

monthly lifestyle trends, tips and insights

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Marilyn

Do you have questions about our economy and how it could be effecting your Financial House?
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A note from Marilyn and Ora

Welcome To the Fall Season!

Time to Refresh and Re-Focus Our Energy to Finish 2021 Strong!

The Fall season – crisp nights (we hope), kids back to school, Halloween and Thanksgiving – has begun. For many our energy level gets going, too. How's your energy level today? To say we're living through challenging times sounds like both a cliché and an understatement. However, it's usually the most difficult times that may give us a new perspective. Helping others, even when you are struggling, can increase positive feelings and help you gain a more positive perspective. Being mindful, performing acts of kindness, and starting your day with gratitude paves the way to power through stressful and challenging times.

Albert Einstein said, "Everything is energy and that's all there is to it. Match the frequency of the reality you want, and you cannot help but get that reality." Everything you do is a result of the energy you contribute. How you contribute to your professional environment is as important as what you contribute to your personal life. Let's set our intentions to make this Fall Season a time to refresh, re-focus and finish strong!

Here's to Your Fall Season Filled with Abundance and Joy!

Marilyn and Ora



What Is The Value Of Your Business?

Ascertaining the value of your business is important for a variety of reasons.

In the third quarter of 2019, more than 2,400 small businesses were sold. The median sale price was roughly \$278,000, up 3.3% from 2018.¹

As a business owner, ascertaining the value of your business is important for a variety of reasons, including business succession, estate tax estimates, or qualifying for a loan.

There are a number of valuation techniques, ranging from the simple to the very complex. Outlined below are three different approaches to valuing a business.

1. Asset Based: Calculates the value of all tangible and intangible assets held by the business. This approach ignores the future earning potential of the company. Thus, a pure asset-based valuation model is often used for companies that are bankrupt or looking to liquidate.

2. Earnings Based: Seeks to arrive at a business' value by applying a multiple to normalized earnings, i.e., earnings adjusted to subtract owner's compensation and related expenses. The multiplier can vary substantially, depending upon the industry and the outlook for the business.



3. Market Based: Compares the business to recent sales of similar companies.

Business valuation is not just a formulaic exercise. For instance, there is a value to the business of being a “going concern” as opposed to the start-up alternative. Ownership percentage will also matter; purchasing a minority share that has limited control may result in a discount to the actual value. The prospects for the business can impact its value. A greater premium will likely apply to a company engaged in a leading-edge technology than it would to one involved in a mature market.

Valuing a small business is not an exact science. Some aspects of the valuation may be debatable (e.g., the remaining life expectancy of a machine), while other aspects may be positively subjective (e.g., the value of the company's reputation).

Willing Seller & Buyer

The true value of anything can only be determined when a willing seller and a willing buyer agree on a price of exchange. As a consequence, any valuation exercise may yield only a rough estimate.

Before moving forward with a business valuation, consider working with legal and tax professionals who are familiar with the process. Also, a qualified business appraiser may be able to offer some valuable insight.

#1-05020359
1. BizBuySell, 2019





A Plan for Change

An action guide for women who are divorced or widowed

Preparing for the Next Stage

Divorce or widowhood can place women in a whole new financial situation. Research shows that some women experience a decline in overall income, wealth, and retirement security following these life events.³ The key is to take a series of positive steps today to secure a better tomorrow. Especially for women who have shared financial responsibilities with a partner in the past, it can be helpful to concentrate on establishing a firm footing before moving on to more complex planning.

Step 1—Create a budget that works for your new situation

People who develop a plan before money problems occur are better able to avoid unexpected budget emergencies. That position of financial preparedness helps them focus more on achieving their overall goals. The trick to creating a reliable budget is capturing as much information as possible. Start by identifying how much income is flowing in from all sources. That means counting a regular paycheck, but also any income from freelance or second jobs, as well as any interest or dividends from investments. Retirees will also need to include any pension or annuity income and Social Security benefits. Next comes the money that has to flow out: your expenses. Make sure to distinguish between fixed, variable, and periodic expenses – even if you don’t itemize within each category.

Fixed expenses are bills that are the same each payment period. Examples include rent, mortgage, or auto payments, as well as subscriptions and insurance premiums.

Variable expenses are bills that come up regularly, but never in exactly the same amount. Examples include utilities and groceries.

Periodic expenses only crop up occasionally, and include things such as gifts, car

Taking Action, on Their Own After a divorce, women are 14 times more likely than men to seek out financial advice.¹

90% of widows want to feel more confident about their personal financial matters.²

or home repairs, and charitable donations.

Step 2—Fund an emergency savings account

Having a financial buffer in place is an important safeguard when the unexpected happens. And it's a good idea to keep this money separated from your everyday money so it doesn't get used for normal monthly expenses.

How much is enough?

A common rule of thumb is to save three to six months of income for emergencies.⁴

Step 3—Strengthen your credit score

To establish, protect, or rebuild a credit score, the first thing to do is get a copy of your credit report. Every year, consumers are entitled to a free report from each of the three major credit reporting companies, available at annualcreditreport.com. If your credit score took a hit when your life changed, these moves can help repair it:⁶

- Catch up on any overdue bills. Payment history is the largest component of your score.
- Report any mistakes to all three credit reporting companies: TransUnion, Equifax, and Experian.
- Reduce your credit utilization. That's how much you owe compared to your credit limit.
- Spread charges across cards rather than using one card heavily. Keep older cards active and avoid applying for new cards.
- Lengthening the average age of your credit accounts can improve your score.

Step 4—Invest in the future

The life changes you've gone through can impact your retirement savings. How much will you need to save? The answer is a function of how much you already have, how long you have until you want to retire, the scope of other income sources, and the type of lifestyle you hope to support.

