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Wealth Builder



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LEGACY WEALTH MANAGEMENT, LLC



LIVE, GIVE, OWE AND GROW BY DAN FUNDERBURK, CFP®

As someone who spends every day helping families make smart choices with their money, I'm constantly trying to find ways to simplify financial concepts. One of the best tools I've come across is a way to describe the various uses of money. It may seem like there are hundreds (or even thousands) of ways we can use money, but I would argue that we can actually categorize our use of money into four main areas: **Live, Give, Owe, and Grow**.

Live: This is the area on which Americans generally spend the highest percentage of their money. It includes things like our mortgage, auto expenses, groceries, travel, and entertainment.

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MY AFRICAN FRIEND BY MIKE BERRY, CFP®

My 19 year old daughter, Kayla, and I went to Jinja, Uganda for a couple of weeks in June to work at the Amani Baby Cottage with four others from our church. Amani is an orphanage that cares for newborns and children through age 5 and it truly is a piece of heaven on earth. The love, care and security they give these little ones is a shining light in a dark part of the world.

I've never been to a third world country before and the poverty and overall living conditions were really eye opening. Walking through slums of cardboard and tin shacks with human waste in the streets was something I have never experienced. Seeing mud shacks the size of half of a single car garage with an outdoor fire pit as a kitchen be called home by six people gets your attention.

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LIVE, GIVE, OWE AND GROW *Continued from p. 1*

We try to help families be intentional about what percentage of their income they allocate to Live by discussing *Provision vs Protection*. We are called to provide for our families and enjoy what we've been blessed with. However, we need to be careful that we aren't living above our means or hoarding possessions in an effort to protect ourselves. We believe it is God who is truly in control, and no matter how much we buy or collect, we will never feel secure if we place our hope in our possessions. One question we all should ask: How much is enough?

Give: Being generous is the best way to break the power of money. It is natural for us to desire newer, nicer things or bigger bank accounts, but if we always succumb to our financial desires we are certain to fall in love with money. However, "the *love of money* is the root of all kinds of evil." (1 Timothy 6:10) How do we make sure we don't fall into this trap? By intentionally being generous with our money. By giving money away, we are recognizing and admitting that we have more than enough.

Owe: There are two ways we owe money: debt and taxes. Americans are known for carrying excessive debt, and unfortunately debt always mortgages the future. We believe debt can be necessary at times, but it should be avoided if there are other ways to accomplish our goal and if the economic cost of the debt outweighs the economic gain.

Taxes are unavoidable, and plenty of people hate paying taxes for a number of reasons. Heck, we have very limited control over how much we owe, and possibly even less control in how the tax revenue is spent! However, taxes are a direct result of God's provision. The only reason we owe taxes is because we have income. As ridiculous as it may sound, I try my best to pay taxes with a thankful heart. It can be helpful to keep this in mind come tax time.

Grow: The only way to meet long-term goals is by creating margin in our monthly cash flow. We need to efficiently manage the other three uses of money so we have breathing room in our budget to accomplish our long-term plans. Once that margin exists, we can save and invest towards those things we wish to accomplish.

These four uses of money should be considered different pieces of the same pie. If you increase one piece, you have to reduce a different piece. We are constantly presented with simultaneous competing priorities for our money, and only by living intentionally will we gain control of our financial lives. ♦

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MY AFRICAN FRIEND *Continued from p. 1*


Watching children carrying 20 gallon jerry cans of water from a stream or lake to their home because there is no running water in the village raises my blood pressure. Seeing a three year old use his pancake to mop up the porridge he spilled on the floor and eat it because that's all there is to eat brings tears to my eyes, especially when I see how much food we throw out.

Even through all this, I came to love Uganda because of the people. They are joyful people who live each day, one day at a time. They are relational and sincere. They want to know about you, your family, your children and what you do. Imagine trying to explain what a financial advisor does to someone who has no money. They love to share about themselves and their families. No one is terribly worried about time and schedules. They live on Africa time. They manage their personal resources well. There is no waste because there is no surplus. They adapt by taking what is available and turning it into what they need. (Ask me about Ugandan paint trays sometime.)

Something that I didn't expect going into this trip was making a new friend. We hired a van and driver to get us around while we were there, which was a smart thing to do because after riding around for only a day, I realized that the traffic laws in Uganda were non-existent. No speed limits. No stop signs or yield signs and you drove on whatever side of the road that had the fewest pot holes. I rode in the front seat next to the driver and was terrified for the better part of two days. Then I realized that Wilson knew what he was doing.

