

HELPFUL FINANCIAL TIPS

May 2021

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



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“A life of leisure
and a life of laziness
are two things.
There will be enough
in the grave.”

~ Benjamin Franklin

What is happening in the world today? Congress just approved another \$1.9 trillion into the economy. That equates to \$1,400 per person, double that for a married couple, and add \$1,400 for each dependent. Well, let us ask ourselves a simple question – how financially secure do you feel?

Having been in a few different states in the last few weeks, seeing the number of restaurants permanently closed was an eye sore. Seeing the lack of foot traffic in malls is just daunting for commercial real estate.

Hotels across the nation are seeing a fraction of guests necessary to keep their businesses going. Yet, here are some contradicting facts – stocks are at an all time high. Have you tried to purchase a home lately? Not only do you have to bid \$50,000 - \$100,000 (especially in Orange County!) above asking price, that alone may not even do the trick. Some people are being outbid by all cash offers, or simply can't even get to qualify unless they are the 'perfect borrower' from a broker's perspective.

This leaves us with utter confusion as to what the responsible person should do. Not to panic, here are a few pointers that could help creating some direction in your financial universe. After all, knowing what to do is sometimes half the battle.

Well, as always, we will start with fundamentals. First things first, a book recommendation, J.L. Collins: The Simple Path To Wealth. What an eye opener and an incredible outline on how to create wealth irrespective of your income! That is a bold claim, but it is one the author backs up with true facts and numbers, definitely worth the read.

But before we even get there. If you are among the countless people trying to purchase a home and haven't been able to do so, do not lose hope. As discussed in newsletters of the past, you have to have the basics in place:

1. Get rid of all your debts! That's right, your savings can't be used to purchase a home, well then put them to use and eliminate those debts
2. Emergency Fund - Besides the \$1,000 cash you should have on hand, you should have at least 6 months of living expenses set aside.
3. Save, save, save!

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SPECIAL ANNOUNCEMENT

May is the fifth month of the latest Gregorian and Julian calendar and third in the old German calendar. It is the month when spring ends and summer starts. The month of May was named for the Greek Goddess Maia, identified with the Roman era goddess of fertility. Romans called the month "Mauiis." Another interesting fact about May is, no month ever begins or ends on the same day of the week as May does.

Late May starts with the summer vacation season for the kids. Like many of us, you may have juggled between a hybrid of stay home and in school learning this year. With the vaccines coming out, many are hoping we have left the worse behind. Based on the 405 traffic, it sure appears the days of 'staying home' are behind us. Here are some holidays in May:

- Free comic book day, National college decision day, World Lyme day
- Orthodox Easter, World Laughter Day
- Cinco de Mayo, National Teacher Day
- Mother's Day, Victoria Day, Memorial Day
- Asian American Heritage Month, Jewish American Heritage Month
- Skin Cancer Awareness Month & National Bike Month

It's said that May is a good month to be lazy. May 2 is the officially named International Day of Idleness. Yes, this day exists and I'm 100% sure you didn't know that because if you are like me, you were too lazy to even bother finding out. But unfortunately, the US does not recognize it as a federal holiday so if you try to call into work with the excuse of having a whole lot of nothing to do that day, you'll likely not be coming back to work! 🙄

Technically you are Taurus if you were born in this month with earlier days and Gemini if born later days of this month. Those who were born earlier in the month are considered stubborn, persistent little bloodsuckers. Those born with the zodiac sign Gemini are considered tricky and independent people who don't care about anyone and do not need anyone's approval.



CRYPTOCURRENCY AND ESTATE PLANNING

Let us switch gear a bit this month. With all the talks lately of presidential candidature, the future of vaccines and, all the political upheaval of police brutality, it may be nice to just read about something not as... intense. After all, we are an estate planning outfit, so we try to keep you informed on all estate planning matters. Even if not every month, at least every so often to understand its role in your every day life.



