

Tenant Tips

An occasional newsletter to help.

November Buys: Christmas and holiday gifts are cheaper & more creative & certainly easier to buy, IF you shop in November before Thanksgiving while shopkeepers stock for December! Buying & closeting all year long also makes this expense easier and better received as you buy when you find that "perfect" gift.

Reduce Taxes By Paying On Time BUT Extending Return: That allows you to somewhat average your tax year to year by adjusting your contribution to a SEP retirement system you can borrow from during the year. How? - Each employee may create a SEP-IRA account at any bank into which YOU may deposit anything up to 25% of your income as a DEDUCTION cutting your tax IF you do so BEFORE mailing your tax return! File IRS #4868 to get an automatic extension to Oct. 15 to file your return, not an extension to pay, which you must do by April 15 or be liable for interest and penalties. By Oct. 15, you will have better idea of whether your income tax for the current years will be higher or lower than the prior year and be able to decide whether to deposit your deductible contribution to your SEP for the prior year or hold off and use it for the current year. Before the end of the calendar year, you can borrow out of the current year's contribution if you pay back within 60 days to the SEP, but you have to pay your income tax on anything you haven't paid back after that. After your're 59 1/2, you can keep your withdrawal without a 10% tax penalty though you do have to pay income tax on your withdrawal. There are exceptions like for 1st time house buyer. Ask your bank or retirement specialists for ALL the rules. Plus, in some states SEP-IRA accounts are protected from creditors to extent needed for retirement. Most banks have hundreds of potential investments for your SEP deposits some even FDIC protected & guarantee 1% per year return with a history of over 10% return! Look into this.

Some Cars Save Insurance Costs for Repair & Theft: Highway Loss Data Institute=THEFT: 4-doors have 93% less chance than 2-door especially Buick LeSabre. Celica 67% more theft than Camry! Most expensive to theft insure: Jeep Cherokee; Escalade 4-wheel; Corvette convertible; BMW convertible; Lincoln Navigator. Cheapest= Buick LeSabre & Park Ave, Volvo V70 wagon; Mercury Grand Marquis. INJURY: Most expensive= Suzuki Esteem 4-dr; Kia Rio 4-dr; Mitsubishi Mirage 2-dr; Kia Spectra 4-dr. Cheapest= GMC Sierra 2500 2-wheel; Chevy Silverado 2500; GMC Yukon XL 1500 4-wheel; GMC Sierra 2500; Chevy Tahoe. GET ADVICE FROM INSURER BEFORE BUYING.

"Balance" is the "Secret": Telling you that you are "living beyond your means" is haughty, and incorrect as your "means" can be increased by: refinancing of debts for lower payments; not paying some debts with little impact save moral; buying more for less; buying only what gives you something valuable to you; CREATIVELY figure HOW to get more for the same time and assets. Absolutely necessary for a COUPLE or SINGLE is: PRODUCE AT LEAST 2 MONTH'S RESERVE no matter what, so as to prevent: having no overdrafts

+ incurring no "late charges"; making NO obligations you can't perform EASILY. SAVE & PLAN AHEAD to prevent hardships **OR worry and being badgered**. The flowers of the field are arrayed better than Solomon, yet they worry not. (Matthew 6:28-34). So, how can a car or clothes or a house be worth serious worry?

Your ATTITUDE determines your happiness as Lincoln said. How to give help is hard as your different life-styles ARE valid: For over 15 years, I practiced divorce law and had only 1 client where sex caused the divorce, but money problems always presented themselves - as money is stored life. Think on that. Disputes over whether to save for a "rainy day" or "eat dessert first" strongly demonstrate VALID but unbalanced attitudes toward life & thus money if too extreme.

Successful investors like the "game" of investing and wouldn't spend their money on themselves if it were in their checking accounts. "Normal" people find the investing "game" a "bore" and refuse to even balance their checking account. Someone MUST boringly balance the checkbook weekly! These different attitudes result in BIG differences in wealth, divorce and the ease of life! "Willful waste ... brings almost always woeful want" [Ann Taylor, "The Pin"].

No "Home Fires": Calif. and few other states now demand sprinkler systems in each home sold, and as of last year the National Fire protection Association reported that death rate from home fires was 83% lower with sprinkler systems. Let's evaluate each bedroom to be sure there's a smoke detector with WORKING BATTERIES and windows easily used to get out in case of fire, and any other fire risk you note to be sure you can exit FAST!

Diamond Investing: \$300/year increase in hi-quality per carat prices from 1960 to 2000. Since then, \$1000/year + China is coming "on-line". But the selling broker is making perhaps 1/3 when you buy and at even 15%/year, it will take 2 years to "break-even" and about 6 years to average 10% per year return on investment - nothing to be discounted. Search the WEB for investing in diamonds & wholesale dealers. Check GEM.

PREVENT LATE CHARGES partly BY: asking lenders to change due dates to one AFTER your pay receipt date; make "samo" debts automatically out of a separate acct. so you can deposit the same amount each month by 1st; tie a CC to you personal cecking IF no additional charge; set up your ability to pay EACH of your creditors on internet as some demand pay by 5pm and some by 9pm etc. for credit that day to avoid or reduce late charges. You can deposit to private creditor's bank account IF you have their number.