The busy business owner: Get back 15 minutes a day

Meetings, phone calls, emails, text messages, and water cooler conversations with your employees constantly bombard you as a business owner. Freeing up 15 minutes a day could dramatically improve both your workflow and peace of mind.

Here are some ideas for getting back time every day:

- **Talk. Don't type.** Talking with someone directly is often more efficient than spending the time to compose an email. Using the phone can also help avoid potential misunderstandings, as a person's tone of voice conveys information that may be lost or misinterpreted when shared via a written message.
- **Be brief with emails.** Many tech entrepreneurs are known for their brief emails that consist of only several words. In situations where you do use email, consider crafting a response that is only several words in length.
- **Plan your meetings.** Face-to-face time with colleagues, vendors, and customers is often productive and essential for growing a business. On the other hand, meetings can be a waste of time if not properly planned. Establish clear goals for a meeting in advance so your team can focus on priorities, then get back to work.
- **Minimize distractions.** Business owners enjoy developing a rapport with their employees. These personal conversations, however, need to have boundaries so that both you and your employees can stay on task. Consider putting an old-fashioned *Do Not Disturb* sign on your door when you need to get things done.
- **Delegate when possible.** You may be reluctant to relinquish control over day-to-day operations, but failure to delegate can sap time from more important tasks. So develop a plan to train your employees to assume more responsibility over time. ♦

CREATIVE ways to save MONEY

Saving money doesn't have to be a chore. In fact, with a little creativity, it can be both fun and rewarding. Here are some interesting ways to boost your savings without feeling like you're missing out.

Embrace the 30-Day Rule

If you find yourself wanting to make an impulse purchase, give yourself 30 days to think it over. This rule allows time for the initial excitement to wear off, helping you decide if you truly need or want the item. If you still want it after 30 days, then go for it! If not, you've saved yourself from a purchase you may later regret.

Try a "No-Spend Challenge"

Challenge yourself to a no-spend day, week, or even a month. This means avoiding purchases of all types! Not only does it help you save, but it also makes you more aware of your spending patterns and helps reset your budget habits.

Have a use-it-up month

Designate a month to use up everything you already have before buying more. This can apply to pantry items, food in the freezer, cleaning supplies, and even beauty products. You'll be amazed at how much you can save by simply using what you already own instead of restocking.

Create a "Fun Jar"

Use a clear jar as a visual savings tool. For example, set a goal to fill the jar with loose change or a specific dollar bill, like $5 or $10. This works especially well if you want to save for something fun, like a weekend getaway or a special purchase. Watching the jar fill up can be surprisingly motivating.

Make gifts instead of buying them

Homemade gifts are often more thoughtful and can save you a lot of money compared to store-bought options. You could bake cookies, create a photo album, or craft something unique. DIY gifts don't just save money, they also add a personal touch that recipients appreciate.

Use a cash envelope system

Using cash instead of debit or credit cards can help control spending. Create envelopes for each budget category (groceries, entertainment, dining out) and place your allotted amount of cash in each. When the cash is gone, you know you've hit your limit for that category, which can curb overspending.

NEVER carry a credit card balance

Speaking of credit cards, carrying a balance from one month to another means wasting money on interest expense. Pay yourself – and not your bank! – by paying your credit card off in full every month.

With a little creativity, you can make saving money both fun and rewarding. ♦

Inside this Issue:

CLIENTUPDATE

SPRING 2025

Know this number!

Knowing your net worth and understanding how it is changing over time is one of the most important financial concepts that everyone needs to understand. This number is used by banks, mortgage companies, insurance companies and you!

A simple definition

Net worth is the result of taking all the things you own (assets) minus what you owe others (debts and liabilities).

- **Assets** include cash, bank account balances, investments, your home, vehicles or anything else you could sell today for cash, along with any businesses or business interests you own.
- **Liabilities** are what you owe others, such as a mortgage or car loan, and any other debt, like credit card or student loan debt.

Everyone has a net worth

Yes, everyone. Even a 6-year-old with money in their piggy bank has a net worth. If your child is saving up for a bike, they will convert one asset (cash) into another asset (their new bike)!

