

# Life + Wealth Intersects

A Wealth Coaching Publication for  
Affluent Entrepreneurs Family.  
Investments. Estate. Tax. Wealth.

## Merry Christmas!



For All That Wealth Secures™

### Special Points of Interest

- Post election investment perspective.
- It's okay to go around your obstacles!
- The deficit commission; a big fat joke but no one is laughing.
- Natural food is not in the isles.
- Wisdom about adversity.

### Post Election Investment Discussion by Michael C. Lantz, CPA/PFS, CFP®

I've never placed much emphasis on the correlation between what goes on in Washington and the value of your investment portfolio until this year. I've discussed with many of my customers that the results of the mid-term election may indicate a course correction may be in order.

I really believe that the policies of the current administration would be harmful for investment portfolios. For example, the President's deficit commission convened some time last year and those asked to serve were very anti-business and pro high taxes and government spending. I predicted the commission would recommend raising taxes. Guess what? That's exactly what they recommended. It has been an historical fact, when the Congress gets more money to spend, they spend it, both Republicans and Democrats. Currently 40% of every dollar Obama spends is borrowed. That can't be sustained and have our economy grow.

If the House of Representatives did not swing to conservative representatives I would have recommended a position leaning toward less equities and more fixed income. Thankfully, We the American People spoke. They said, "We're tired of taxing, spending and borrowing."

It's still to early to tell how the swing in the

House of Representatives will effect the policies of the administration and because the Senate is still controlled by liberal democrats, the gridlock in Washington may get worse before it gets better.

I'm all in favor of putting on hold this President's anti-business agenda and because the House is now mostly against these policies, I don't see how many of these expensive and wasteful policies can be implemented.

The House controls the purse strings of the government and it is my hope they de-fund many of them to lessen their negative effect on the economy.

Obamacare has risen the cost of health insurance premiums over normal increases. As predicted before passage many employers are cancelling their plans and opting to pay the fine instead. Obamacare, in my opinion, is a job killer just like most of all the President's agenda.

For now I recommend to stay the course you've already outlined in your long-term plan. After the first of the year when the more conservative Congress convenes and their interaction with the President becomes more clear, may give a better indication of a prudent investment strategy.

### What We Can learn From

#### Ronald Reagan

"You and I have a rendezvous with destiny. We will preserve for our children this, the last best hope of man on earth, or we will sentence them to take the first step into a thousand years of darkness. If we fail, at least let our children and our children's children say of us we justified our brief moment here. We did all that could be done."

### Watch out! There's a rock in your path!

Have you ever seen a child riding his bike on the sidewalk? Notice what would happen if all of sudden in the path of the bike was a rock the size of an orange. What would the child look at? As the child's focus was completely on the rock more than likely the bike would hit the rock. Why is this so?

You'll always go where your focus is at; either consciously or unconsciously. The child only needed to direct their attention to either the left or the right of the rock to miss it.

You've heard the saying when an athlete

drops a pass or misses a catch, "He took his eye off the ball." How true that really is. Perhaps the athlete had clear sailing into the end zone for a touchdown and even for a split second moved his mind and eye to the future; i.e., the end zone, and off the ball and then dropped the pass.

This same principle applies to you in your life as well. If you take your eyes off your intended target and direct your focus to something else, that is where you'll head.

So you might be asking how do you keep

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## Watch out! There's a rock in your path! (con't)



*"Stay plugged in and your eyes on your goals and you'll be amazed at how you'll keep moving forward and you'll not even see the rocks in the road!"*

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your focus on your intended goals? Let's explore the answer to that question.

First, you'll have to define what your goals are and write them down. Your goals will have more meaning and create more motivation if they are aligned with your mission, vision and values.

Second, you have to stay "plugged in." Have you ever been on a cell phone call and your battery died? Most likely you have and it's a sometime embarrassing situation. In order for your cell phone to remain "charged" it has to be "plugged" into a power source. In order for you to keep your focus, you have to be plugged into your power source. Your power source is your written goals.

