CARSON WEALTH | THE SHOBE FINANCIAL GROUP

Planning for Your Wealth

What Baby Boomers Need to Know About Roth IRAs

A Roth IRA can be a valuable retirement planning tool for baby boomers and other investors who want tax-free income in retirement and greater flexibility in managing their retirement assets. While traditional IRAs provide an upfront tax deduction, Roth IRAs work in the opposite way: contributions are made with after-tax dollars, but qualified withdrawals —including investment earnings—are completely tax-free.

One of the biggest advantages of a Roth IRA is flexibility. Unlike traditional IRAs, RothIRAs allow account owners to withdraw their original contributions at any time withouttaxes or penalties. In addition, Roth IRAs are not subject to required minimum distributions (RMDs) during the owner's lifetime.This means retirees who do not need the money for living expenses can allow their investments to continue growing tax-free and potentially leave a larger inheritance to their heirs.

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To receive the full tax benefits of a Roth IRA, account holders generally must be at least age 59½ and must have had a Roth account open for atleast five years before withdrawing earnings tax-free. While contributions can be accessed at any time, earnings may be subject to taxes andpenalties if these requirements are not met.

For those who do not already have a Roth IRA, there are several ways to establish one. Investors with earned income can open a new Roth IRAand make annual contributions, subject to income limitations and IRS contribution limits. Another option is converting an existing traditionalIRA into a Roth IRA. While this strategy requires paying income taxes on the converted amount, it can be beneficial for individuals who expect tobe in the same or a higher tax bracket in retirement. Some investors choose to spread conversions over multiple years to manage the tax impact.

Baby Boomer - Roth IRAs - cont.

Timing can be especially important when considering a Roth conversion. Years with lower income—such as after retirement but before claiming Social Security benefits—may provide an opportunity to convert assets while remaining in a lower tax bracket. Since traditional retirement accounts are subject to future RMDs, converting some assets to a Roth IRA before RMDs begin may also help reduce future taxable income.

Baby boomers who are leaving an employer may also have the option of rolling funds from a 401(k), 403(b), or similar retirement plan into a Roth IRA. As with a traditional IRA conversion, taxes generally apply to any pre-tax assets rolled into a Roth account. However, moving retirement funds into a Roth IRA can eliminate future RMD requirements and provide greater control over retirement distributions.

"Backdoor Roth IRA," is a strategy often used by higher-income individuals who exceed the normal income limits for Roth contributions. This approach involves contributing to a traditional IRA and then converting those funds to a Roth IRA. The strategy remains legal under current tax law, although lawmakers have periodically discussed limiting its use.

Ultimately, the decision to use a Roth IRA comes down to a tradeoff: paying taxes now in exchange for tax-free withdrawals later. For many baby boomers, the benefits of tax-free income, no lifetime RMDs, and enhanced estate planning opportunities can make a Roth IRA an attractive addition to a retirement strategy. However, investors should carefully evaluate the tax consequences of conversions and consider how the strategy fits within their broader financial and retirement goals.

Shobe Happenings

Continued →

Crawfish Boil 2026: Rain or Shine Means Rain or Shine!

Our annual Crawfish Boil on May 9th was a tremendous success—and the weather certainly put our "rain or shine" promise to the test! (IYKYK)

Despite the rain, our clients, friends, and families showed up in record numbers, making this our best-attended Crawfish Boil yet. We are incredibly grateful to everyone who joined us at our office and helped make the event such a memorable day.

We love the opportunity to connect with our clients outside of the office and look forward to seeing even more familiar faces next time.

Thank you again for helping make Crawfish Boil 2026 our biggest and best one yet!

Pressure at the Pump: Will High Gas Prices Shake the U.S. Economy?

Gasoline prices surged sharply in early 2026 following disruptions caused by the Iran war, creating concerns about inflation, consumer spending, and overall economic growth. The national average price of regular gasoline climbed from $2.98 per gallon in late February to more than $4.50 per gallon by Memorial Day weekend, with prices exceeding $6 per gallon in California and averaging around $4 per gallon in Mississippi. Although prices eased somewhat by June, Americans were still paying nearly 50% more at the pump than before the conflict began.

The primary driver of higher gasoline prices has been the increased cost of crude oil. According to the U.S. Energy Information Administration, crude oil accounts for roughly 52% of the price consumers pay for gasoline. Restrictions on shipping through the Strait of Hormuz—a vital passage that normally handles about 20% of the world's oil supply—caused global oil prices to spike. Even though the United States produces more oil than any other country and imports relatively little through the strait, oil is a global commodity, meaning worldwide supply disruptions affect prices everywhere.

