

WHEN WEALTH BUILDERS NEED HELP PRESERVING IT



In the 1990s business professors Thomas Stanley and William Danko set out to study how Americans build wealth. They weren't interested in people who inherited fortunes or had high paying jobs, instead they wanted to study the behaviors of people who were especially good at accumulating net worth.

The result of their research was the best-selling book *The Millionaire Next Door*. And the title reflects one of Stanley and Danko's surprising findings: People who successfully become wealthy often don't live like it. Instead of spending their resources on a luxury home in an affluent area, they are more likely to live modestly in a middle-class or even blue collar neighborhood.¹

In other words, they might live next door.

In the 22 years since the book came out, the term "millionaire" has lost some of its impact. The relative purchasing power of \$1 Million is different today than it was then. For example, soaring home prices in certain areas might mean simply owning a modest ranch house in Seattle or San Francisco can technically qualify you for this once-elite label.

Still, the habits that Stanley and Danko identified as being common among wealth builders haven't changed: Pursue opportunity, live well within your means, and save aggressively so you can invest relentlessly.

But while building net worth is something you might manage to do successfully on your own, there comes a time when it's wise to get some guidance on how best to utilize and preserve it.

Signs You Need Financial Advice

Forbes contributor Dr. Carolyn McClanahan, who is both a physician and a financial

expert, writes about the life events that she has seen trip up even the savviest wealth builders.²

"One downfall of success in this arena," she says, "is that you eventually accumulate a lot of assets and create a complicated situation."

She gives the following as signs you're likely to need financial advice.

1. Your investments are not allocated in a tax efficient way. For example, many funds pay out extensive dividends and capital gains. When those are held in a taxable accounts, the tax bite can be significant. Tax management is complex and usually is best with a qualified professional's help.

2. Your estate plan is in disarray. In her experience most wealthy people have completed estate planning documents, but have failed to title assets correctly and often have incorrect beneficiary designations. Owning assets is one thing; owning them *correctly* for estate and succession planning purposes is entirely another.

3. You're mistiming your distributions. Normally, paying as close to zero taxes as possible is a good thing. Unless it means you'll be paying a lot more in taxes later on. Correctly timing IRA distributions or exploring the potential advantages of a Roth IRA conversion is another arena that typically benefits from working with a knowledgeable advisor.

4. You haven't planned for incapacity. You feel great now. But we're all going to age. McClanahan says, "The biggest mistake I see in do-it-yourselfers is not panning for the day they can no longer manage their investments or finances."

Because things like fraud, abuse, or just seemingly trivial mistakes can quickly make assets disappear investing time and resources to develop a well-crafted, personalized plan makes good financial sense.

The more successful you are at building wealth, the more complex your situation will become. We can help you maximize your investing, minimize the cost of poor behavior, and effectively manage your assets to last for your retirement and beyond.

Have a great weekend!

Source: Efficient Advisors

Golf Tip of the Week



Hitting Your Greens, Made Easy

The second-best place to have your ball land is on the green. The first favorite, obviously, is in the hole.

But along the way, you encounter water hazards, roughs, and sand bunkers that seem to attract far too many of your balls on the way across the fairway to the green.

So, what do you have to do to land in fewer traps and on more greens?

Here are some exercises to sharpen your skills to avoid those diversions:

- Maintain your angles: Try to keep your spine angle consistent throughout your swing.
- Backhand it: If you slice the ball, use the back of your glove or the back of your weaker hand to get a greater sense of control over your clubface. Hold the club with your glove (weaker) hand so that you can see the logo on the back of the glove. This establishes a stronger grip position.
- Attempt to point the logo on your glove toward the target as you swing the club. This will help straighten the slice.

Tip adapted from GolfDigestⁱ

Recipe of the Week

Arugula and Pear Salad with Toasted Walnuts



Serves 4

Ingredients:

- 1 tablespoon minced shallots
- 2 tablespoons extra virgin olive oil
- 2 tablespoons white wine vinegar
- ¼ teaspoon salt
- ¼ teaspoon Dijon mustard
- ⅛ teaspoon freshly ground black pepper
- 6 cups baby arugula leaves
- 2 Bosc pears, thinly sliced
- ¼ cup chopped walnuts, toasted

Directions:

1. Mix the first six ingredients in a large bowl.
2. Stir the mix with a whisk.
3. Add arugula and pears to the bowl.
4. Toss to coat salad.
5. Sprinkle each serving with 1 tablespoon walnuts.

Recipe adapted from myrecipesⁱⁱ

Health Tip of the Week



Taking a Look at Good Eye Care

If you're reading this, you've probably come to the conclusion at some point how important your eye health is.

Seeing your health-care practitioner regularly will help you detect potential eye problems early, such as nearsightedness, farsightedness, presbyopia, and astigmatism.

Here are some common eye problems:

- **Watery eyes:** Your eyes attempt to wash out specks, such as dirt or dust. Once your eyes are able to remove the irritants, your eyes should stop watering.
- **Dry eyes:** Your eyes don't make enough tears. Windy weather or other underlying health issues may cause dry eyes. Normally, your eyes try to produce more tears to correct this.
- **Pinkeye:** One or both eyes look pink and may feel itchy. Infections or viruses often cause pinkeye. You may want to use antibiotic eye drops.
- **Blocked tear ducts:** Tear ducts can get clogged, which produce watery eyes. This can be caused by infections or injuries.
- **Eye scratches:** Dirt, sand, or contact lenses can scratch your eyes, which may make your eyes hurt, get red and watery, or overly sensitive to light. Scratches usually heal within a couple days. You should seek medical help if you believe your cornea is torn.
- **Styes:** Swollen, red, painful lumps are the most obvious symptoms of a stye, which are caused by bacteria. Styes usually subside after a few days. The best treatment: Leave it alone. Don't touch it.

Regular eye exams can help prevent problems. You may need glasses, contact lenses, or other treatment to maintain good eye health.

Tips adapted from WebMDⁱⁱⁱ

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Sources:

1. <http://go.efficientadvisors.com/e/91522/wiki-The-Millionaire-Next-Door/5psdpz/562886989>
2. <http://go.efficientadvisors.com/e/91522/inancial-planner--65c0009e29bc/5psdq2/562886989>

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ⁱ <https://www.golfdigest.com/story/stop-missing-greens>

ⁱⁱ <https://www.myrecipes.com/recipe/arugula-pear-salad-with-toasted-walnuts>

ⁱⁱⁱ <https://www.webmd.com/eye-health/default.htm>