When your focus is distracted from your purposeful goals to your challenges, it is very hard to keep moving forward toward your goals. Its as if you're swimming up stream. As General Williams Halsey, Jr. said, "Obstacles are what you see when you take your eyes off your goals." When you focus your attention on your obstacles is when you "hit the rock in the middle of the road."

It is recommended that you review and state out loud your goals at least weekly. Also, it is very powerful to visually see your goals every day. Creating a vision board with pictures of your goals with you in them is a powerful reminder and keeps you "plugged in."

Go for your goals! You can do it!



*"If you give a child a credit card in a candy shop he'll buy and eat until he is sick. When Washington politicians are given a credit card that they personally will never have to repay, they'll spend and our country will get sick!"*

## Deficit Reduction By Thomas Sowell

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Another deficit reduction commission has now made its recommendations. My own recommendation for dealing with deficits would include stopping the appointment of deficit reduction commissions.

It is not the amount of money that these commissions cost that is the issue. It is the escape hatch that they provide for big-spending politicians.

Do you go ahead and spend the rent money and the food money-- and then ask somebody else to tell you how to escape the consequences?

If President Obama or the Congress were serious about keeping the deficit down, they could have had this commission's recommendations before they spent hundreds of billions of dollars, handing out goodies hither and yon to their pet constituencies.

I don't know why people agree to serve on these bipartisan commissions, which save the political hides of the big spenders after they have run up huge deficits. Back in the 1950s, there was a saying: "If you didn't invite me to the take-off, don't invite me to the crash landing."

Deficit commissions make it politically possible to spend money first and get somebody else to recommend raising taxes later. They are a virtual guarantee of never-ending increases in both spending and taxes.

Why provide political cover? Leave the big spenders out there naked in front of the voters! Either the elected officials will change their ways or the voters can change the officials they elect.

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## Deficit Reduction *(continued)*

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There is no special information or wisdom available to unelected deficit commissions that is not available to elected officials. Nor are they more far-seeing than politicians.

Cutting defense spending to save money? That is one of the oldest moves in the liberal play book. Some soldiers may pay with their lives for this, but that could be years from now-- and after the next election, which is as far as most politicians think.

The biggest immediate tax issue is whether the Bush tax cuts will be extended for everyone. Here, as elsewhere in politics, sheer hogwash reigns supreme.

Nancy Pelosi claims that the "tax cuts for the rich" cannot be continued because it would be "too costly." Although former Republican Majority Leader Dick Armey says, "Demagoguery beats data" in politics, here are some data anyway.

The first big cut in income taxes came in the 1920s, at the urging of Secretary of the Treasury Andrew Mellon. He argued that a reduction of the tax rates would increase the tax revenues. What actually happened?

In 1920, when the top tax rate was 73 percent, for people making over \$100,000 a year, the federal government collected just over \$700 million in income taxes-- and 30 percent of that was paid by people making over \$100,000. After a series of tax cuts brought the top rate

down to 24 percent, the federal government collected more than a billion dollars in income tax revenue-- and people making over \$100,000 a year now paid 65 percent of the taxes.

How could that be? The answer is simple: People behave differently when tax rates are high as compared to when they are low. With low tax rates, they take their money out of tax shelters and put it to work in the economy, benefitting themselves, the economy and government, which collects more money in taxes because incomes rise.

High tax rates which very few people are actually paying, because of tax shelters, do not bring in as much revenue as lower tax rates that people are paying. It was much the same story after tax cuts during the Kennedy administration, the Reagan administration and the Bush Administration.

The New York Times reported in 2006: "An unexpectedly steep rise in tax revenues from corporations and the wealthy is driving down the projected budget deficit this year."

Expectations are in the eyes of the beholder-- and in the rhetoric of the demagogues. If class warfare is more important to some politicians than collecting more revenue when there is a deficit, then let the voters know that.