- Taking advantage of your employer's retirement plan.

- If you already participate in a plan at work, make sure you are contributing enough to receive any "matching" contribution your employer may offer.
- If you don't have access to a plan at work, consider starting your own individual retirement account, or IRA, in which your contributions grow tax free.

Step 5—Protect financial security with the right insurance

When life changes significantly, so do insurance needs. These four types of insurance can provide critical coverage:

- Life insurance – To protect anyone who relies on you for financial support, or to provide a tax-advantaged asset that builds cash value over time
- Health insurance – Because an inability to pay high medical bills is one of the most common reasons people file for personal bankruptcy¹²
- Long-term disability – To replace your income if you become unable to work due to illness or injury
- Long-term care – So you can get the care you choose if you can no longer take care of yourself (crucial coverage if you're at least 50 years old) #1-05132465



Hint

When budgeting for variable expenses, consider three to six months of spending to calculate a realistic monthly average.⁵

1. Personal Financial Trends Survey, American Institute of CPAs, 2016.

2. Widow's Voices: The Value of Financial Planning, Journal of Financial Service Professionals, January 2016.

3. The Nation's Retirement System: A Comprehensive Re-evaluation Is Needed to Better Promote Future Retirement Security, GAO-18-111SP, Security, U.S. Government Accountability Office, October 2017. www.gao.gov

4. All You Need to Know About Saving for Emergencies, Kiplinger's Personal Finance, December 2016.

5. 3 Key Tips for Budgeting Your Money, Investopedia.com, 2016.

6. Repairing Your Credit Score, Kiplinger.com, May 2016; How More Americans Are Getting a Perfect Credit Score, Bloomberg.com, August 2017.

12. Why Do You Need Health Insurance? U.S. News & World Report, November 2016.

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The Business Cycle



What has upswings and downturns, troughs, peaks, and plateaus? Though such terms could easily describe a roller coaster ride, they are also commonly used to describe the business cycle.

The business cycle – also known as the economic cycle – refers to fluctuations in economic activity over several months or years. Tracking the cycle helps professionals forecast the direction of the economy.

The National Bureau of Economic Research makes official declarations about the economic cycle based on specific factors, including the growth of the gross domestic product, household income, and employment rates.

Recovery & Recession

An upswing, or recovery, occurs when the economic indicators improve over time. A recession occurs when the same indicators go through a contraction. A particularly long or severe recession is referred to as a depression.

Despite being called a cycle, it's important to understand that the business cycle is not regular or even cyclical. Its' pattern resembles the movement of waves, and those waves don't consistently undulate at set, periodic intervals.

Some recoveries have lasted several years, while others are measured in months. Recessions, too, can last for a number of years or be as short as a few months.

Moving in Waves



Stages of Cycle

So, how should investors look at information about the business cycle?

Investors who understand that the economy moves through periods of recovery and recession may have a better perspective on the overall cycle. During recovery, understanding whether the economy is at an early or late stage of the cycle may influence certain investment decisions. Conversely, during a recession, deciphering whether the economy is passing through a shallow or deep cycle may be influential as well.

The business cycle will transition from recovery to recession – and recession to recovery – over several months. Understanding that the economy travels through cycles may help you put current business conditions in better perspective.

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Volunteering In Retirement

For many, retirement includes contributing their time and talents to an organization in need. Those of a certain age will recall these Jefferson Airplane lyrics as a call to action, though for a different period and place. Even with the passage of time and through a lifetime of changes, the desire of baby boomers to make an impact on the world has not diminished. Retirement is no longer about the hammock or unending hours of golf. It is a period of rejuvenation, second chances, and renewed growth. For many, this new phase includes contributing their time and talents to an organization in need.

Before You Start

An important first step is to engage in honest self-assessment. Inventory your skill set and interests. This will help identify what sort of volunteering opportunities are the best match for you. Determine the commitment you are willing to make. Is this something that you want to devote 5-10 hours a week to, or are you willing to commit to more time? Is this something you want to do locally, around the nation, or even the globe? Will this volunteering be done individually, as a couple, or as a group?

Survey the Waters

There are plenty of resources to get a good view of the opportunities that exist. One place to start is by asking friends, family, and colleagues.

Another option is to use one or more of the many tools created to help identify volunteering ideas that may deserve your consideration. For instance, Serve.gov is one such tool run by the federal government. Another website you may want to review is Volunteermatch.org.

Another approach may be to pick charities that you support and check out their volunteer opportunities. Don't be afraid to call them since some opportunities may not be advertised. If you do choose to volunteer during retirement, you may find that you will receive as much as you give.

#1-299405
1.AzLyrics, 2017

“This generation got no destination to hold... We are volunteers of America”
“Volunteers” by Jefferson Airplane¹

SAVVY Women Tip—Positivity

We all have had bad days. Strive to have more good days than bad. Share your positive days with your family and co-workers, lifting their spirits. Teach them how! Start each day anew leaving yesterday behind. Surround yourself with positive influences and friends. Try to shed the negative influences and thoughts. (It can be difficult, but try!)

Always be in the moment sharing your brightness with those closest to you.

There are two ways of spreading light. To be the candle or the mirror that reflects it. —Edith Wharton

Try to be a rainbow in someone's cloud. —**Maya Angelou**

#1-327498



have **YOU** designed **YOUR** prosperity blueprint?



True wealth is more than your money. It includes your lifestyle, your family, your business or career and the causes you care about deeply. Financial planning is the first step in helping you design your ideal lifestyle. We are dedicated to helping you build your Prosperity Blueprint™ that guides you on your journey to financial independence.

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Take steps to design your ideal lifestyle starting today,
for tomorrow and for life!

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