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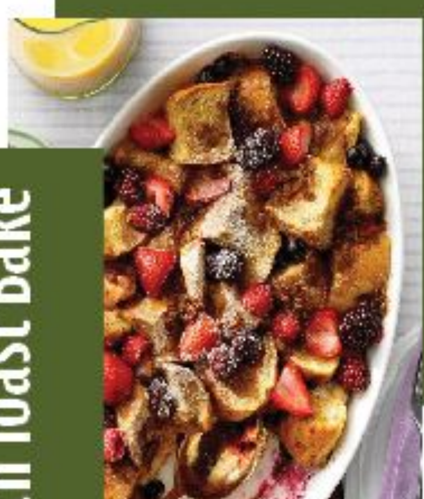
Financial *Focus*

A Monthly Insight Into Your Finances

April 2022

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

Mixed Berry French Toast Bake



INGREDIENTS

- 6 large eggs
- 1 3/4 cups fat-free milk
- 1 tsp. sugar
- 1 tsp. ground cinnamon
- 1 tsp. vanilla extract
- 1/4 tsp. salt
- 1 loaf (1 lb.) French bread, cubed
- 12 oz. frozen unsweetened mixed berries
- 2 tbsp. cold butter
- 1/3 c. packed brown sugar
- Optional: Confectioners' sugar and maple syrup

DIRECTIONS

1. Whisk together first 6 ingredients. Place bread cubes in a 13x9-in. or 3-quart baking dish coasted with cooking spray. Pour egg mixture over top. Refrigerate, covered, 8 hours or overnight.

2. Preheat oven to 350°. Remove berries from freezer and French toast from refrigerator and let stand while oven heats. Bake, covered, 30 minutes.

3. In a small bowl, cut butter into brown sugar until crumbly. Top French toast with berries; sprinkle with brown sugar mixture. Bake, uncovered, until a knife inserted in the center comes out clean, 15-20 minutes. If desired, dust with confectioners' sugar and serve with syrup.

https://www.tasteofhome.com/recipes/mixed-berry-french-toast-bake/

Talk Money Before You Walk Down the Aisle

This month, we discuss what you need to know about money and marriage — specifically, what you need to know about paying for a wedding and what financial strategies you should implement in the days after the ceremony. For example, who's paying for the ceremony and what's a reasonable budget for wedding bands? And, after the ceremony, how will the household bills be divvied up?

It's vital that both partners disclose their entire financial pictures to each other. No matter how much you love the person you're marrying, you need to understand the financial situation you're getting yourself into. Get your credit reports from all three credit bureaus and then sit down and really dig through them together.

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April's Honorary Flowers

Two flowers signify the month of April: the daisy and the sweet pea. The daisy symbolizes innocence, loyal love, and purity; but it also means "I'll never tell!" The oldest daisy on record is the Bellis perennis, known as Daeges eage (or Day's eye) in the Middle Ages because its petals close at night to cover the yellow center.

The sweet pea signifies blissful pleasure, and are used to say goodbye. Sweet Pea's may be a pretty flower, but they are also one of the oldest food crops on our planet, domesticated by humans about 11,000 years ago.

https://www.liveabout.com/april-fun-facts-3456079

A Prenup is More Romantic Than You Think

"Prenups" are often discussed negatively in popular culture. In an episode of Seinfeld, Kramer tells George that he can end his engagement by asking his fiancée to sign a prenuptial agreement. "Most women when they're asked to sign a prenup are so offended," Kramer says, "That they back out of the marriage." As is par for the course for George Costanza, Kramer's advice backfires and his fiancée laughs in his face.

"I make more money than you do!" she laughs. "Give me the papers. I'll sign 'em."

George's fiancée has the right idea. If one partner has significantly more assets than the other, or has a lot more earning power, a prenuptial agreement might be a wise move. Additionally, a prenuptial agreement might be a good way to protect assets intended for children from previous relationships. These agreements can also specify responsibilities for pre-marriage debts and can also spell out potential spousal support payments in the event of a divorce. By having hard conversations about money and debt before you marry, you may prevent problems from cropping up in the future – and pave the way for a happier, longer marriage.

