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Savannah Court



August 2024

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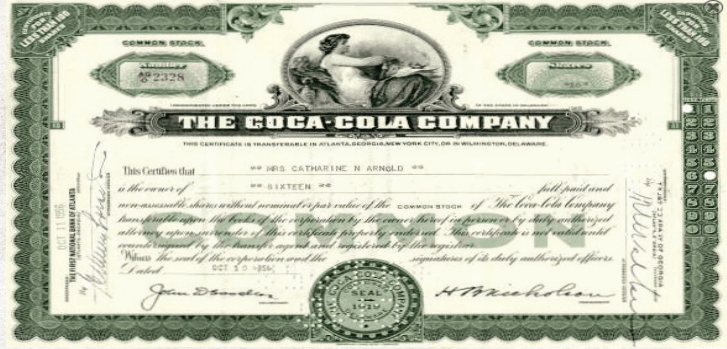
FREE



TAKING STOCK



What Is A Stock And What Is It Really Worth?



It's funny, when you do something for a living, you just take it for granted that everyone knows what you know. Like a carpenter that may have a few "tricks of the trade" up their sleeve and their work better than an unskilled person. The same is true in my business. I just take it for granted that everyone knows what a stock is and how it works. And every once in a while, I need to shed some light on something that's so easily taken for granted.

As an owner you are also entitled to the current and future earnings of a company. Based on the profitability, another key metric to determine the value of a stock is what are the earnings per share. The P/E multiple (price to earnings) takes the value of each stock relative to the earnings per share. Many value stocks may be priced with a P/E multiple of 12 to 16 times their earnings. In other words, the value of all of their outstanding stock, added up, is about 12 to 16 years worth of the current earnings. Whereas growth stocks may trade with a P/E

multiple of 30 times earnings or more. Much, much more in many cases if a company's earnings are expected to grow exponentially. This is why determining the value of a stock is so difficult, when so much of the future is uncertain and many firms may use their own formulas to set a price target for a company's stock. That's why you might see one analyst announce a \$100 price target for a company and another analyst announces a \$50 price target. They each had their own way to calculate what they think it's worth, just very different formulas and outcomes to get there. So, when you buy a stock, you are essentially, now, an owner of that company. You have voting rights when decisions come up. You also benefit from any dividends that might get paid out and you fully participate in the upside potential or downside of the company but without any personal liability. So don't let the stock market scare you away from benefitting from the economic potential of the future.

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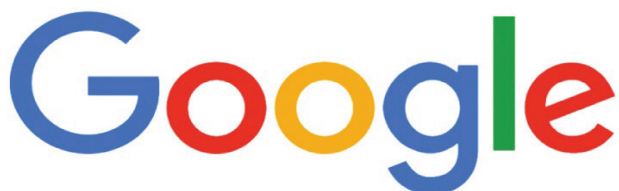
Hello readers, I hope you're having a wonderful Summer so far, making lots of good family memories. This August celebrates Savannah Court Financial Advisor's 15th birthday! It was August, 2009 when I took the leap and decided to exit Metlife to embark on an independent retirement planning business and I'm so happy I did. I can only thank each and every client that has allowed me to build this business (a little unconventionally) the way I wanted to. So, for that, **THANK YOU SO VERY MUCH!**

In keeping up with unusual holidays, August 11th is National Face Mask Day (not the covid type, but the massage spa type). Here's one I never knew, August 14th is National Financial Awareness Day. Even I'm learning something. And finally, one last day to celebrate, August 17th, National Baby Boomers Recognition Day! So with that said, have a wonderful month and I'll see you in September.

Respectfully,
Scott Weidman, CFP®



Shoot For THE Stars



★★★★★ 4.7 Star Rating

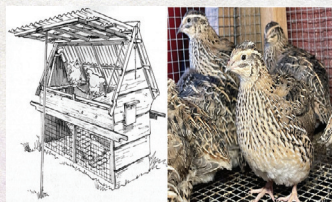
Have you ever searched for a business online and noticed their Google or Yelp ratings? They both offer businesses an opportunity to host a business page and allow customers and clients to review them, good or bad. In the

days of social media, these reviews are a great way to elevate the service of the business by creating a public level of accountability since everyone can see how well or how poorly a business is rated. When you do a Google search for some-

thing, let's say local restaurants, the top-rated Google businesses pop up giving you some insight from people that have taken the time to review them and have had the most positive experiences.

Next time you patronize a local business, take a few minutes to give it a Google review. I assure you, not only the business owner will be very grateful, but so will their future patrons!

Homesteading...A Fad Or A Trend?



These days, living off the grid is becoming more and more popular. Just the thought of disconnecting and being able to sustain yourself without reliance on the outside world is very appealing to many people. In fact, on a small scale, I've been mini homesteading for years now. From cultivating edible herbs, veggies and fruit trees, to composting our organic trash, to collecting rain-water for the gardens, to learning to be a chicken tender (and now a quail tender as well) and harvesting eggs on a daily basis. This lifestyle does take work, but nothing in life comes easy and the rewards are very fulfilling, at

least to me. Here are a few basic things you can do to be a little less reliant on the outside world.

