

THE Happy Holidays 2021 & Thanks ISSUE ON 'WEALTH'

Apple says "Families need to meet these 6 conditions to build wealth"

The statistics on who holds wealth in America is shocking, as the bottom 50% of households only hold 2.3% of total U.S. household wealth while the top 1% of households hold more than a third of total U.S. wealth, according to 2021 Federal Reserve. Data.

Wealth may be a far off thought for many struggling with medical debt, student loans, rising rent and inflation. Still, knowing how families can grow wealth is key to understanding why so many American families are struggling in the first place. A new report from the Aspen Institute identified one precondition and five conditions that low and middle income families need to meet in order to start generating wealth. Apple News reports that Aspen thinks these things are key to building and maintaining wealth.

Financial stability is key to wealth

Wealth is a measure of the value of assets, minus any debts and liabilities, that a person owns. You can calculate your wealth by taking the value of your assets (i.e. car, home, investments in a brokerage account) and subtracting your debts (like a mortgage, student loans, medical bills).

So why is it important for families to have wealth? Well, there are a variety of reasons. Having money makes it

easier to afford healthcare or relieve the stress that comes from a bad financial situation. Families also use wealth to give future generations a leg up through properties, inheritances or investments. Holding wealth promotes financial resilience so families can quickly pick themselves up after an unexpected event like a job loss.

One precondition to wealth building that researchers identified was financial stability. Financial stability means having a positive cash flow, no harmful debt, an emergency fund and public and workplace benefits. Families need to have a positive cash flow, or income that regularly exceeds the value of your expenses, and little or no debt, whether that's medical, credit card or student loan debt.

Two popular processes for debt repayment are the snowball and avalanche methods. The avalanche method is good for people who want to save the most money in their debt repayment journey by paying off their high interest debt first. The snowball method allocates money towards paying off the smallest debt first. While this might not save as much money as the avalanche method, researchers found that this practice is more likely to keep people motivated to pay off debt because it makes them feel like they're



Minimum Wage Increase: On 12/31, minimum wage increases to \$13.20 from \$12.50.

Styrofoam ban: On January 1, your takeout will look a little different. Restaurants will no longer be able to use Styrofoam containers under the Expanded Polystyrene Foam Container Packaging Ban. The first violation will cost businesses \$250.

Home Insurance: Starting in January, insurance companies can't charge pet owners different home insurance rates based on their dog's breed. On average, insurance companies charged more for people who owned Pit-bulls, Rottweilers and German Shepherds.

Want a dog for X-mas? Here are the top 10 most popular male dog names nationwide — Max, Charlie, Cooper, Buddy, Milo, Bear, Rocky, Duke, Tucker and Jack. The Top 10 names for female dogs are Molly, Bella, Luna, Coco, Lucy, Daisy, Zoe, Lily, Lola and Bailey.

Families need to build wealth con't

achieving small wins. The next step to achieving financial stability is building up your emergency fund. The wisdom of emergency funds is saving three to six months worth of expenses. Though one study showed that low income families who had just one month's worth of expenses saved were less likely to fall behind on paying debt in the future.

If you have money leftover after you've made your debt payments, try allocating some of that money towards your emergency fund. You'll want to save your money in checking or savings so you can easily access it in case of an emergency.

Apple found the top five high-yield savings accounts which offer above average interest rates and low (or no) minimum balances, among them are Marcus by Goldman Sachs, Ally Online Savings and Synchrony Bank High Yield Savings.

They also note the importance of public and workplace benefits in ensuring financial stability for families. Workplace benefits include paid parental leave, paid sick leave and retirement benefits while public benefits such as expanded child tax credits and Pell Grants for low-income students attending college.

Without these programs, many low/middle income families have difficulty maintaining a positive cash flow when financial hardships happen.

Investing for wealth building

Once a family achieves financial stability by paying off their debt and building up their emergency savings, you must have leftover money to invest. Having investable money is the first condition to building wealth, while having access to

affordable assets is the second. These assets may be real estate, post-secondary education or financial assets like stocks or index funds.

If you've never invested before, you're not alone: A little more than half of Americans own financial assets, but most of these investments are in employer-sponsored 401(k)s. Employers have a big role in encouraging people to invest for retirement such as through automatic enrollment in a retirement account or matching 401(k) contributions.

Many personal finance experts recommend investing 15 to 20% of your annual income for retirement or other purposes, but if you're not able to contribute that much, try a smaller amount, like 3%, and slowly increase it over time. If you're lucky enough to have an employer that offers you matching contributions on your 401(k), your first focus should be on maximizing the match, as it's essentially free money.

After you've maximized your 401(k) contributions, consider opening a retirement account that's separate from your 401(k), like a traditional IRA or a Roth IRA, each offer their own tax advantages. Traditional IRAs can reduce the amount you owe in income taxes now, but you'll pay taxes when you make withdrawals in retirement.

Roth IRAs, on the other hand, allow you to invest after tax money, so your investments grow tax-free. For both types of accounts you can contribute a maxi-



Tips To Avoiding the Holiday Blues

Stick to Normal routines as much as possible.

Make written lists.

Get Enough Sleep, it is more important than you think.

Take time for you, don't isolate yourself.

Spend more time with supportive, caring people.

Eat and drink in moderation. Don't drink alcohol if you are feeling down.

Get exercise—even if it's only a short walk.

Make a To-Do List. Keep things simple.