This month, we thought it would be fun to look at a subject that more and more people are taking an interest in, cryptocurrency. Some call cryptocurrency the natural evolution of our monetary exchange. With people wanting less and less government in their day-to-day affairs, they want the ability to be able to barter without every expense being made a known fact to the public. Here comes cryptocurrency.

Surpassing the tulip bubble of 1936, never have we experienced such a monetary explosion until cryptocurrency. For those not in the know, the Danish tulip was considered such a beautiful flower, that its demand exploded during that year. The speculation of potential fortunes being made with this crop caused countless people to invest in it and attempt to ride its wave of demand. Within the span of a year, a tulip could be sold for ten times that of a wealthy nobleman, to becoming a mere commodity twelve months later.

The reason this fun historical fact is brought up is that cryptocurrency underwent a very similar pattern, bitcoin to be more precise. Bitcoin is a form of cryptocurrency, and most likely the most popular by general standards. Many believe it will replace the gold security, but that is still left to be determined.

In any event, indeed, many fortunes have been made in the world of bitcoin. After all, a \$10,000 investment into bitcoin when it was worth \$100 per coin, would now be worth well in the north of \$5,000,000 today. Imagine that! However, though we (the people) would consider this a currency, the IRS categorizes it as an asset. Thus, that would mean that a bitcoin owner would be exposed to income and capital gains tax. This has created scenarios for many individuals they have never contemplated.

When planning for such an asset, the first thing one should consider is the recording of the lengthy, and usually quite complex password that come with accessing your 'wallet.' Lose that password, you may have lost your fortune. Speaking from personal experience, we recommend you keep that password well protected AND accessible to at least one other person.

Assuming you earned a good nest egg from such currency, you may look into minimizing that tax exposure by creating an Irrevocable Trust, most likely a Charitable Remainder Trust; enabling you to get a lifetime income stream, all the while ensuring a much smaller estate tax when that day comes.

Cryptocurrency is a form of payment that is likely going to stay. Whether you elect to play in the bitcoin Ethereum, or countless other cryptocurrency; we encourage you to account for it within your estate plan. It is an asset that can bring you affluence beyond your wildest expectations, but it can be a nightmare if not properly planned for within your trust planning. Keep on investing Reader!!

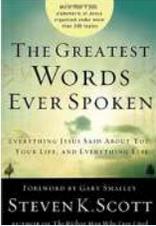
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None of this is revolutionary... That's the whole point!

Taking these steps is simple, not easy. Having the discipline to adhere to this plan will make a world of difference in your finances. Can you qualify for a home then? Maybe not now, but come next year, watch the difference it can make to your underwriter once you have those pieces in place.

In a world and a time of uncertainty, it is nice to know that fundamentals do not vary! It is a reliable, go to formula that you can depend upon no matter what stage of life you find yourself in! We do not foresee a 'housing crash' like so many experts predict. With the strict lending criteria, the historical low rates currently in place, we may be in this strange bubble for some time.

All you need to do is adapt and make yourself financially appealing no matter the economy. And what's underneath that foundation? You guessed right, a solid estate plan! 😊



Steven K. Scott: “The Greatest Words Ever Spoken”

This month, let us take a different approach than our usual Financial / Self-Help category. How about... dare we say it... religion? However, that may be an over-simplification

of the book. Irrespective of one's faith, there are many incredible lessons to be learned from the prophets of all different religions, be it – Judaism, Muslims, Bahais, Christians, and the list goes on.

Here, the author took a very interesting approach in writing this book. “The Greatest Words Ever Spoken” has the power to become a life-transforming book, because the words Jesus spoke were completely transformative to so many people, but continue to be so to this day. Thus, irrespective of your faith, there is a great deal that one can learn from the Bible. The author, Steven K. Scott organized all the words that Jesus spoke in the New Testament which are usually (red type in most Bibles) into over 200 practical and easy-to-find different topics. The nine general categories are simplified into several detailed subcategories. Prayer, love, anger, eternity, knowing God, forgiveness and temptation as the main topics of this book, and you can also use this book as a guide for studying Jesus's wisdom. If anything, it enables you to understand the philosophical stand of this incredible historical figure.

