

WHAT IT MEANS TO BE A PROFESSIONAL

March 2023

“At our Firm,
 Your Estate Plan
 is Not Business,
 it’s Personal...”



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“It was one of those March days when the sun shines hot and the wind blows cold: when it is summer in the light, and winter in the shade.”
 - Charles Dickens,
 Great Expectations

Most people associate being a professional with a profession – an architect, a surgeon, heck, even an attorney! There is nothing wrong with that, and it is actually true. The much trusted merriam-webster definition of a professional is the following:

/An individual characterized by or conforming to the technical or ethical standards of a profession./

So who am I to challenge that standard? However, for purposes of this article, let’s try to give it a description that you can carry and make good use of for your everyday life and work. First and foremost, competency, that should go without saying. Let’s not embellish the long and hard hours required to become proficient at anything. From the athlete to the baker, there is a learning curve, and if done with passion, it often adds a great sense of purpose to your life. Outside of your family, work should be the one thing that takes the majority of your time. Along the way, it will provide you a sense of identity.



Unfortunately, most people stop at that single requirement. Why you ask? Because the sheer time and energy required to attain that level of proficiency can be draining. I have witnessed countless ‘professionals’ act very rudely or unfashionably, only to have their behavior justified by their competence. I do give respect to the skill, but personally do not care for that kind of attitude. And therein lies a secret to taking your professionalism to the next step – attitude.

In the energy you bring forth to work, you should strive for two main characteristics – humility and the willingness to keep learning. Remember the saying, “school is never out for the professional!” (See our January Newsletter for reference 😊). In general, most of us enjoy the presence and company of a humble person, so why not have that energy in what you do. It makes life more pleasant anyhow, so why not! Another trap many people fall into is believing “I already know that”. Guard yourself well from this type of thinking, you can always extract more and greater depth of knowledge in the details. I mean, how many years have I been drafting trusts, and still I find the wealth of knowledge available runs so deep. That’s what makes the work fun and interesting.

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INTRODUCTION

March is often a good excuse for people to drink way more than they should, especially on the 17th! So be safe out there! St. Patrick’s Day is celebrated with people wearing green, and staying a bit more... hydrated than usual! 😊 For most of the nation, this month will be the last few weeks where the cold can get to very unpleasant temperatures. Luckily, California does not fall in that category. Yes, you will see some people still rock the socks and sandals look, but hopefully that will be the last of it for the year!

Other than that, this will be the end of the first quarter, so make sure to end it with a bang! Stay active getting more marketing done and customers in. People are usually in full-on work mode, so this is the time to grow your company. If we can help you get incorporated, feel to reach out and call us! 714-966-2646.

ESTATE CHANGES FOR 2023

Though the law is known to be a slow changing arena (as it should be), some changes do take place every year. The Estate Planning field is no different. For better or worse, the changes for 2023 seem to be incremental at best. For the most part, people with high net worth should relish in this unique time, and do proper planning for their loved ones. With this in mind, never underestimate the power of a Revocable Living Trust simply because you don't believe you have much assets to leave to your heirs. All adults should have a proper legal plan in place to protect their family. When you start working, it is customary to have a 401k plan in place, to have health care insurance and a death benefit component to it. All these components is what creates a responsible adult. So with this parameter in mind, let's jump right in and see what 2023 has in store for us.



Let us start with the 'smaller' change. The famous Gift Tax Exclusion. Many times, affluent clients come in with the idea in mind to save millions via a single instrument. However, if done right and with sufficient time, a significant amount of a person's estate can be distributed with zero estate taxes. In 2022, the gift tax exclusion was at \$16,000, so \$32,000 per couple a year. For 2023, these numbers have increased to \$17,000, and \$34,000 respectively. What is great about this particular vehicle is that this is not limited to family members only. In other words, you can choose as many people as you would like and make such distributions. The impact is immediate, and it can eliminate the estate exposure a great deal if done properly.