1. Composting – Create an area in your yard that you can dedicate to a compost pile. Or the “bucket trick” I shared in a past newsletter. Dispose of only organic things such as coffee grinds, egg shells, veggie and fruit cuttings, etc. Eventually this will biodegrade down and you can use it in your landscape.

2. Grow a Garden - Florida can be a challenge with the unforgiving heat. But the next growing season is right around the corner, starting in September. You could try your luck at a few cooler weather plants like kale, spinach, lettuce and broccoli.

3. Connect a Rain Barrel - They make premade rain barrel systems now that you can easily connect

to your gutters. The plants love fresh rain water. And it doesn't hurt to have plenty of water available in the event of the next hurricane. Just be sure to screen it, so no mosquitos invade.

4. Go Solar – You may not have to go 100% solar for your house. But consider a solar attic fan, or maybe a solar bird bath pump?

5. Become a Chicken Tender like me – If you're up to the challenge, start with a secure coop and some backyard chickens. I personally use all of the office shreadings in their little chicken house and clean it daily, introducing that nitrogen rich, biodegradable paper into the compost pile. Just be aware, chickens will eat everything green (yes everything) and dig holes and empty out your flower beds in no time at all. So, it's best to quarantine them.



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Flashback 50 Years Ago This Month



So, I love a little quirky trivia and I'm sure no one would remember this little tidbit of his-

tory. But on August 4th, 1974 the African Nation of Ghana began requiring its 80,000 motor-

ists to drive on the right hand side of the road after decades of left-hand side driving that dated from Ghana's days as a British colony. On the day before, the government banned the sale of alcohol for nine hours to ensure sobriety of vehicle operators after midnight! Although in this photo I don't think it matters which side you pick.



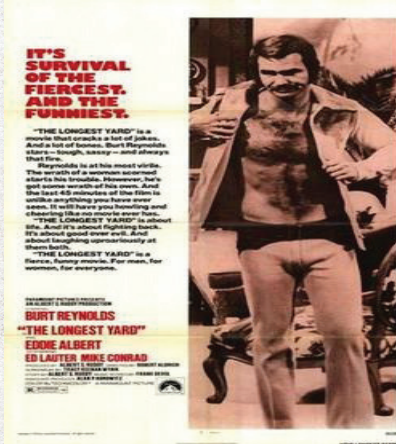
On August 8th, 1974 "I have never been a quitter" after admitting to his disgraced Presidency, Richard Nixon stated the disgraced Pres-

ident, Richard Nixon "continuity and stability" after admitting to his coverup of the Water-

gate Scandal. The first US President in history, resigned the office to his Vice President, Gerald Ford the following day. After taking office, President Ford requested that all members of Nixon's cabinet and all head's of US Gov't agencies remain in office for



Another tidbit of unusual and unexpected history....on August 20th, President Ford nominated former child actress, Shirley Temple as United States Ambassador to Ghana. There's no way I would think these two stories in history would converge!



Paramount Pictures released the sports comedy film, The Longest Yard, starring Burt Reynolds on August 21st, 1974.

FRS Questions?
Call Scott
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Financial Tip Of The Month

Is It Wise To Start Social Security Early?

You just turned 62 and you're all amped up to start receiving that social security check you've been waiting your whole work life for. Well, before you take the plunge and submit the application to start your benefits, here are a few reasons you may want to wait....

1. Earnings Test – If you're still employed and under FRA (full retirement age) you could lose half of your social security benefits if your income exceeds \$22,320. Any income in excess of that will reduce your social security benefits \$1 for every \$2 over the threshold. Earnings refers to, what I call "blood, sweat and tears" money. Money you worked for such as a W-2 or Profit from a business on a schedule C, it does not include investment income or withdrawals from retirement accounts.

2. Spousal Benefits – Typically, if one spouse were to predecease the other, the living spouse would lose the lesser of the two social security benefits and keep the larger. So, if your benefit would be larger, by delaying social security, you would be providing a larger potential spousal benefit.

3. Deferred Retirement Credits – You could receive an 8% annual increase to your benefits by delaying up to age 70. But after 70, no additional benefits would accrue. If you have a longer than normal life expectancy, delaying as long as possible would provide the largest lifetime benefits.

These are just a few reasons you may want to delay benefits. But, ultimately, the best strategy depends on your own personal financial situation, health and retirement goals. If you're unsure whether starting social security now, or waiting makes more sense, give us a call!



Idiom Of The Month

“Nervous As A Long-Tailed Cat In A Room Full Of Rockin’ Chairs”



Before her big presentation, she was as nervous as a long-tailed cat in a room full of rocking chairs. Tennessee Ernie Ford, an American singer and televi-

sion host in the 1950’s and 60’s was credited with this month’s idiom of the month. A long-tailed cat in a room full of rocking chairs would

undoubtedly be nervous, rocking chairs. Ouch! And fearing it may get it’s tail caught under one of those

