

August  
2024

---



## INSIDE THIS ISSUE

---

### PG. 2

What is an Emergency Fund?

---

### PG. 3

Get more from your liquidity

---

### PG. 4

Breakfast for the busy week

Our National Debt

# ALL ABOUT LIQUIDITY

## WHAT IS LIQUIDITY?

Liquidity is money you can get your hands on right now. It is important for obvious reasons. When life happens, this is the source you tap to handle it. Whether it is an unexpected life event like an illness, loss of a job, the car breaks down or a planned near-term event such as a vacation, home renovation, or wedding, your liquid funds are what you use here.

Liquid funds can be in a checking or savings account or in investments that can be converted to cash quickly PLUS held in accounts that allow this without penalty.



# WHAT IS AN EMERGENCY FUND?

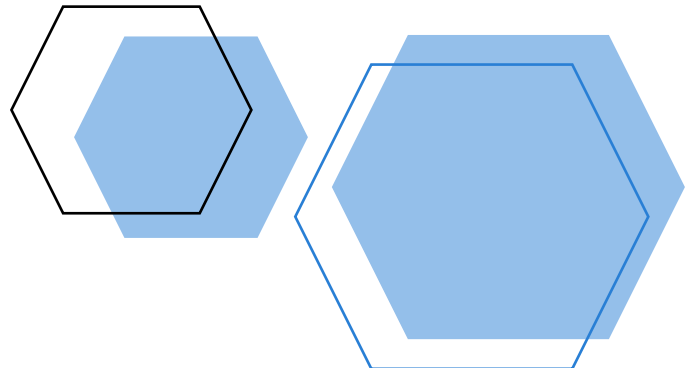
## SAVING FOR A RAINY DAY, OR DOWNPOUR

An Emergency Fund is pretty self-explanatory. It is funds that have been set aside for an emergency. That emergency can present itself in many unexpected forms and, at least in my case, always at the worst possible time. Often it is not just one, but multiple emergencies at the same time. The refrigerator goes out the same week that the check engine light comes on.

An Emergency Fund is what keeps these situations contained and prevents them from wrecking your financial health. A general rule of thumb is to have 3-6 months' worth of expenses saved in cash. As with everything, there is some variability to this rule based on your individual circumstances.

An Emergency Fund is an essential part of every financial plan and one of the most important things to preserving your financial health. A financial advisor can help you decide exactly how much an appropriate Emergency Fund is for you and the best places for your money to be so that it is safe, easy to access, and getting the best return.

NerdWallet has a great article on [Emergency Funds](#).





# GET MORE FROM YOUR LIQUIDITY

## BOOSTING LIQUID RETURNS

Most of us understand the importance of having money set aside in a savings account in case of an emergency. But how can you make this money work for you?

The first avenue is to use a high-yield savings account (HYSA). This is straightforward and gets a much better return than the savings account at your traditional bank. Our Wells Fargo savings account pays 0.01% interest, while our Altruist Cash account pays 5.10%. So, for every \$1k, Wells pays us less than a penny a month while Altruist pays \$4.42. Not exactly money to retire on, but it is a huge difference and over the course of decades will make an impact. Plus, separation makes it less likely we touch that money for something other than a true emergency.



A taxable account can be used for non-emergency liquid funds. This can be a great place for a “travel fund” or saving for a boat or down payment on a vacation home. A taxable account can be invested with that goal in mind. The portfolio can be designed based on the expected timeframe and amount you invest versus the return you need to achieve. This is funded with after-tax dollars so you will only pay taxes above your cost basis. This growth will be taxed at your regular income tax level or, if held longer than a year, at a lower capital gains rate. This is not a qualified (retirement) account, so there is no age restriction or required timeframe for having the account open.

As a last resort, contributions to a Roth IRA can be taken in an emergency. Your contributions are made with money that has already been taxed and the government cannot tax that money again. You can withdraw up to your contributions at any time, tax and penalty free, however this can have deep lasting effects on your retirement savings. It is best to consult with your advisor before taking money from a retirement account.



# BREAKFAST FOR THE BUSY WEEK

A REGISTERED DIETICIAN'S GUIDE TO BREAKFAST

We all know that breakfast is the most important meal of the day. A healthy breakfast sets the tone for how the day will go. It can give you energy and focus to take on the day, or it can have the opposite effect. An unhealthy breakfast can drain your energy and make you sluggish; unable to complete even modest tasks.

Dietician Jessica Bell wrote an article for EatingWell that gave her recipes for crafting healthy breakfast options for the busy individual on a budget.

Recipes included. [Enjoy.](#)

---

## OUR NATIONAL DEBT

CURRENT NUMBER OF OUR FEDERAL GOVERNMENT'S DEBT AS OF JUNE 20, 2024

Total Current US Debt - \$34,725,850,323,608.22

[www.fiscaldata.treasury.gov/datasets/debt-to-the-penny/debt-to-the-penny](http://www.fiscaldata.treasury.gov/datasets/debt-to-the-penny/debt-to-the-penny)