The big ticket item most people have in mind is what is called the Federal Estate Tax Exemption. This is where an affluent family's net worth can be passed on to their child(ren) in its totality and without any tax exposure. In 2022, that amount was \$12.06 million per individual, and thus \$24.12 million per couple. For 2023, those numbers have increased to \$12.92 million and \$25.84 million respectively. Obviously, most people will not fall in that category. However, keep in mind that this law is set to end on December 31, 2025 according to the 2012 Act. Thus, even if you fall well below that amount, who knows what may happen in 2025. My 'educated' guess, considering the government is in dire need of capital, is that the exemption will greatly be reduced. So if you take advantage of the law today and for the next 3 years (all of 2023, 2024, and 2025), you may bypass this entire exposure irrespective of what happens in 2025, as there will be no claw back. Naturally, this involves some in-depth analysis with your counsel and accounting team to create a plan that will be beneficial to all parties involved.

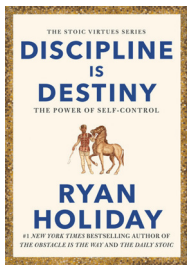
Naturally, there are other changes, but these are the ones that affect most people. Because we are an asset protection firm, most people unfortunately confuse protection with tax evasion. We encourage you not to participate in the latter. As a matter of fact, come January 1, 2024; the Corporate Transparency Act will require certain entities to disclose certain beneficial owners FinCEN (Financial Crimes Enforcement Network). If these individuals fall in one of these categories: owns or controls at least 25% of the company / exercises substantial control over the company / trustee or beneficiary who is the sole recipient of income and principle.

In short, please undertake proper estate planning with proper guidance. And if you need any suggestions for an attorney, well... 😊

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Here is another aspect of being a professional you may never have thought of – the passing of opportunities. Becoming dedicated and excel at what you do takes serious sacrifices. It will mean letting go of some of those opportunities that come your way, be it financial or social events. The tunnel vision required to be a professional has a price, be willing to pay it. You may not feel it at first, but there is a beauty in it when you look back.

Let me leave you with a great benefit to having 'earned' being a professional... Autonomy. The ability to work with who you want, under your terms and conditions. Not for the sake of being egotistical, but rather maximize the benefits a person can get from working with you. As 2023 continues to pass us by, keep your big vision in mind, and keep working hard at having people naturally say "Working with... is such a pleasure because he / she is such a professional!" It has a little to do with your work per se, but a lot more about the energy you bring forth!



RYAN HOLIDAY: DISCIPLINE IS DESTINY

To master anything, one must first become master of their own ideas, feelings, and behaviors. Eisenhower is credited with saying that freedom is actually just the chance to exercise self-control. The temperance virtue was described by Cicero as the polish of life.

Without limits and self-control, we run the risk of not only falling short of our potential and compromising our accomplishments, but also of ensuring pain and shame. This age-old concept is more pertinent than ever in a society of temptation and excess. In *Discipline is Destiny*, Author Ryan Holiday draws inspiration from historical figures like Lou Gehrig, Queen Elizabeth II, boxer Floyd Patterson, Marcus Aurelius, and author Toni Morrison; as well as cautionary tales from people like Napoleon, F. Scott Fitzgerald, and Babe Ruth to show us the importance of self-discipline. Holiday emphasizes the need for self-control and self-discipline.

Throughout the book, he uses historical figures as examples of self-control and the results such discipline brought about. He highlighted the virtues of self-control exhibited by people like Marcus Aurelius, Queen Elizabeth II, Lou Gehrig, Angela Merkel, Martin Luther King Jr., George Washington, and Winston Churchill; whose restraint and commitment to duty inspired entire nations, and continue to live on through history.

Napoleon, Alexander the Great, Julius Caesar, and King George IV are cautionary tales from history that astound us with their self-inflicted demise. Because we are all made up of many layers, we occasionally see excess and restraint in the same person and can draw lessons from both. Through these interesting anecdotes, Holiday demonstrates to readers the need of restraint and self-control while also warning them against the dangers of excess and hedonism.

The four basic values of courage, temperance, justice, and wisdom are at the core of stoicism. The Stoics held themselves to be at the source of all things, in an effort to develop a mind that takes control of an unruly environment. *Discipline is Destiny* will lead you down the path of self-mastery, which is the foundation for all other virtues. Predictive discipline. Without it, you cannot be successful. If you lose it, you can't help but bring failure and misery onto yourself.

