

CRITICAL TRANSITIONS WEALTH ADVISORS

Avoiding Financial Traps

There's a good reason so many athletes, entertainers and businesspeople who made seven figures and higher suddenly find themselves filing for bankruptcy. Money mismanagement can eat through even the biggest bankrolls. Here are some specific threats to financial stability that people can avoid to help effectively manage their wealth.

No Budget: In 2019, CNBC reported that even though 93% of Americans believe everyone should have a budget, only one in three actually does. Budgeting does not have to mean skipping coffee and driving a jalopy for the rest of your life. It does mean paying close attention to how much money comes in and where it all goes. Use your financial goals to guide you in steering your money in the right direction.



Too Much Debt: If you have a lot of debt to pay off, a budget is all the more important. It helps reduce the likelihood of relying on more credit to fill the gaps. A budget also helps you to collect all those extra dollars and cents that you could put toward paying more than the bare minimum on debt. When paying off debt, start with the higher-interest accounts first and work your way through to save money.

No Protection: Insurance can be expensive but going without insurance can be even more so. Renters, homeowners, auto, health, disability and life insurance policies are the main ones you should consider. If you have a business — especially if it is your main or only source of income — getting business insurance can protect your livelihood in the event of a mishap with a client or customer.

No Retirement Planning Forbes estimates that roughly 25% of Americans have nothing saved for retirement². This may be forcing some people to continue to hold stressful, low-paying jobs well into their retirement years. It is never too early to start planning for retirement, no matter how small your contributions are. Remember to take advantage of matched contributions from employers whenever possible.

Too Much Risk: There is no investment that is 100% without risk. If there were, the returns on that investment would be negligible. Even so, taking on too much risk at the wrong time can lead to big financial problems. Taking on high levels of risk is appropriate for young people who have more time to recover and is not advised for people nearing retirement.

Poor Tax Management: No matter how much or how little money you make, tax management is a great way to help keep money in your pockets. This is especially important after a large windfall, such as an inheritance. For instance, if you inherit an Individual Retirement Account (IRA) and choose to cash out, you may lose a portion of this in taxes. Divorce is another time of life when tax management is key.

1. <https://www1.cbn.com/cbnnews/finance/2019/may/1-out-of-3-americans-dont-use-a-budget-but-93-say-everyone-needs-a-budget>
2. <https://www.forbes.com/sites/niallmccarthy/2019/06/03/report-a-quarter-of-americans-have-no-retirement-savings-infographic/#30e15bb23ebf>

Making a Vacation Easier on your Wallet

Saving money when planning a trip - the dos, the don'ts - Imagine coming home refreshed from a wonderful vacation, made even more satisfying because you saved 20%-30% on its cost. That can happen. With a little planning, a trip can become notably cheaper.

When you travel can make a difference - Book a trip during the off-season or the "shoulder seasons" adjoining it. Hotels and air carriers hike their prices in peak season, so avoid that time.

The same goes for how you travel - You can often realize some savings by booking your lodging and airfare separately. The truth is, all-inclusive trips and package deals are not necessarily cheaper. Think about sharing a condo or home with friends or relatives, which can bring lodging costs way down. (1)

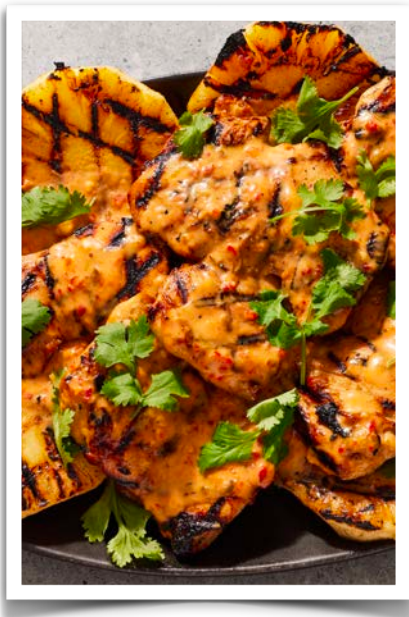
Understand that the next-best way to get your destination may be hundreds of dollars cheaper than the best way, at very little inconvenience to you. When flying, limit yourself to a carry-on if you can. Today, many airlines charge a fee for each checked bag. (1)



What you do in preparation for your trip may also lessen its costs - If traveling to a foreign country, consult a foreign exchange specialist; a bank may cost you more to convert currency. Stock up on clothes, sunscreen, toiletries, and other essentials in advance of the trip. Get a rewards credit card that you can use consistently several months before your trip, to amass points for airfare or hotels. (2)

Source/Disclaimer:

- (1) Forbes.com, "7 Travel Hacks To Save Money On Your Next Vacation," January 31, 2017
- (2) 2AOL.com, "12 easy ways to save money on vacation," May 31, 2017



July is National Grill Month!

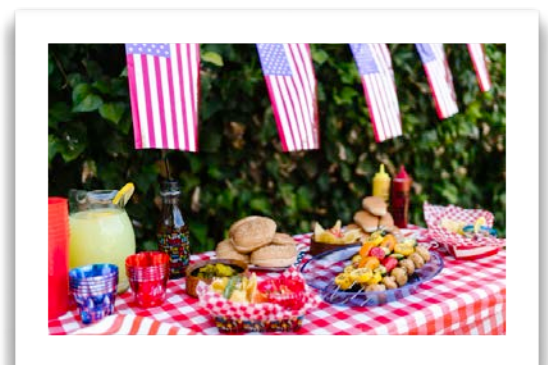
Did you know that July is National Grill month?!
Check out this link for 101 Best Grilling Recipes
For Summer from "Delish.com!"

[Click here](#) to get the recipes.

Happy 4th of July!

We wish you and your family a happy
Independence day!

Please note, our office will be closed Monday
and Tuesday, July 3rd and 4th.



Patriotism is supporting your country all the time and your government when it deserves it.
-Mark Twain

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