Regional differences also influence gas prices. States along the Gulf Coast and throughout much of the South typically enjoy lower prices because of lower fuel taxes, a high concentration of refineries and pipelines, and less restrictive fuel regulations. In contrast, West Coast states generally experience higher prices due to higher taxes, fewer refining resources, and stricter fuel standards.

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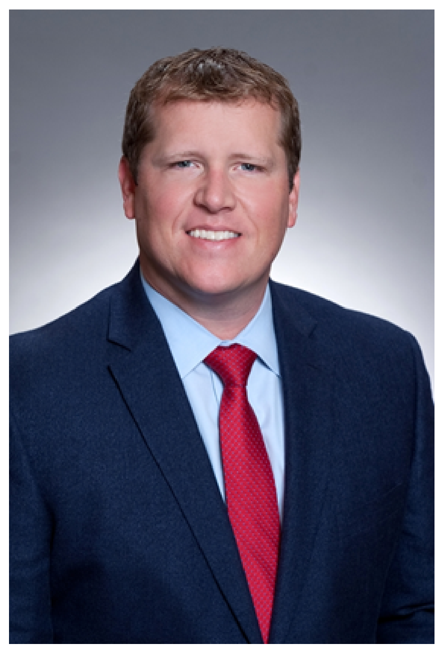
Craig Kliebert - Expanding Credentials

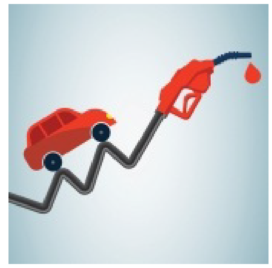
Craig Kliebert, Senior Vice President and CERTIFIED FINANCIAL PLANNER, has joined Jason Windham, Corey Luckett, and Zainab Gandhi in earning the Certified Exit Planning Advisor (CEPA) designation, equipping our team with advanced tools to help business owners reduce risk, build value, and align business and personal goals for successful transitions.



Shred Fest '26 is Here - Next Week!

We're excited to remind you that Shred Fest '26 is back again and will take place June 22–26. This year we're expanding it into a full week to better serve you. Staff will be available each day from 10:00 AM to 2:00 PM to assist with unloading your boxes, but you're welcome to drop off documents anytime between 9:00 AM and 3:00 PM that week. All materials will be placed directly into our secure shred bins and promptly handled for safe destruction. This extended schedule gives you the flexibility to clear out confidential documents and free up space in your home—securely and responsibly. On your way out, be sure to grab a snack as a small reward for taking care of this important task!

Pressure at the Pump - cont.



The U.S. economy has weathered high fuel prices before, but it may be a rocky ride this summer.

Federal policymakers have taken several steps to help ease supply pressures, including releasing oil from the Strategic Petroleum Reserve, easing certain restrictions on Russian oil shipments, and suspending some domestic shipping requirements. Additional proposals, such as temporarilysuspending the federal gas tax, have also been discussed. However, these measures are more likely to slow future increases than significantlyreduce prices in the near term.

Higher fuel costs are affecting much more than gasoline purchases. Americans have already spent tens of billions of dollars more on gasoline anddiesel than they did during the same period last year. Increased diesel and jet fuel costs are raising transportation expenses, which can contributeto higher prices for a wide range of goods and services. Fertilizer costs have also increased, creating additional pressure on farmers andpotentially leading to higher food prices later in the year.

Some are concerned about a growing “K-shaped” economy, where higher-income households continue spending while lower-incomehouseholds struggle under rising costs. Inflation reached 3.8% in April, while wage growth slowed to 3.6%, marking the first time in several yearsthat inflation outpaced wage inceases. Because consumer spending drives roughly two-thirds of U.S. economic activity, prolonged pressure on household budgets could weigh on future growth.

Looking ahead, the Federal Reserve faces a difficult balancing act. Persistent inflation may delay expected interest-rate cuts or even lead toadditional rate increases. While higher rates can help control inflation, they can also place additional strain on consumers who rely on credit.Although the U.S. economy successfully weathered a similar fuel-price shock in 2022, the combination of elevated gas prices, inflation pressures,and slowing wage growth could make for a challenging economic environment in the months ahead.

We’d love to help your friends and family!

If someone you know could benefit from a second opinion or guidance on their financial journey, we’d love the opportunity to help. Referrals from clients like you are our greatest compliment. This QR code will take them to a short form to connect directly with our office. Alternatively, they can always call us at 225-763-7010.

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