

# October

## Money-saving moving tips

Moving can be a stressful experience in many ways. Not only do you need to prepare nearly everything you own for safe travel to your new home, but there are a number of financial hurdles that can pop up along the way. With so many variables involved, it comes as no surprise that moving is constantly ranked as one of life's most stressful events. In fact, a study from British energy company Eon found that consumers ranked moving as more stressful than both a break up/divorce and starting a new job.

Thankfully, with a little preparation, many of the financial stressors of a move can be greatly reduced. Here are some steps to consider taking before your move gets underway.

### Fall is a financially-friendly time

The summer months are unquestionably the most popular time to move with great weather and more flexible schedules. That said, movers can score deals by opting for a fall season move. Though temperatures might be a bit crisper, many landlords will be willing to offer incentives to fill their vacancies. Look for opportunities such as rent discounts, lower deposits, and reduced utility bills as potential scores. Moving companies will likely offer lower rates with the drop in demand.

### Paying for the pros

Depending on how far you are moving and how much is making the trip, hiring a professional moving company may be an option you are considering. If so, do your research on the various options in your area to help pinpoint the best deal. Additionally, consider how much you want a moving company to handle. If you have a spacious vehicle or are willing to rent a van or truck, savings can be had by reducing the items that the moving company will handle.

Moving.com states the average cost of moving a two- to three-bedroom home locally to be \$1,250 while a long-distance move of 1,000 miles comes in at \$4,890. These averages are based on 7,500 pounds of cargo, which if reduced can lower the cost significantly.

### Boxing it up

If you are planning for a long-distance move, now is the time to lighten the load that will show up at your new home. Downsizing old or unnecessary belongings will help reduce costs in a big way. Consider holding a garage sale before the move or selling items through sites such as eBay and Craigslist to help offset some of the moving costs. Additionally, moving is a great way to identify items that would make helpful donations to local charities.

To prepare for the packing process, hunt down boxes from local businesses or your workplace to avoid paying extra. Moving companies hope for customers that want everything taken care of by their staff but packing everything up yourself will help reduce the bill.

### Taking care of utilities

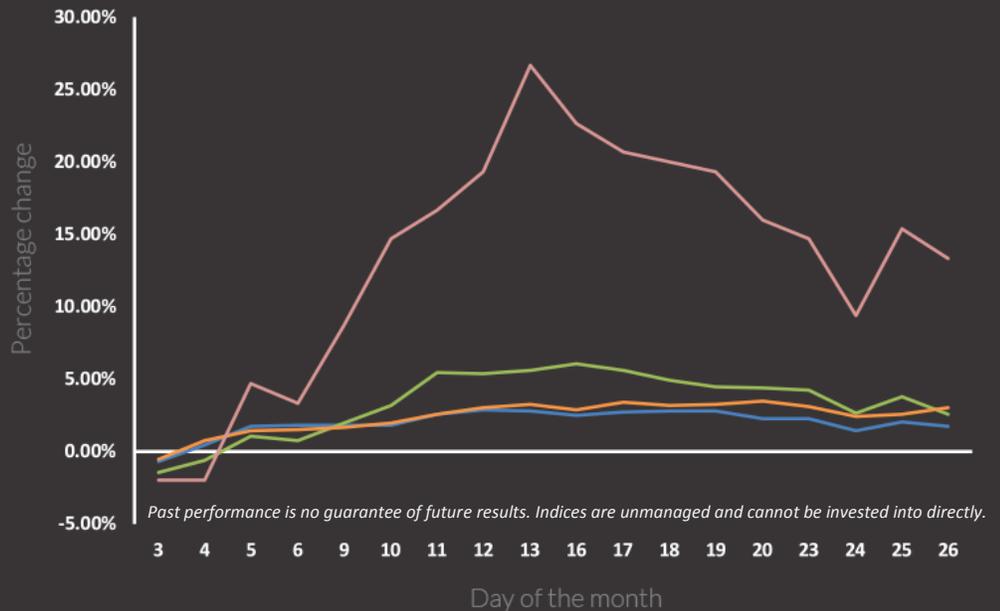
Another avoidable expense in the moving process is the transition of your utility bills. Plan ahead and give notice to utility companies on which day to flip the switch.

Cable is another expense that movers can be proactive with. Many cable companies will let you take current equipment such as modems, routers, and cable boxes to the new destination. This will help avoid another installation cost in most cases. If your new home is not serviced by the same cable company, many will offer contract termination without penalty.

