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# Regent Financial Services

## April 2018

### Government Report Details Household Finances



Every three years, the Federal Reserve sponsors the Survey of Consumer Finances (SCF), which collects information on the financial state of U.S. households. The survey is one of the nation's primary

sources of information on the financial condition of different types of households. Here are a few interesting observations gleaned from the most recent surveys conducted in 2013 and 2016, with the latter comparing changes during that timeframe.

#### Income

The typical household's median family income rose 10% between 2013 and 2016, from \$48,100 to \$52,700. During that same period, mean income (the average) increased 14%, from \$89,900 to \$102,700. Families at the top of the income distribution saw larger gains in income between 2013 and 2016 than other families, consistent with widening income inequality.

Across age groups, median and mean incomes show a life-cycle pattern, rising to a peak in the middle age groups and then declining for groups that are older and increasingly more likely to be retired. Income also shows a strong positive association with education; in particular, incomes for families headed by a person who has a college degree tend to be substantially higher than for those with lower levels of schooling.

Incomes of white non-Hispanic families are substantially higher than those of nonwhite (black or African-American non-Hispanic, Hispanic, or Latino, and other or multiple race) families. Income is also higher for homeowners and for families living in urban areas than for other families, and income is systematically higher for groups with greater net worth.

#### Wealth

Families near the bottom of the income and wealth distribution experienced large gains in mean and median net worth following large declines between 2010 and 2013. Families

without a college education and nonwhite and Hispanic families experienced larger proportional increases in net worth than other types of families, although more-educated families and white non-Hispanic families continue to have higher wealth than other families.

Overall, median and mean inflation-adjusted net worth — the difference between a family's gross assets and liabilities — rose between 2013 and 2016. Overall, the median net worth of all families rose 16% to \$97,300, and mean net worth rose 26% to \$692,100. Much of the increase in wealth was driven by the increased prices of homes and investments such as stocks and other securities.

The same patterns of inequality in the distribution of wealth across all families are also evident within race/ethnicity groups: For each of the race/ethnicity groups, the mean is substantially higher than the median, reflecting the concentration of wealth at the top of the wealth distribution. White families had the highest level of both median and mean family wealth: \$171,000 and \$933,700, respectively. Black families' median and mean net worth was less than 15% that of white families, at \$17,600 and \$138,200, respectively. Hispanic families' median and mean net worth was \$20,700 and \$191,200, respectively.

#### A few other interesting facts

Homeownership rates decreased between 2013 and 2016 to 63.7%, continuing a decline from their peak of 69.1% in 2004. For families that own a home, mean net housing values (value of a home minus outstanding mortgages) rose.

Retirement plan participation and retirement account asset values rose for families across the income distribution, with the largest proportional increases occurring among families in the bottom half of the income distribution.

Overall, many measures of debt and debt obligations indicate that debt has fallen, while education debt increased substantially between 2013 and 2016.

# Financial Spring Cleaning Tips

## 1. Review your Credit Report

By law, you're entitled to order one free credit report yearly from each of the three major credit bureaus. You can get yours at no cost from [annualcreditreport.com](http://annualcreditreport.com). Make sure your credit reports are free of any mistakes. Under the Fair Credit Reporting Act, both the credit reporting agency and the information provider (that is the person, company, or organization that provides information about you to a credit reporting agency) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under this law, contact that credit reporting agency and the information provider.

## 2. Organize and/or Shred Old Financial Documents

Sort through your statements, pay stubs, bills and other financial records, and keep only the documents that are absolutely necessary. Since the IRS has up to six years to audit you, keep your tax returns, canceled checks and receipts, and any records supporting your tax deduction for at least six years. If you're unsure about whether you should get rid of certain types of receipts, scan them or make a copy, then go ahead and shred the rest. But don't simply toss paperwork in the trash. Leaving important documents in the trash without properly shredding them is a bad idea. They are just waiting to be picked up by an identity thief. Reducing paper clutter will not only help you stay more organized, it will also put your mind at ease. Plus, since the IRS accepts scanned copies of receipts, having those records available could come in handy in the event of an audit.

## 3. Record Your Financial Passwords and Store Records in a Safe Place

Make sure you are not using the same password and log in information for all of your online bank accounts and other financial accounts. Even though you might be logging in over a secure connection, there's still a risk that someone who figures out your password will attempt to access other accounts with the same log in information. Protect yourself against identity theft by logging your financial passwords in a password protected or encrypted document and storing it in a safe place. Also, important financial documents like a will, stock certificates or bonds should be put in a safe place like a locked box or an online secure vault.