In a world of wealth, each of us must contend with our urges and desires as well as the age-old struggle to fortify ourselves against life's vicissitudes. Instead of focusing on getting six-pack abs or staying away from everything that makes us feel good, we should focus on strengthening our resolve to follow the route we have chosen. Going the distance is important, as is avoiding dead ends and other mirages along the road. Who or what rules us, if we don't physically govern ourselves? External forces. Laziness. Adversity. Entropy. Atrophy. We perform the tasks today and every day since that is why we are here. We are aware that, despite the fact that it may be easier to relax and feed our urges, going that path will lead to long-term pain.



How to overcome Fear of missing out (FoMO)

The idea that other people are enjoying themselves more, having better lives, or having better experiences than you do is known as FoMO. It lowers self-esteem and involves a strong sensation of envy. Not only do you feel like there might be something better you could be doing right now, but you also feel like you are missing out on something fundamentally significant. Social media is partially to blame for this phenomenon's rising popularity, which can lead to a lot of stress in your life. Everyone is susceptible, but some are more sensitive to such exposure.

Studies have shown that people of all ages can feel FoMO. A study published in the *Psychiatry Research* journal revealed that age, gender, and the on-going use of social media and smartphones played a great role in determining your susceptibility. According to one theory, the social component of FoMO is relatedness, which is defined as the drive to fit in and the development of enduring interpersonal bonds. FoMO is regarded as a type of problematic attachment to social media and is linked to a variety of unfavourable life events and emotions, including lack of sleep, diminished life competency, emotional tension, detrimental effects on physical well-being, anxiety, and a lack of emotional control; intimate connections may be seen as a way to combat social rejection.

It's crucial to keep in mind that we all feel some FoMO to some extent and occasionally. The uneasy feeling is acceptable and becoming more prevalent with the introduction of social sharing platforms. Understanding the emotion, though, and coming up with constructive solutions to deal with it can help us be more content with our own lives without succumbing to the worry that we could be missing out on what the cool kids are up to. The human mind was not naturally wired to the exposure of such a wide array of information, but unfortunately often times unnecessary ones.

It is possible to enjoy social media without constantly feeling FoMO, but that constant exposure may have a harmful influence on your physical and emotional health. You can fight FoMO by keeping in mind that social media only tells part of the picture. We are not privy to all the work that goes into making those few second clips. You may experience a greater sense of security and control if you develop a sense of personal belonging in your own community.



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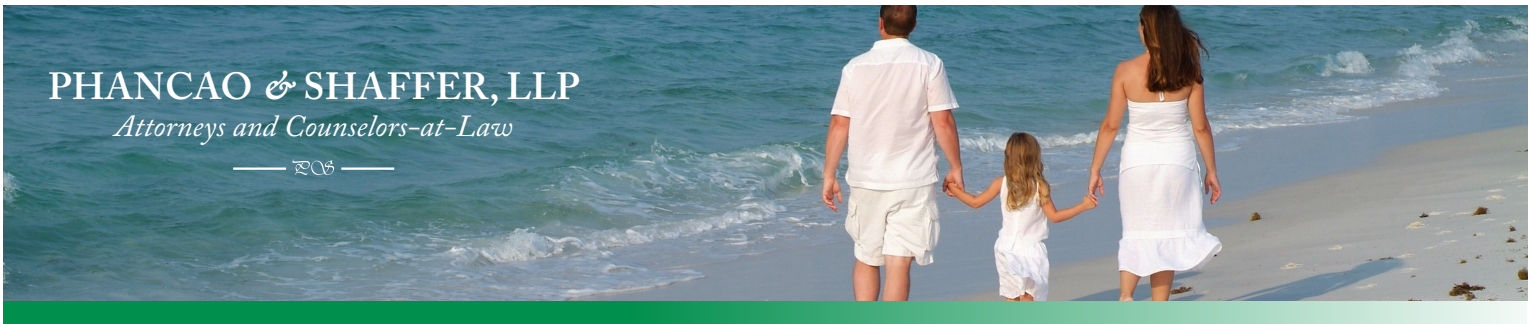


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March has a fresh start sense to it. Yes, it's not January anymore. But Mother Nature is awakening as the temperature rises. This is the month to warm up your muscles and spend more time outside because the flowers are blooming and the leaves are beginning to prune. The month of March marks the start of spring and a brand-new seasonal cycle. Our heart and body regain energy as a result of the hot and cooling weather. This makes it, after the New Year, the second-best time to begin something new.

New month, fresh start, altered perspective, new goals, refreshing outcomes.

Welcome to March!