And spare us so-called "deficit reduction commissions."



*"Guess who said the following: "We have tried spending money. We are spending more than we have ever spent before and it does not work." Was it Sarah Palin? Rush Limbaugh? Karl Rove?*

*Not even close. It was Henry Morgenthau, Secretary of the Treasury under Franklin D. Roosevelt and one of FDR's closest advisers. He added, "after eight years of this Administration we have just as much unemployment as when we started. . . And an enormous debt to boot!"*

**Thomas Sowell**

## For All That Wealth Secures™

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We may always be reached 24/7 via our cell  
Please respect our privacy during non-business  
hours.

*"All great change in America begins at  
the dinner table."*

*Ronald Reagan*

## Advice About Adversity by Jim Stovall

Each of us that lives in a free society charts our own course and are masters of our own destiny. People from all around the world read these columns each week in various newspapers, magazines, and online publications.

I realize not all of us enjoy total freedom in our personal and professional lives. This realization should be a wakeup call to all of us who live in nations where we have the blessings that freedom brings.

Every person inevitably experiences certain advantages and unavoidable adversities. When great people in free societies discuss the concept of equality, this does not mean equality of outcome. It means equality of opportunity. Free enterprise and capitalism do not guarantee anyone a place at the finish line, but they should guarantee everyone a place at the starting line. Even if we all have our individual places at the starting line, this does not mean we all have the same background, education, intellect, and talent.

My friend and mentor, Coach John Wooden, often said, "Things turn out best for the people who make the best of the way things turn out."

Advantages and disadvantages are hard to define in their current context. If you will look back into your personal history, you will realize that certain elements that you would have defined as an obstacle, barrier, or adversity actually turned out in retrospect to be a tremendous advantage. On

## Is your diet mostly processed foods?

The next time you go grocery shopping, without being too conspicuous, peer into other shopper's carts. You'll observe that most of the food is "processed", i.e., it is not in its natural state. In fact, 90% of food consumed today is processed. When food is processed much of the nutrition (vitamins, amino, fatty acids and minerals) are stripped out. In fact if you look at a food label and the vitamins per serving are in round numbers such as 50mg as opposed to 45.7mg, that nutrient has been added, i.e., it's not natural. More than likely that nutrient was made in the lab somewhere far away from the original food source.



A good rule to remember, "All the good stuff is on the outsides of the store. Isles = evils!"

To learn more follow my blog; Health is a Habit  
(<http://healthisahabit.wordpress.com/>)

the other hand, we all know people who were born into wealth or privilege but, over time, failed to succeed because they did not or could not take advantage of the benefits they had been given.

You and I get to decide how we define advantages and disadvantages. For every person who fails to achieve their objective and blames it on their circumstance, I can show you someone else with the same circumstance who has succeeded. Oftentimes, the successful people will cite the exact circumstances that others define as a disadvantage to be a key to their success.

Each time you are faced with an adversity or an obstacle, ask yourself the following questions:

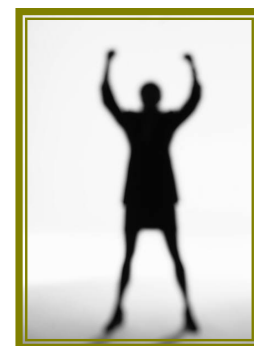
1. Where is the advantage in this situation?
2. What can I learn from this circumstance?
3. Who can I find who has already overcome this obstacle?

How can I succeed by helping other people overcome this situation?

The answers to these questions may help you begin to redefine perceived disadvantages as actual advantages.

As you go through your day today, take stock of everything around you and consider your circumstances fully before you define advantages and disadvantages.

Today's the day!



*"Free enterprise and capitalism do not guarantee anyone a place at the finish line, but they should guarantee everyone a place at the starting line."*

**Jim Stovall**

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