# The market at a glance

## September

<span style="color: #0070C0;">■</span> <b>U.S. Large Cap</b> (S&P 500)	<b>2,976.74</b> (1.72%) ▲
<span style="color: #92D050;">■</span> <b>U.S. Mid/Small</b> (Russell 2000)	<b>1,523.37</b> (1.91%) ▲
<span style="color: #FFB74D;">■</span> <b>International Large</b> (NYSE International 100)	<b>5,398.82</b> (2.42%) ▲
<span style="color: #E91E63;">■</span> <b>U.S. Treasuries</b> (U.S. 10-year Treasury yield rate)	<b>1.68</b> (12.00%) ▲



## The market in action

- The Federal Reserve lowered interest rates in an effort to prolong economic expansion moving forward. Its target for the federal funds rate was lowered by a quarter percentage point, now falling in a range of 1.75 percent to 2.0 percent. This marked the second rate drop of 2019 so far.
- American commercial real estate and shared workspace provider WeWork announced it has withdrawn its highly anticipated S-1 filing for its IPO. Since the release of its S-1 filing, the company has been criticized for being overvalued and has seen co-founder and former CEO Adam Neumann step down.
- Transportation service company Uber has laid off 435 employees from its product and engineering teams, following its dismissal of 400 marketing employees in July. Since its IPO in May, Uber has lost more than 20 percent of its value, though shares were trading up four percent following the news.
- Teenage clothing retailer Forever 21 announced it has filed for bankruptcy. The chain, which currently operates 800 stores, said it will be closing between 300 and 500 locations to help cut costs. These closings will add to the running total of the more than 8,200 U.S. retail store locations closed in 2019.

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# The Month in Brief

September brought an economic event that was widely expected: a quarter-point cut in short-term interest rates by the Federal Reserve. It also brought an attack on two of the world's largest oil fields that threatened to dent global crude output. A resumption of U.S.-China trade talks was scheduled for October, and White House officials decided to delay some planned tariff increases. Clear signals of an economic slowdown emerged from both the eurozone and China; some of the key U.S. economic indicators looked much better by comparison. While all these events transpired, the S&P 500 gained 1.72% for the month.

## Domestic Economic Health

As futures traders widely anticipated, the Federal Reserve lowered the benchmark interest rate by 0.25% on September 18. The 7-3 vote of the Federal Open Market Committee left the federal funds rate in a range of 1.75%-2.00%. As the less-than-unanimous vote hinted, Fed policymakers shared little consensus about the outlook for rates for the balance of the year. The Fed also released its latest dot-plot chart (a Fed tool that projects the cost of borrowing money in the future). According to the new dot-plot forecast, ten Fed officials saw no more cuts for the rest of the year, but seven others felt at least one more cut would happen before 2020.

On September 14, two of the world's largest oil producing facilities were hit by drone attacks. The damage to these Saudi Arabian plants reduced daily global crude output by about 5% and sent the price of oil soaring when commodities markets opened the following Monday. The price of West Texas Intermediate (WTI) crude, the U.S. benchmark, jumped more than \$8 during the September 16 trading session to close at \$62.90 on the New York Mercantile Exchange (NYMEX). The price soon fell, however. On September 30, a barrel of WTI crude was \$54.20.

Trade representatives from the U.S. and China were scheduled to restart negotiations on October 10. At mid-month, White House officials said that a planned 5% increase in tariffs on certain Chinese imports would be postponed from October 1 to October 15 to honor a request made by Chinese Vice Premier Liu He. Late in the month, stocks fell on a rumor that the White House was considering limits on U.S. investment in Chinese companies.

Employers added 130,000 net new workers in August, and only 96,000 were private-sector hires. The main jobless rate remained at 3.7%, but the U-6 rate, which also counts the underemployed, rose from 7.0% to 7.2%. Annualized wage growth stayed at 3.2%.

A much-watched gauge of U.S. manufacturing, the Institute for Supply Management's monthly Purchasing Managers Index, fell below 50 in August. That news broke early in September, and the number (49.1) was important because any reading below 50 signals sector contraction. Meanwhile, ISM's Non-Manufacturing PMI came in at 56.4 in August, showing expansion in the U.S. service sector for the 115th straight month. That 56.4 was its best mark since May.

Data concerning consumers was mixed. Retail sales rose another 0.4% in August, bringing the year-over-year advance to 4.1%. Personal spending increased 0.1% in the eighth month of the year, though personal incomes rose 0.4%. The Conference Board's September Consumer Confidence Index fell to 125.1 in September (it was at 134.2 in August); the final September University of Michigan Consumer Sentiment Index rose, month-over-month, from 89.8 to 93.2.