Calculating your net worth

- **Step one.** Reconcile your bank accounts and loans. Try doing this every month, as these are the easiest parts of your net worth to track and calculate.
- **Step two.** Calculate the value of all your remaining assets. For some assets such as stocks, you can go online and find the current value of the stocks you own. For others, you'll have to estimate what you could sell that asset for today.
- **Step three.** Now gather up and calculate your liabilities. Focus on mortgages, vehicle loans and credit card debt.
- **Step four.** Add up all your asset values, then subtract all your debts. What you're left with is your net worth! (And yes, your number could be negative!)

Net worth power

Here's why it's beneficial to know your net worth:

- **You want to apply for loans.** You'll likely need to submit an application that details all your cash and other assets when applying for loans. If your net worth is high enough, you may have better luck getting approved.
- **You want to get insurance.** Some types of insurance use your credit score as part of the calculation for determining your premium payments. Knowing if you have a high net worth may help in obtaining a lower premium amount.
- **You want to diversify your investments.** Certain investments are available only to individuals who have a high enough net worth.
- **You want to buy a home.** Banks want to see that you have plenty of cash when compared to your debts. If you have too much debt, you may need to either pay down the debt or increase your down payment.

Knowing your net worth and how to calculate it can help you achieve some of your financial goals. ♦

Tips TO INCREASE YOUR NET WORTH

1 BOOST YOUR INCOME

Acquire new skills, ask for a raise, start a business or a side hustle, get a part-time job, sell unwanted items around your apartment or house.

2 INCREASE YOUR ASSETS

Purchase a primary or rental house, build a portfolio of stocks and bonds, build a business or side hustle that you can eventually sell.

3 DECREASE YOUR LIABILITIES

Start by paying off credit cards or loans with the lowest balance, or begin with the one that has the highest interest rate.

TAX UNCERTAINTY REQUIRES PREPAREDNESS

You will soon have to confront a higher tax bill if Congress doesn't extend many credits, deductions, and lower tax rates that are set to expire at the end of this year. Here's who should be considering ongoing tax planning sessions as this uncertainty plays out in Congress and the Executive office:

Your income will increase in 2025

Maybe you are looking to move jobs or obtain a promotion. This should trigger a planning session as marginal rates currently max out at 37% at a fairly high income, but that could all change beginning in 2026.

You were an itemized deductions taxpayer

A number of taxpayers may begin itemizing deductions again in 2026 if the current rules expire as they are currently scheduled to. This means planning your expenses in light of this impending roll back of rules will take some thought. This is especially true if you have high state income and real estate taxes.

You have a large estate

The current estate exemption ($13.99 million in 2025 for single taxpayers, $27.98 million for married) drops back to $5 million in 2026. While this reset amount will be adjusted for inflation going forward, gifting money or other assets can help reduce the size of your taxable estate while taking advantage of this historically high exemption amount.

You have investments

Review your investments to be as tax efficient as possible. Municipal bonds and tax-deferred plans like 401(k)s and IRAs may also become more attractive after 2025. Also consider tax-loss harvesting strategies to offset future gains. Another idea: if your tax rate will be lower in 2025 compared to 2026, consider selling appreciated assets in 2025 at a lower tax rate, then immediately purchase the asset again. Remember that the wash sales rules only apply to losses, not gains!

You have pass-through business income

If you are a small business owner, assess how the loss of the Qualified Business Income deduction will affect your tax liability. Review whether you should change your entity type to minimize the loss of this deduction.

By starting to plan now, you can be ready for whatever tax environment you'll be navigating in 2025. ♦

IRS UPDATE

IRS recommends revisiting estimated tax payments

If you earn or receive income that is not subject to tax withholding, such as self-employment income, or if you're an independent contractor, you should be paying your taxes quarterly to the IRS to avoid a possible underpayment penalty. The estimated tax payment due dates for the 2025 tax year are April 15th, June 16th, September 15th, and January 15th, 2026.

