



# Financial Concepts Inc.

"Wealth Management"

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Tune in to Jeffrey's podcast, *Financial Focus*, by visiting  
<http://financialconceptsmesquite.com/podcast/>

ALMOND FLOUR BROWNIES



## INGREDIENTS

- ¾ cup blanched almond flour
- ⅔ cup agave nectar
- ½ cup chopped walnuts (Optional)
- 2 eggs
- 5 tablespoons unsweetened cocoa powder
- ¼ cup coconut oil
- 1 teaspoon vanilla extract

## DIRECTIONS

1. | Preheat oven to 350 degrees F (175 degrees C).
2. | Mix almond flour, agave nectar, walnuts, eggs, cocoa powder, coconut oil, and vanilla extract together in a bowl; spread into an 8-inch square baking dish.
3. | Bake in the preheated oven until edges of brownies begin to pull from sides of dish, about 30 minutes. Let brownies cool slightly before slicing, about 5 minutes.

<https://www.allrecipes.com/recipe/242209/almond-flour-brownies/>



Jeffrey Bird-RICP®

# Financial Focus

A Monthly Insight Into Your Finances

January 2021

## What To Do When Retirement Is Right Around The Corner

If you're like many people, the majority of your retirement strategy has been in planning and doing over decades. But what about when you're almost ready to retire? Your strategy is likely to change.

Here are some things that you can keep in mind if your retirement is literally right around the corner, thanks to an article from the Motley Fool.<sup>1</sup>

One step is to make sure you take advantage of your flexible spending account (FSA) right up until you retire.

Remember, in 2020 you could funnel \$2,750 in pre-tax dollars<sup>1</sup> into your FSA and that number stayed steady in 2021.<sup>2</sup>

Continued on next page...



## The Berner Street Hoax

At around 5am there was a knock on the door of 54 Berners Street, London. It was a chimney sweep, but the maid suggested he had the wrong house. A few moments later another sweep arrived, then another until the exasperated maid had sent away 12 in total. Next came the cake makers carrying wedding cakes. Vicars and priests arrived to minister last rites. By now the streets were clogged, aided by the arrival of fishmongers, boot-makers, shoemakers, haberdashers, hatmakers, butchers' boys and a queue of pianos.

Opposite 54 Berners Street stood Theodore Edward Hook. Hook had just won a bet: that, within a week, he could transform any house in London into the most talked-about in the city. He had sent out 4,000 orders or requests, to tradesmen, professionals and dignitaries, requiring them to present themselves at Mrs. Tottenham's. In the process he brought a large part of London to a stand-still and triumphantly won his wager.

<https://www.historytoday.com/archive/months-past/berners-street-hoax>

## WHAT TO DO...

That money can be used for things like glasses, visits to the dentist, some medications, and doctor visits. Of course, if you don't use the money in your FSA, you lose it.

Health savings accounts (HSAs) may be an even stronger play because the money you put into them doesn't get forfeited.<sup>1</sup> They can remain in your account and withdrawn without a penalty. You should note however, that the money you withdraw does become taxable income.

The 2021 HSA contribution limit is \$3,600 for individuals and \$7,200 for families.<sup>3</sup> Also, people who are 55 and older can kick-in another \$1,000.

When it comes to organizing your healthcare right before you retire, it's also critical to have a thorough understanding of Medicare because there are plenty of options and nuances. Healthcare, especially Medicare, is a reason to meet with an experienced financial services professional who can help you make healthcare decisions that fit into your broader financial and retirement strategies.

Another thing to make sure you're considering before you retire is inflation. You'll want to make sure that you factor inflation into your savings goal to make sure your money is working just as hard for you 10 years into your retirement as it was on the day you retired.

Finally, it's no secret that Social Security is an essential part of retirement for millions of Americans. Therefore, it's important to understand what you're likely to receive, when you should file, and ways you may be to increase your monthly payment.

Currently, the average monthly Social Security check is \$1,478, which equates to \$17,700 per year.<sup>1</sup> You don't need to have an economics degree to know that's not going to come close to covering an extravagant retirement lifestyle. But remember, that's just the average. If you were a high earner, your monthly check will be higher. And the current maximum monthly check is \$2,788, good for \$33,500 annually.<sup>1</sup>

If you don't already have a clear idea of what your monthly benefit will be, you can visit the Social Security Administration's website, at [ssa.gov](https://ssa.gov) and set up an account to do so. One note here: The Social Security formula used to tabulate your monthly check considers your 35 highest-earning years. That means if you're currently earning more than you ever have, and you like your job, you may want to at least consider working for another year or two because it will drive up your eventual Social Security payment.

There are many factors that you'll want to consider before you make the leap into retirement. A financial services professional can help you. But most of all — congratulations! You have worked for years to reach this moment.

Enjoy it.

1. <https://www.fool.com/retirement/planning-to-retire-in-2020-a-complete-guide.aspx>

2. <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2021>

3. <https://www.forbes.com/sites/ashleaebeling/2020/05/20/irs-announces-2021-health-savings-account-contribution-limits/>

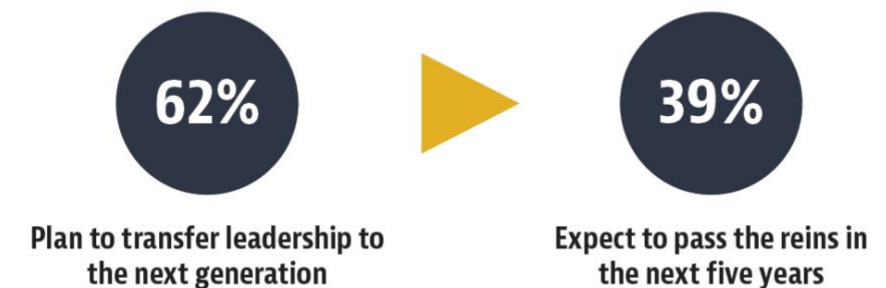
## Why Family Businesses Should Have Succession Plans

The family drama surrounding an aging media mogul — and his unresolved succession plans — are at the center of a hit television show.

In fact, only 18% of family businesses have a documented and communicated succession plan in place.<sup>1</sup> Much like the fictional billionaire in "Succession," some leaders avoid the issue because they love running their businesses and don't want to stop any time soon.

But one never knows what the future has in store. Even if you are happy, healthy, and determined to stay involved in your business for years to come, you might be glad you took the time to develop a thoughtful succession plan.

### Intentions of Family Business Leaders



Source: US Family Business Survey, PwC, 2019

### Set a Target

It might be wise to have a realistic retirement date in mind. Any effort to identify and groom a successor might take longer than you expect. And if you plan to sell your company, it could take several years to find a qualified buyer, begin the ownership transition, and finalize the transaction. To get the best possible price and terms, you may need to focus on improving the company's balance sheet before you put it on the market.

### Stage Your Exit

Keeping your business in the family may be an easy decision if an adult child or another relative is capable, willing, and prepared to take over. If so, finding ways to reduce the value of the business on paper could help you gift ownership shares with fewer tax consequences. Otherwise, it may be possible to sell your business to co-owners, outsiders, or even your own employees. Closing and liquidating the assets could be the only viable option for some businesses.

### Invest for Retirement

Making annual retirement plan contributions with some of your profits can build wealth outside of your business and help insulate your personal financial picture from risks associated with your business's distinct market. Building a separate investment portfolio might also provide greater flexibility during and after a transfer of ownership.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

1) US Family Business Survey, PwC, 2019

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