

# AHWATUKEE FOOTHILLS NEWS

## Time for a Mid-Year Check on Your Financial Condition



*July 7, 2021 by Dr. Harold Wong*

Just like a MD often gives a patient an annual or semi-annual physical exam, it's time for your 2021 mid-year financial check-up. Let's look at your job situation; real estate; investments; and tax plan.

**Job Situation:** Nothing is more important than having a secure and substantial source of income. For most people it's their job and for some it's their net profit from their own business. Here are the key considerations:

- Is your job secure or is there a substantial danger of lay-offs?
- If so, what can you do to decrease the probability of being laid-off? Do you volunteer for job duties and tasks that no one else wants? Have you added skills such as maintaining the company website and social media accounts that are essential to your company?
- Are you networking and getting known in your industry so that you have several back-up jobs you can get on short notice if you get laid-off?

**Real Estate:** For most people it's their primary home because very few have rental houses or other rental real estate.

- With mortgage rates at all-time lows, have you refinanced to get the lowest rate possible but kept the same number of years left on your old loan so that you keep reducing principal without starting from the beginning?
- With a 30-year fixed rate loan, it's not until year 22 that half of your payment goes to principal and half to interest. It makes sense to have a 15-year loan instead of the standard 30-year loan if you can afford the higher monthly payments.
- With our very hot summers, have you maintained your air conditioning (AC)

units? It's recommended that you have at least one thorough service annually. If you need to replace your AC units, understand that supply shortages may cause a 3-5 week delay in obtaining new units.

- Consider paying \$500-600/year for a good home warranty policy to cover most of the smaller items that go wrong in a house.

**Investments:** We have had an unprecedented 12-year stock market boom since the lows were reached March 9, 2009.

- Are you comfortable with 80-90% or more of your total life savings in the stock market, which is typically what I have seen from the hundreds who have seen me for consultations in the last 12 years?
- How would you cope if you lost 25-50% of your life savings when the next stock market crash occurs?
- Are you open to reducing risk by using the Rule of 100? Example: if you are 70-years-old, 100-70 means you should have no more than 30% of your life savings in the stock market. If the market crashes and you lose half of the 30%, you still have 85% of your life savings left.

**Tax Plan:** For many, total taxes paid (federal, state, and local) exceed any single other item of one's budget, including housing or food.

- Are you paying a professional for tax planning now to reduce your 2021 taxes; or do you just find the cheapest person to fill out your tax return due on April 15, 2022?
- In order to enjoy big business deductions such as the 26% solar tax credit and Section 179 expensing provision (where one can deduct 87% of the cost of business equipment), one must "place that equip-

ment in service" by 12/30/2021. That requires that you buy your equipment now as there are logistics delays in many factories.

- What's the impact on your family if you could save \$10,000-\$50,000+ of income tax each year?

### Free live seminars and lunch:

- Saturdays 9/18/2021 and 10/09/2021 at The Old Spaghetti Factory, 3155 W. Chandler Blvd. #9; Chandler, AZ 85226 starting at 10:45 am.

**Topic:** "Double Your Social Security & Other Retirement Income and Pay Less Tax!"

**RSVP:** 480-706-0177 or [harold\\_wong@hotmail.com](mailto:harold_wong@hotmail.com).

Free Information on Retirement Planning, Solar Business Investments, and Tax Savings can be found at [www.drharoldwong.com](http://www.drharoldwong.com) or [www.solarbusinessinvestments.com](http://www.solarbusinessinvestments.com).

**To schedule your Free Consultation  
Contact Dr. Harold Wong at  
(480) 706-0177 or  
[harold\\_wong@hotmail.com](mailto:harold_wong@hotmail.com)  
to RSVP.**

Dr. Harold Wong earned his Ph.D. in Economics at the University of California/Berkeley and has appeared on over 400 TV/Radio programs.