Overall consumer prices ticked up 0.1% in August, leaving annualized inflation at just 1.7%. Core consumer prices (minus food and fuel costs) were up 2.4% across the 12 months ending in August, though.

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# Preparing for **pet expenses**

Bringing a pet into your family is certainly an exciting decision and can bring plenty of happiness into your home, but it is important to fully understand the financial undertaking before you commit to pet ownership. In a recent study conducted by Credit.com, more than 75 percent of Americans underestimate the costs of owning a pet.

Here are some expenses to consider before diving into the world of pet ownership.

## Most popular pets and initial costs

While there is a wide variety of animals that can qualify as a pet, statistics from WorldAtlas.com show a very clear top three in the U.S. in terms of quantity.

Pet type	Total number in U.S.
Freshwater fish	171,700,000
Cat	93,600,000
Dog	79,500,000
Small pets	15,900,000
Bird	15,000,000

The initial cost to purchase these pets can vary widely across different forms and breeds. Looking at the U.S. average according to CostHelper.com, freshwater fish come in at the cheapest with an average of just \$12.50 per fish. After that, cats come in at an average of \$75 for an adopted cat or \$750 for a purebred cat bought directly from a breeder. The most expensive of the top three are dogs, with adopted dogs costing an average of \$185 and dogs purchased from a breeder averaging \$900.

## Welcome home costs

Welcoming your pet home will include a substantial sum of one-time expenses. For cats and dogs, this includes items such as a collar and leash, litter box, and a kennel or crate. Expect to spend somewhere in the range of \$100 to \$200 on this set of items. Fish owners will experience the most expensive

costs at this stage due to buying an aquarium and related items. Depending on how many fish you are purchasing and their type, expect these costs to run in the \$20 to \$60 range for a small aquarium and \$300 to \$600 for a larger unit.

An easy way to save on these items is to check with family and friends that previously owned pets or have spare items from their pet's early days. Also, search your local classified ads for pre-owned supplies that can significantly cut the costs compared to buying new.

## Veterinarian costs

Vet costs are most prevalent for cats and dogs, and a majority of them will occur at a young age. Perhaps the most substantial cost to get started is neutering or spaying your new pet. Neutering a male cat or dog often is less expensive than spaying a female, and averages \$75 for cats and \$90 for dogs. Expect to pay an average of \$150 to spay a female cat and \$112.50 for a female dog.

Annual vet costs include check-ups, vaccinations, exams, and various tests. For dogs, the average annual vet bill comes in at \$300, while cat owners should expect annual costs of \$145. It is important to remember that unexpected or emergency expenses can come with pet ownership. Ailments that require surgery can easily total up to four figures and can be a shock for many new pet owners. Saving up for an emergency fund can help lessen the impact if these are to happen and opting for pet insurance can help greatly reduce your risk.

## Pet insurance

The pet insurance industry has seen a significant increase in recent years. According to the North American Pet Health Insurance Association, pet owners spent \$1.42 billion on pet insurance premiums in 2018 in the U.S. and Canada, an increase of 17.1 percent from 2017.

Deciding whether or not to purchase pet insurance can be a difficult decision for many pet owners. While the cost of an emergency situation with your pet can seem frightening, it is important to compare that with the total you would spend on an insurance premium. For 2018 in the U.S., the average pet insurance premium cost dog owners \$566.34 for accident and illness plans, or \$190.02 for accident only. For cat owners, the 2018

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U.S. average was \$354.38 for accident and illness, or \$140.87 for accident only.

Before you dive into pet ownership, think about the potential for high costs and whether you feel more financially comfortable with an annual pet insurance cost versus the risk of higher incidental costs.

## Recurring expenses

Some of the hardest to track, yet still significant costs of pet ownership are on everyday items such as food, toys, and maintenance/grooming.

TheSprucePets.com lists annual average food and treat costs to be around \$500 for dogs and around \$240 for cats. On the other hand, a year's supply of fish food can cost just \$20 for most owners.

Every owner will spend differently on toys, accessories, and other items for their pets, but it is important to be mindful of how quickly these expenses can add up. Before picking up your new pet, consider the additional costs for grooming and maintenance that can vary depending on the type/breed and your personal preference.

**Reach your financial goals!**

**Call/Email to set-up a free financial review!**

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