Set Reasonable expectations and goals for holiday activities such as shopping, cooking and entertaining.

Set a budget for holiday activities. Don't overextend finances.

Listen to music or find other ways to relax.

Watch the movies 'Elf' or 'White Christmas' or 'Holiday Inn'

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mum of \$6,000 a year and if you're older than 50, you can make catch-up contributions, for a maximum of \$7,000 per year.

Thinking beyond investing

Once you've started saving for retirement, you might be interested in making complex investments. The report identifies the third and fourth conditions for wealth building as 'access to consumer-friendly financing options' and 'information and confidence in making financial decisions.'

Having 'consumer-friendly financing options' means having access to favorable loan terms, whether that's on a mortgage or a car loan. In order to get lower interest rates on your debt, you need a good credit score. Banks and credit card issuers use credit scores as a measure of how likely an individual is to pay off their debt so the better the credit score, the better terms you'll get on your loans.

There are two types of credit scores: The VantageScore and FICO® Score. The 3 Credit Bureaus collect data from creditors like your bank or your credit card issuer in order to calculate your credit score. The FICO credit score considers five factors when building your credit score: Payment history, the total amount you owe, the length of your credit history, new credit and your credit mix.

In order to achieve a good credit score, you'll want to pay off your bills on time and in full, keep your credit utilization low (the ratio of credit you use to the amount you're extended), have a long credit history and have

different types of credit.

The report found that many low and middle income families are credit invisible — around 50 million U.S. adults don't have enough credit history to receive a credit score from the major credit bureaus. For those who have no credit history or who have a poor credit score, you might want to opt for a secured credit card to start building credit. With a secured card, you put down a deposit that's equivalent to the line of credit you've been given. The deposit acts as collateral if you default on your payments. After 7 months of using the Discover it® Secured Credit Card, they automatically review your account to see if you qualify for an 'unsecured' card. If you are eligible for a regular credit card, use it to help improve your credit score and earn extra cash.

Bottom line

In order to build wealth, families need to have little or no debt, an emergency fund, investable money and, confidence according to the Aspen Institute report. Note that it's important to prioritize paying off debt and building up an emergency fund first before using leftover money to invest. Employers and the government have a vital role in ensuring that families, regardless of where they stand on the socio-economic spectrum, are able to build wealth. Researchers endorsed policies like paid sick leave, the expanded child tax credit and employer-sponsored retirement benefits to encourage wealth building for low and middle income families.

I Love This One on Tea



It feels so good to be able to do something with the things we'd normally discard. Coffee grounds as rose fertilizer come to mind. If you're a tea drinker, you can add your tea bags to the list of garbage you shouldn't throw out. Here are some re-use ideas:

Add a hint of flavor to rice or grains. Hang your used tea bags in boiling water to infuse your food with a touch of flavor. Think jasmine tea with rice or chai tea with oatmeal.

Protect house plants from fungal disease by re-brewing a used tea bag and using the weak tea to water your plants.

Neutralize odors naturally. Spread dried tea leaves in stinky spots like the bottom of your garbage pails.

De-grease pots and pans. Soak hard-to-clean dishes in water with a used tea bag tossed in. The tea will help loosen stuck-on food and grease.

Add them to your bath. The antioxidants in tea are good for your skin and the gentle scent will add some aromatherapy to your soak.

Take the sting out of insect bites and sunburns. Using a cool compress will reduce pain and inflammation of the affected areas. Con't



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JGL Management Consulting was established in 1980 as a small business bookkeeping and tax preparation firm. Over the years we have built and developed skills that have expanded our firm into a full service company specializing in small business start-up, project and management consultation, tax preparation and project development; all with an emphasis on cash flow, taxation and finance.

Our clients range from individuals to multi-million dollar service companies, single store retail to multi-store chains, food service, manufacturers and media distribution. We have given seminars on many business subjects including QuickBooks, cash flow, business start-up, planning, and “values, goals & dreams motivation.”

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Tea, Con't

Make a hair rinse. Remove product buildup without using another product. Soak 3-4 used tea bags in warm water and pour it over your head after shampoo and conditioning. Don't rinse. Pro tip: Chamomile brightens blondes and Black tea adds a coppery shimmer to brunettes, according to Housewife How-Tos.

Deodorize carpets by scattering the dried contents of several teabags over your rugs before you vacuum.

Depuff tired eyes. Place cool tea bags over your eyes, cucumber style. The tannins in the tea leaves may reduce bags and dark circles.

Clean leather shoes by buffing with a damp teabag

Finally, wash stinky hands, using a tea bag as you would a bar of soap to help kill garlic, onion, or fish odors.

(Please note, I can't stop talking about tea!)

TikTok Hack

On the video platform TikTok we see lots and lots of brilliant housekeeping hacks. This is how we learned about the pros of using a ball of aluminum foil in the dishwasher. This life hack is so easy that we're definitely going to try it. Everyone has a roll of aluminum foil at home and we all want clean dishes without too much hassle!

Shiny Silverware

Forks, spoons, and especially knives often come out of the dishwasher still looking dirty. The ball of aluminum foil makes sure that it comes out extra clean according to the Australian Caroline McCauley on TikTok. Your silverware will look as clean as the day you bought it. And it's not because the foil scrubs the filth off of your silverware, it has to do with a chemical reaction between the aluminum and the ingredients in your dishwasher pods.

Here's why you should put a ball of aluminum foil in your dishwasher