

# FINANCIAL FORECASTS, INC.

tax preparation & planning

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## ‘WHAT’S UP DOC?’ bugs bunny

Good question to ask when reviewing your physical or financial health. We have been enjoying the UP on almost everything we desire, products, services and transportation. The major down remains COVID with a dash of inflation mixed in and low interest rates (more on this later). Education and empowerment will allow you to achieve the best decisions for all your life’s questions, but as always know your source. Believe in trusted professionals, the science and beware not to fall into the puppet principle. Do not let voices of fear and ignorance influence your decisions or cloud your mind. Free up your thinking!

Most of the UP in our world has been concentrated in money and investment opportunities. We have seen fevered buying into: NFT’s(digital tokens), Zero cost stock trading (memes), SPAC’s (blank check mergers) some bordering on Ponzi schemes and the expansion of gambling. I enjoy periodic gambling, but it can be addictive and the availability has mushroomed through the internet with 24hours access and now including all sporting events. My prior internet observations surrounded the 24hour shopping ability versus the 8 hour workday period. Easy to see the incoming vs outgoing imbalance. Shopping at least provided you with something you wanted to buy. Gambling brings the possibility of free money through bigger bets = greater return. Even the recent show “SQUID GAME” presented a bleak picture of gambling addict habits. The internet and supporting companies are gobbling up your time and money. They are a tremendous resource for your decision making, efficiency in work, and escapism, but can overwhelm your daily life if you forget to enjoy the real world. The internet providers are already offering an alternative life with the new term “METAVERSE”. You get to decide; put on your goggles and escape, or make your everyday world better.

Stocks have been the major beneficiary of the government stimulus funds to save our world. The fear of missing out (FOMO) is controlling the daily drive for investment success. Crowd funding was a beginning of innovation, crowd investing is another form of gambling as it is a herd mentality, follow the leader. Prior to year 2000, we had interest rates versus stocks. Fixed returns versus variable results. The FED’s lowering of interest rates, especially on home mortgages has ballooned the cost of housing, but at what cost. Interest rates are dead for investors, stocks and more RISK are now the only game in town. Lowering interest rates are good for all except the market in general, it needs to have safety vs risk in some balance. Growth of real wages are finally starting to increase, but not anywhere near the growth of housing price escalation. The Fed is threatening to raise interest rates, probably more bluff than conviction. The world has embraced debt as the solution to all evils and cannot stop the continual dependence. Inflation can be discounted, but should not be ignored. It was big in the 1970-80’s, could this be a new generation!

We have enclosed your 2021 TAX ORGANIZER (fill in format for e-mailers) and encourage you to pay close attention to personal data, contact information, current dependents (do not allow your kids to file taxes without checking with us first) and the “CHECKLIST”. Please validate all entries and review your current investments to provide us all active account information. Last year IRS had difficulties crediting estimated and extension payments, they still owe some of us. This year we are again tasked with validating IRS payments for the 3<sup>rd</sup> stimulus payment and advanced childcare credits. We will need to know what checks/auto deposits you received from US Govt during 2021. We will need forms: W2, 1099’s, 1098, Yearend Brokerage statements, K1’s, rental summary and business details if applicable. We appreciated your business and look forward to helping you achieve reasoned financial success. Any questions, call or email us. Get the facts on tax decisions from the professionals. We have Saturday appointments until 02-26-2022. MASK AND SOCIAL DISTANCING WILL CONTINUE TO BE REQUIRED FOR OFFICE VISITS. KEEP EVERYONE SAFE!

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