By studying the recorded words of Jesus and separating them from the rest of the text, this book makes it easy to read and understand. The author hopes to provide some pearls of wisdom to his readers. At a time when we are constantly focused on the economy and, professional obligations; we tend to lose sight of the big picture. The study of Jesus's words can help you get centered and provide inner peace during these hectic times.

If you come from a Christian perspective, it is said that there should be no Christian home left empty without love, faith and encouragement. Love is the essence of all religions. Forgiveness is God's litmus test for our spiritual birth and the reality of our faith in Christ.

For those struggling with anger, or sheer rage from past events, this book also gives some practical guidance. Forgiveness is not easy but it gives a great reward. Jesus's infallible words have the power to change the lives of so many people in a positive way. Some books are meant to be read straight through. This may not be one of them. It may be difficult to read straight because its content is so rich. It may better be served by reading and contemplating each section. It may also be a great supplement to personal devotion. The greatest words ever spoken bring new vision, power and joy into your life and take you to the right path of humanity and teach you lessons about love, forgiveness and being a good person. The love of God is the primary reason for being according to Author Scott. Some words to think about...



About Personal Development

To counter this month's book summary, let us discuss a topic that is on point – personal development. See, for many, education stops once the diploma is in hand. It is sad, but that is the reality we live in. By the time one gets a formal education, the only objective becomes getting a job and just clocking in and out at that point. What has Jim Rohn once said – “Formal education will make you a living. Self-education will make you rich!” I sure like the sound of that last phrase! 😊

Personal development is very important and can play a key role in the success of an individual. Personal development is a long-lasting process, if not to say a life-long process. It is a means for people to evaluate their skills and qualities, consider their aims in life and set goals in order to achieve them. The person who has no aim is like a wandering cloud who doesn't even know where to go and where he is going. Personal development goes beyond external accomplishments, make no mistake about that. It is the constant pursuit of internal excellence.

These qualities include your communication skills, confidence level, your listening ability and the main thing -- your critical thinking. The last skillset will enable you to play at a different level than your peers. Due to her skill of being an exceptional listener, Jacqueline Kennedy Onassis was considered one of the most charming women in the world. When she talked with someone, she made eye contact and gave all her attention to others. So where do you start? Well, the habit of reading books is a good place. When you read books, you gain the knowledge of the countless wise words of individuals that have come before us, and the contemporaries as well! And when you have enough knowledge to share and have a discussion with others, you don't feel any hesitation in talking with others and this thing makes you a good conversationalist.

Your opinion about anything is important and if you give helpful ideas, everyone shares problems with you and takes you as their helper which is a great thing as a person in society. Always be supportive of others and try to help everyone in every situation. Everyone enjoys the company of someone who makes them laugh or smile, so look for the humor in things. When someone becomes happy and laughs because of you, that feeling is priceless. And this kind of person is considered as the most charming personality in the room!



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&
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Summer is slowly creeping back, and we welcome it with open arms! With vaccines on the way, this may be the start of the traveling that should be happening in the coming months. I don't know about you, but the urge to get on a plane is strong over here! We are slowly in the process of having many people vaccinated, but do not jump to conclusions. Stay agile, as nobody knows the end result of whether things will get back to 'normal.'



All you can do is stay the course, keep working hard and be helpful to everyone around you. As far as we're concerned, our mission hasn't changed. Our approach certainly has, and we've made ourselves more readily available to those in need. Interestingly enough, despite the hit the overall economy has taken, we are betting on small businesses across our community. Unbeknownst to many, it is small businesses that are the backbone of the U.S. economy. The American Entrepreneur isn't going anywhere, and we are big proponents of their strengths!

Make sure you take some time to relax and enjoy your family. We remain faithfully at your service. Feel free to reach out for any of your legal needs, 714-966-2646.