



News, information, perspectives for households, investors, individuals
and retirement minded clients of Nagel CPAs, LLC.

COVID Relief

“What should I do with all this money?”

You would think this is a question no one would ever ask.

All of us know how we plan to spend our next paycheck. We do not even think about an unexpected small windfall. But rarely, have we been faced with such unanticipated windfalls like COVID Relief.

Stimulus payments, PPP loan proceeds, and other governmental direct payment programs have forced these new decisions on households and businesses.

Smile. It is not a problem, it's an opportunity.

Be a good steward. Think through the important issues before spending this newfound wealth. Make it a goal to look back years from now and see what good thing you did with your COVID relief money.

In my April article for the Rio Rancho Observer, I addressed this issue for the benefit of younger households. You will find that article at the first click box below.

Financial Planning

As I wrote that article, it occurred to me that few of us have well documented financial plans. In fact, I suspect a very small percentage of American households ever take time or invest the money in a formal, comprehensive written fashion.

Except, maybe, when a certain life event is about to happen, like retirement or maybe an inheritance. Then we might undertake such planning.

Several years ago, I embarked on a subtle program of casual financial planning for clients that evolves around the Personal Net Worth Statement. You saw, and maybe ignored, the forms that came with your annual Tax Organizer. Just for reference, I have included them herein at the second click box, below.

As your tax advisor, it has become more and more important to know the “bigger picture” of our clients’ financial position and plans before setting forth tax planning strategies and proposing transactions.

Remember, “we do not know, what we do not know,” about the finer points of your financial situation. Unless you tell us. Good advisors take time to ask. ***We ask in advance, as a matter of policy.***

As your tax advisor, it is challenging enough to keep up with changing laws; four or five in the last 15 months alone. But sound financial advice around tax planning demands a bigger, longer term perspective. The Personal Net Worth Statement, (often referred to as a Personal Financial Statement) is a great tool for planning “at-a- glance.”

Despite all the annual information you must provide for tax compliance, some important data is not required, like credit card, auto loans and consumer debt. Mortgage balances and monthly payments, emergency cash reserves, college funding, and 401k plan balances often never enter into the data for tax return preparation but they have a significant impact on what might be considered to save tax in the future. You cannot fund your child's college education if you are bleeding cash from car loans. Forget retirement.

When you monitor Personal Net Worth, the hard to value investments must become known, like the value of your business or fractional interest in that professional partnership. What is that second home worth? What about that ranch land you inherited?

In my world, few things are more rewarding than looking back on history and seeing how financial plans worked out. Seeing consistent growth in assets and reducing debts results in an ever-increasing financial Net Worth.

Be encouraged as you watch it grow. We are eager to help.

Roger C. Nagel, CPA/PFS, CMA, CGMA

"I have been intrigued this tax season by how many people, especially younger households, have asked these two questions: What do you recommend I do with my stimulus checks? And, what are the long-term consequences of these direct-payment programs?"

[Nagel on Finances: Knowing your investments](#)

[Personal Net Worth statement](#)

Click here for a fillable copy of the Personal Net Worth Statement with instructions on how to fill it out.

Call Rie LaMar at 505-898-2558 for more info on promoting your business as a sponsor of this event.

Rotary Art in the Park for kids



Click on the link above for more information and to register to participate in the art sale.
Space is limited!

You are invited to the first annual "Youth Art Show & Sale" sponsored by the Rotary Club of Rio Rancho.

This free event provides a platform for young artists, youth groups and gifted individuals to showcase their beautiful creations. They will not only be displaying their works of art but selling them as well. Artists ranging from kindergarten to high school age will be participating. Bring your families and a blanket and enjoy an afternoon at the park having fun. Visit the food trucks for some yummy offerings, participate in activities, enjoy the live music and visit the youth exhibits to purchase some beautiful artwork while showing support for these skilled young artists. All sales will be collected and kept by the youth artists!

If you know someone that would benefit from the information provided in these newsletters please contact rlamar@nagelcpa.us, or call 505-898-2558 to add them to our subscriber list.

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