Our driver's full name is Wilson Muhangi and riding around next to him for 10 days gave us a lot of time to talk. I got to learn that not only did he drive around "muzungus" (white people) like me; he also led safaris into northern Uganda and Kenya. He is very proud that he self-educated himself about how to run safaris and how to manage his own businesses. He has three children, the oldest he is putting through a trade school to become an auto mechanic. Since it seems like most of the cars and vans in Uganda are pre-1990 models, that might be a great occupation. Once when we were running an errand he drove me by a small shop alongside a road where I met his wife and his youngest daughter. His wife worked in this small shop from early morning to nearly 10 at night selling cell phone minutes.

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*“Imagine trying
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MY AFRICAN FRIEND *Continued from p. 3*

We talked about Ugandan political corruption and how all the tax money is stolen by the politicians before it ever reaches the projects it was intended for. That accounts for why the infrastructure in Uganda is so bad. He laughed when he found out Kayla was my daughter. “Your white hair tells me you should be her grandfather,” he said. The more we talked, the more we realized how much we had in common. We are two guys who each have their own businesses, trying to raise and support their families. Our values about honesty, integrity and raising children were the same. We both believe that hard work is the basis for success and that family is more important than money.

It was hard to say good-bye to a lot of people in Uganda. “Mama” Lucy hugged me and tears came down her face. “Don’t forget us,” she said. “We never will,” I promised back. I hugged Wilson and told him I would never forget him and his family and that I would email him when I got back to the states. I did so along with a picture of him and me. He wrote back:

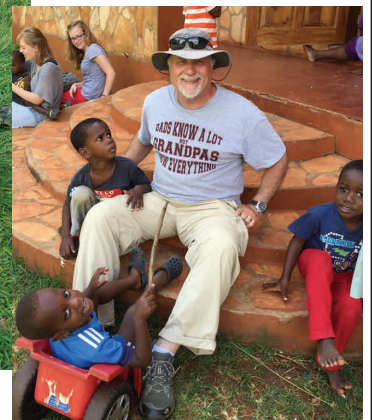
“Hello dear Mike. It is so nice for me to know that you are home and safe. Thanks Mike for loving my country and me in person. I love you too. May the almighty God keep us alive so we can share his love again. I loved your company too and I really miss you. Greetings to your daughter (even though I still think she should be your granddaughter) and your entire family. Love from Uganda.”

Wilson Muhangi

My African friend. ♦



Mike and Wilson



Kayla and Mike at the Amani Baby Cottage

“We are two guys who each have their own businesses, trying to raise and support their families.”

MEASURING SUCCESS BY LINDA EDEN-WALLACE, CFP®

When it comes to goal-setting, there has to be a way to measure your success. All the wishful thinking in the world won't help you achieve your goal unless you have action steps to help you achieve it and a way to measure your progress along the way. The goal of saving for retirement is no different. It can be much like driving down a winding road. There may be road blocks that pop up, bumps in the road, unexpected delays and distractions as you travel to your destination. Many things can take our eyes off the goal and this year just like any other, has had its share of distractions for investors. "What if Trump is elected President? What if Clinton is? When will the Fed raise rates? What will the stock market do next year? What about ISIS?"

Many times these distractions and fears can derail our financial plans. If our financial plan is based upon the distractions in life beyond our control, we may get discouraged and be tempted to throw in the towel. We might tell ourselves things like, "I'm just going to sit in cash until everything settles down." Or, "Why should I keep putting money in my 401k when it keeps going down?" The problem with this rationale is it distracts you from your plan. Retirement is inevitable. It will come for all of us whether we prepare for it or not. You can make the choice to stop funding your plan because of the election, the crazy stock market, the Fed, global warming, whatever. But if you decide to make that choice then you need to ask yourself what you intend to do instead to make sure you and your family have enough money to live on in retirement.

If you decide to stay out of the stock market, what are the other options for creating income in retirement? You could plan to work longer and let your Social Security benefits grow until you reach age 70 to get the maximum benefit available. However, even with maximum benefits, Social Security was never meant to provide all the income you'll need in retirement, especially as longevity increases. Maybe rental property is more your style. This approach to retirement funding takes time and patience too. Ideally you'll want your property free and clear by the time you retire so the rental income goes into your pocket and not to the mortgage company. It's not without risk either. If your rental property is without a tenant for long then you're stuck with two mortgages to pay.

Ask yourself if your retirement plan is based on the realities of your life; your hopes, dreams, goals, comfort level and retirement date or is it based on some apocalyptic speculation or the things in life beyond your control? There is no one right way for everyone, but every plan requires you to follow through with it to be successful. ♦



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