question: What if every child had the opportunity to learn, play, and belong together?

That question became Hand in Hand.

What began as a one-week summer camp for children with disabilities has grown into the Quad Cities' only organization providing inclusive programs for children and adults of all abilities, from six weeks old through adulthood.

Today, Hand in Hand helps children build friendships, adults gain independence, and families find support and respite. Through childcare, recreation, camp, after-school programs, and adult services, they create opportunities for people of all abilities to learn, grow, and thrive.

At Hand in Hand, inclusion is more than a program—it's a belief that everyone deserves the opportunity to belong.

Donations can be mailed to:
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C/O Ashley Hicks
3860 Middle Rd.
Bettendorf, IA 52722

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www.nelsoncorp.com

880 13th Avenue North
Clinton, IA 52732
(563) 242-9042

info@nelsoncorp.com

5465 Utica Ridge Rd
Davenport, IA 52807
(563) 242-9042

fax: (563) 242-9062

9079 East Tamarack Drive
Dubuque, IA 52003
(563) 242-9042