

# Leif Jensen and Associates

Newsletter

August, 2015

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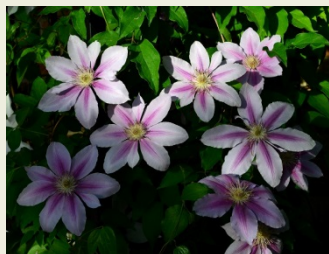
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## Useless Information:

The first penny had the motto "Mind your own business".

Add up opposing sides of a dice cube and you will always get seven.

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Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

If you need help preparing your 2014 taxes, please call our office to schedule an appointment.

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## Where's the Cash?

How we got on the topic, I do not remember; I was having a discussion with my banker and we got on the topic of bank robbery.

I was joking that robbing a bank today would net you little to nothing, as we no longer live in the days of John Dillinger.

My banker stated that typically those who do rob banks on average get caught with the 13th attempt. It seems that you have to keep robbing banks to make it worth your while. Gone are the days of large vaults filled with cash. Not to mention that the FBI gets involved with all bank robberies.

My banker stated that if you did want to rob something with money a neighborhood grocery store is the way to go. That is where the cash is at.

It is amusing where conversation go at times.

## This Month's Featured Service

### Incorporation Services

We can facilitate the incorporation process for your future entity. We will help you decide on the best entity structure, handle all of the forms for the incorporation process, acquire an FEIN, process the S-Corp election and register the company with the state.

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## Savings

Whoohoo! It seems that we as Americans are finally saving more. It just happens to not be in our employer-sponsored retirement plans. That is according to retirement market researcher Hearts & Wallets.

According to the report the average annual household savings increased almost a full percentage point to 5.5 percent last year, up from 4.6 percent in 2013. This again is based on Hearts & Wallets' annual survey of 5,500 U.S. households. It seems that this is directly at the expense of employer-sponsored retirements plans like 401(k)s. Which fell 7 percentage points to 22 percent in 2014, and households participating in employer-sponsored plans declined to 56 percent last year from 60 percent in 2013.

It seems the devastating effect of the recent financial woes has America more concerned with having an emergency fund available than tax deferred retirement saving. Of which I can completely understand.

Once upon a time the HELOC was used as an emergency fund by a number of people. But with the anticipated Fed interest rate increase, cash is becoming "king" again.

## Retirement Savings

Adoption of an automatic enrollment into a 401(k), has increased employee participation. This is bound to happen when they have no choice in the matter. Employers can also help improve participation and contribution levels in retirement plans by offering matching contributions. Who wants to leave free money on the table?

Based upon 2014 data, it was found that an employer's match can double the annual retirement plan contribution among workers who said that getting the employer match was very important to them. Again, who wants to leave free cash on the table?

The strongest group of savers were earning \$48,000 to \$95,999: this group increased their average retirement plan contribution by 2.5 times because of an employer match, according to Hearts & Wallets.

Alas, the study showed that only 10 percent of the people surveyed were eligible for a retirement plan that offered a matching employer contribution of more than 6 percent of an employee's salary. About a third said their employer match was 4 to 6 percent, and roughly another third said their match was 3 percent. Approximately 24 percent said their employer offered no match.

As expected the size of the matching contribution often depends on the size of your employer.

-Leif Jensen

## Featured Client



**Gloria Ortiz**  
**Your Bilingual - Full Time**  
**Real Estate Broker**

I am fluent in Spanish and English. My background is in management. I have a degree in Marketing Management. I obtained my Real Estate License in 2005 and fell in love for the 2nd time in my life (first time of course with my husband of 12 years). It's a lot of hard work but there is nothing more rewarding to me. I do not limit myself. I have sold everything from a mobile home to a commercial property. I travel to wherever the deal takes me and am with my clients from beginning to end.

I am focused on providing you with the best results and service in the industry. I listen carefully to understand your real estate goals and work hard to create solutions that make sense for you. Whether you are new to the market or an experienced investor, I have the expertise, proven track record, and resources to help you achieve your real estate goals.

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