## 4. Review Your Budget

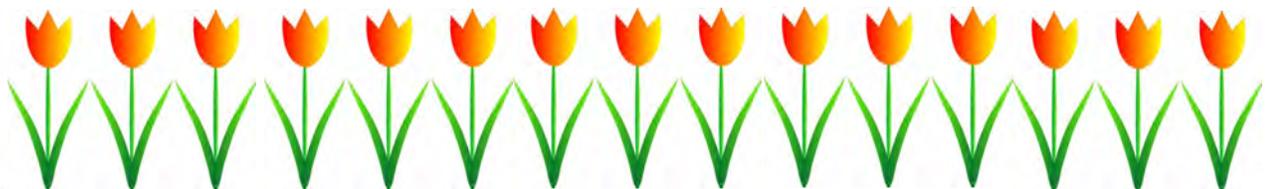
Is your budget up to date? Have you incorporated any increases or decreases in your income? Take a close look at your budget to see if you need to make any modifications. Make sure you are reporting your expenses accurately and have made some room for savings account contributions.

## 5. Set Up Automatic Bill Pay

Spring cleaning isn't only about de-cluttering - it's also about making things more efficient. Set up automatic bill pay, and link it to your primary checking account. Automatic bill pay will eliminate the chances of missing a payment and paying those pesky late fees.

## 6. Pay off Holiday Debt Once and for All

What does your current debt load look like? Spring is a good time to look at your total outstanding debts and see which loans or credit cards you could pay off entirely this year. At the very least, put yourself on a stricter debt payoff plan, and pay off any debt you accumulated over the holidays. Cleaning up debt this quickly can put you in a much better financial situation for the rest of the year.



# Lemony Linguine with Spring Vegetables

**Serves: 4**  
**Preparation Time: 30 minutes**  
**Ready in: 30 Minutes**

## Ingredients:

8 oz. whole wheat linguine or fettuccine  
4 cloves garlic, thinly sliced  
1/2 teaspoon salt  
1/4 teaspoon ground pepper  
3 1/2 cups water  
9 oz. frozen artichoke hearts  
6 cups chopped mature spinach  
2 cups peas, fresh or frozen  
1/2 cup grated parmesan cheese  
1/4 cup half-and-half  
1 tablespoon lemon zest  
3-4 tablespoons lemon juice



## Instructions:

1. Combine pasta, garlic, salt, & pepper in a large pot. Add water. Bring to boil over high heat. Boil, stirring frequently, for 8 minutes.
2. Stir in artichokes, spinach, and peas and cook until the pasta is tender and the water has almost evaporated, 2 to 4 minutes more.
3. Remove from heat and stir in 1/4 cup cheese, half-and-half, lemon zest and lemon juice to taste. Let stand, stirring occasionally, for 5 minutes. Serve sprinkled with the remaining 1/4 cup cheese.



Source: [www.blog.eztaxreturn.com](http://www.blog.eztaxreturn.com)

# 2018 Tax Deadlines

## **April 1, 2018**

### 1st required minimum distribution (RMD) deadline

If you turned 70 1/2 in 2017 and delayed taking your first RMD from your employer sponsored retirement plan or traditional IRA, you must withdraw funds by April 1st. Failing to withdraw the appropriate amount by the deadline will result in the money being taxed at 50%.

## **April 17, 2018**

### Tax Day

Your individual federal and state income tax returns must be e-filed or postmarked before midnight. ezTaxReturn now offers FREE form 1040EZ federal returns for those who qualify.

### 1st Quarter 2018 Estimated Payments are due

If you are self-employed or have other first quarter income, your estimated tax payment is due by April 17th

### Final chance to request an extension

Need more time to do your taxes? If so, April 17th is the last day to request an extension. This can easily be done by completing and submitting Form 4868, Application for Automatic Extension of Time. Although you'll have an extra six months to file, you must pay any owed taxes by April 17th to avoid penalties and interest.

### Last day to make any 2017 IRA contributions

April 17th is your last chance to max out your traditional or Roth IRA for 2017. Remember, the IRA contribution limit is \$5,500 (6,500 if you're 50 or older).

## **June 15, 2018**

### 2nd quarter 2018 estimated tax payments are due

Those who are self-employed or have other second quarter income must make their estimated tax payment by June 15th.

## **October 15, 2018**

### Extended tax deadline

Six months have come and gone. If you requested a tax filing extension, October 15th is the last day to file your income tax return.

## **December 31, 2018**

### Required minimum distribution (RMD) deadline

Last chance to withdrawal your required minimum distribution from your employer sponsored retirement plan or traditional IRA. This rule only applies to those who are 70 1/2 and older. If you turned 70 1/2 in 2018, you can delay your first payment until April 1, 2019.

## **January 15, 2019**

### 4th quarter 2018 estimated payments are due

Those who are self-employed or have fourth quarter income must pay their estimated taxes by January 15, 2019.

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