Also, if you owed taxes when you filed your 2024 return, you may also have taxes to pay when filing your 2025 return, especially if one or more of the following situations apply to you:

- You've itemized deductions in the past but are now taking the standard deduction
- Your household has two wage earners
- You are an employee with non-wage sources of income such as dividends
- You have a complex tax situation

Interest rates decrease for first quarter of 2025

Interest rates for the first quarter in 2025 have decreased compared to last quarter. These rates include: 7% for overpayments (6% for corporations); 4.5% for the portion of a corporate overpayment over $10,000; 7% for underpayments and 9% for large corporation underpayments.

TAX CALENDAR

April 15, 2025

- 2024 individual income tax returns are due
- First installment of 2025 individual estimated tax is due.

June 16, 2025

- Second installment of 2025 individual estimated tax is due.

Early mortgage payoff

Small payments can save you big money

Small payments can save you big money when paying off your mortgage.

With 30-year fixed rates reaching levels not seen in 25 years, adding even just a little extra to your monthly payment can significantly cut down on the interest you pay over the life of your mortgage. Here are several different scenarios to illustrate how much interest you can save by slightly increasing each monthly payment.

Base Scenario, Assumptions, & Financing Costs

Here's the assumptions used for this base scenario:

- Average U.S. home price ($420,000) and mortgage rate (6.80%) for January 2025
- Average U.S. downpayment of 10%
- House financed using a 30-year fixed rate mortgage
- Monthly payment includes principal and interest payments only; it does not include other expenses typically bundled with monthly payments, such as property taxes, homeowners insurance, and mortgage insurance premiums

With no additional money tacked on to your monthly payment, you would pay $509,140 in interest over the course of your 30-year mortgage in this base scenario.

To buy this house for $420,000, you would end up paying $929,140 after adding $509,140 of interest charges!

Assumptions	
INTEREST RATE	6.80%
MORTGAGE TERM (YEARS)	30.0
MONTHLY MORTGAGE PAYMENT	$2,464

Financing Costs	
HOME PURCHASE PRICE	$420,000
LESS: DOWNPAYMENT OF 10%	<$42,000>
EQUALS: LOAN AMOUNT	$378,000
TOTAL INTEREST PAID OVER 30 YEARS	$509,140
TOTAL COST	$929,140

None of us wants to pay $929,140 for a $420,000 house! So look at the following scenarios to find out how much interest expense you can save by increasing your monthly payments.

EXAMPLE 1

An Extra $100 Per Month

Adding an extra $100 to your monthly mortgage payment would save you $68,587 in interest expense and cut down on the time to pay off your mortgage by almost 3½ years.

MORTGAGE TERMS (YEARS)	26.7
TOTAL INTEREST PAID	$440,553
Interest from base scenario	*$509,140*
TOTAL INTEREST SAVED	$68,587

EXAMPLE 2

An Extra Lump-Sum at Years 5, 15 & 25

In this example, assume you make an additional lump-sum payment of $5,000 in years 5, 15, and 25 of your mortgage.

While you wouldn't save that much extra time paying off your mortgage in this scenario, you'll still end up pocketing $30,733 just by making three lump-sum payments over the course of your mortgage.

MORTGAGE TERMS (YEARS)	28.4
TOTAL INTEREST PAID	$478,407
Interest from base scenario	*$509,140*
TOTAL INTEREST SAVED	$30,733

EXAMPLE 3

An Extra $200 Per Month

If you can afford an extra $100 per month to put towards your mortgage, why not try for $200 a month? This is where the math starts to get fun.

Adding $200 a month helps pay off your mortgage 6 years sooner and saves you $118,838 in interest expense.

MORTGAGE TERMS (YEARS)	24.0
TOTAL INTEREST PAID	$390,302
Interest from base scenario	*$509,140*
TOTAL INTEREST SAVED	$118,838

Every little bit helps

Even adding an extra $10 per month can save you $8,000 over the course of your mortgage. That's a lot of money that goes into your bank account instead of your *bank's* bank account!

Paying off your mortgage early and cutting down how much interest you pay over the course of your mortgage doesn't require a lot of money. Whether it's $100 or $10 a month, every little bit can help in your quest towards a better financial future for you and your family. ♦