This premarital meeting is also a great time to formulate a game-plan for paying down debt as a team if one partner has a higher debt-load than the other. Working together in a way that works for both partners, can really wipe out that debt much quicker.

For younger couples, it seems very likely that student loan debt could be a major issue, so it may be a good idea for couples to work together to attack debt, even if most of the debt comes from one partner.

Who Pays for the Wedding?

Weddings take a lot of careful financial planning. Without a good financial strategy, wedding expenses can quickly balloon out of control and that's a dose of bad news for whoever's picking up the tab. And, if you're nearing retirement age, paying for a child or grandchild's wedding can have serious implications for your retirement strategy. Be sure you can afford to chip in before you commit to covering the costs of someone else's big day.

If you're paying for your own wedding, consider how much debt you are willing to take on as you start married life. Is a lavish destination wedding going to limit your ability to save for a house? Could you go on weekly date nights as a married couple for the cost of that designer gown? Remember, the wedding is just one day. It may be wise to scale back the trappings of a dream wedding so that you can put some of that money toward all the days that come after the big one.

Going Public: How Are Direct Listings Different from IPOs?

An initial public offering (IPO) is the first public sale of stock shares by a private company. IPOs are important to the financial markets because they help fuel the growth of innovative young companies and add new stocks to the pool of potential investment opportunities.

When a company files for an IPO, new shares are created, underwritten by a bank, and sold to the public. But that's not the only way for a company's stock to become publicly traded. When a company uses a direct listing, typically only existing shares are sold to the public on a stock exchange — no new shares are issued, and no underwriters are involved.

There were more U.S. IPOs in the first half of 2021 than there were in all of 2020, which was also a record year.[1] The number of direct listings has ticked up, too, but there were just three in 2020 and six in 2021.[2]

Going public is a fraught process that few companies dare to navigate on their own. Even so, several well-known companies have sparked media coverage and investor curiosity when they chose to bypass the traditional IPO process.

Two Roads, One Less Traveled

The path a company takes to the stock market generally depends on its business goals. Companies that pursue a traditional IPO often want to raise as much money as possible for expansion purposes. Direct listings, on the other hand, give company founders, employees, and early investors a way to cash out some of their equity without diluting the value of the company's stock.

The underwriters that facilitate the IPO process typically organize a "roadshow" to market the stock and gauge the interest of institutional investors. They also guide the company through regulatory requirements, help set the initial offer price, and may guarantee the sale of a specified number of shares at the offering price. IPOs usually have a three- to six-month lockup period, which is an agreement with underwriters that prevents employees and other early investors from immediately selling their shares. Keeping insider shares off the market can help quell market volatility in the early days of trading.

A company may be able to make its stock market debut faster and at a much lower cost with a direct listing, and there is no lockup period. But going public without underwriting support can also be risky. The supply of shares becoming available for sale is undefined, and the demand for those shares can be difficult to predict, which could result in insufficient liquidity.

Investor Access

One catch associated with IPOs is that many investors who want to buy shares at the offering price don't have the opportunity to do so. Moreover, those who buy the stock on the first day of trading often miss out on much of the sought-after "pop," because a large part of the appreciation can take place between its pricing and the first stock trade. With a direct listing, everyone has access to the stock at the same time, but this also means share prices can be more volatile after trading begins.

In fact, some investors who rush to buy highly anticipated IPOs or directly listed stocks on the first day might pay inflated prices, because that's when media coverage, public interest, and demand may be greatest. Share prices could drop in the weeks following a large first-day gain as the excitement dies down and fundamental performance measures such as revenues and profits take center stage.

The return and principal value of all stocks fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Investments offering the potential for higher rates of return also involve a higher degree of risk.

1) Reuters, June 15, 2021
2) Warrington College of Business, University of Florida, 2022