

# MOLDENHAUER ASSOCIATES

## APRIL NEWSLETTER

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As we get into the 2nd quarter of the year, our business is making progress as we attempt to return to some type of normalcy. We did, however, have a day last month where we lost phone service and internet. Fortunately, the outage was short lived.

We had hoped to get back to our public educational seminars by this month. Unfortunately, no suitable restaurants, or other facilities, can safely accommodate functions such as the seminars. Perhaps, by the end of the 2nd quarter, things will open safely, and we will be able to begin again.

We have been fortunate to have a significant number of client referrals over the past decade or two. In 2020, even more clients appreciated our continuation of service excellence, and they rewarded us with even more quality introductions than in previous years. I would ask that if you believe in the work we do and the client service we provide, please consider referring a friend, family member, or work associate to our firm. Both they, and our firm, will appreciate your thoughtful consideration.

Most of my personal career, I discussed estate planning with clients large and small. Over the past few years, the topic has been a secondary concern for most folks. When exemptions for Federal Estate Tax increased, many people started to wonder if estate planning was still important.

I am sure you have noticed that the government has gone on another spending spree. The most recent multi trillion-dollar government give away is further exacerbating the countries financial well-being. What will be the result? In the end the tax bill will be called.

The only thing left to retain solvency will be to devalue the currency and to raise the taxes. The poor will be poorer because it will take much more to buy a loaf of bread. The affluent will be paying more for the loaf of bread and their tax bill will increase. So, they will be left less at the end of the day. Lastly, the very wealthy will be fine because they have more than they need to maintain their lifestyle.

At life's end, the affluent will have estate taxes due to the state and, perhaps, the federal government. The wealthy will be forced to sell their businesses, their real estate, their farms, or their valuable assets because the state and the federal government will want half of everything. The catch is they will not want the business, the land, the farms, or the other valuables. They will only want cash and that cash bill will be due 9 months after death. Thus the term: "ESTATE SALE".

We all know people who neglected personal financial planning until it was too late. The same can happen with business planning and estate planning. If what I am writing about make sense to you, please speak to your advisor. We are all here to serve you.

*Richard Moldenhauer*

Richard Moldenhauer

## GUARDING AGAINST IDENTITY THEFT

*Take steps so criminals won't take vital information from you.*

### America is enduring a data breach problem.

As many workers traded in the office for remote work, data security has been a focus for the public and private sectors. Between robocalls pitching low-cost health insurance, pretending to be the I.R.S., or offering "work from home" opportunities, the pandemic has seen scammers getting more creative than they've ever been.<sup>1</sup>

### Tax time is prime time for identity thieves.

They would love to get their hands on your 1040 form, and they would also love to claim a phony refund using your personal information. You may realize you've been the victim of tax fraud if you can't e-file your tax return because of a duplicate Social Security number or if you receive a notice from the I.R.S. that talks about owing taxes for a year you haven't filed.<sup>2</sup>

Just make sure when you e-file that you use a secure Internet connection. When you e-file, you aren't putting your Social Security number, address, and income information through the mail. You aren't leaving Form 1040 on your desk at home (or work) while you get up and get some coffee or go out for a walk. If somehow you just can't bring yourself to e-file, then think about sending your returns via Certified Mail. Those rough drafts of your returns where you ran the numbers and checked your work? Shred them.

The I.R.S. doesn't use unsolicited emails to request information from taxpayers. If you get an email claiming to be from the I.R.S. asking for your personal or financial information, report it to your email provider as spam.<sup>2</sup>

### Use secure Wi-Fi.

Avoid "coffee housing" your personal information away – never risk disclosing financial information over a public Wi-Fi network. (Broadband is susceptible, too.) It takes little sophistication to do this – just a little freeware.

Sure, a public Wi-Fi network at an airport or coffee house is password-protected – but if the password is posted on a wall or readily disclosed, how protected is it? A favorite hacker trick is to sit idly at a coffee house, library, or airport and set up a Wi-Fi hotspot with a name similar to the legitimate one. Inevitably, people will fall for the ruse, log on, and get hacked.

### Look for the "https" & the padlock icon when you visit a website.

Not just http, https. When you see that added "s" at the start of the website address, you are looking at a website with active SSL encryption, and you want that. A padlock icon in the address bar confirms an active SSL connection. For really solid security when you browse, you could opt for a VPN (virtual private network) service which encrypts 100% of your browsing traffic.<sup>3</sup>

However, be especially careful when clicking on any links that you receive from an unknown sender. Many criminals have caught up, and use sites that seem valid by using the "https" prefix. Look to see what the email is asking for (for example, demanding payment), and verify this by sending a separate email or calling the supposed contact to verify the validity of the email. Look for any misspelled words or incorrect links in the email. If you're more technically savvy, you can look at the original version of the email to see if it actually originated from somewhere else.<sup>3</sup>

### Check your credit report.

You may have been the victim of identity theft or fraud, and not even realize it, until it shows up on your credit reports. Thanks to the Fair Credit Reporting Act (FCRA) you are entitled to one free credit report per year from each of the big three agencies: Experian, TransUnion, and Equifax. This year, because of the increased issues with identity theft and fraud during COVID-19, these three agencies are also allowing weekly credit checks from now until April 2021. Checking your credit report weekly will not affect your ability to order your free annual credit report.<sup>4,5</sup>

### Don't talk to strangers.

Broadly speaking, that is very good advice in this era of identity theft. If you get a call or email from someone you don't recognize – it could tell you that you've won a prize; it could claim to be someone from the county clerk's office, a pension fund, or a public utility – be skeptical. Financially, you could be doing yourself a great favor.

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*Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC*

The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change.

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Citations.

1. FTC.gov, 2021
2. IRS.gov, November 25, 2021
3. NextGov.com, June 19, 2019
4. Consumer.FTC.gov, 2021
5. AnnualCreditReport.com, 2021



## ARE AMERICANS SAVING TOO MUCH?

*American spending habits have taken a clear direction.*

Among the many changes arising from the pandemic, one of the most noticeable was a change in American spending habits.

A survey released in March 2021 by Pew Research shows that Americans have increasingly chosen to put away what extra money they have rather than invest. It spreads across all income levels, with a 32% increase of wealthier Americans saving more, 17% more for those at lower incomes, and an overall increase of 23%. Studies show that the total may amount to \$1.8 trillion, and is expected to increase to \$2.5 trillion by the summer.<sup>1</sup>

What's the bottom line here? Wealthier Americans already tend to put away cash, and it's not unusual for that to increase during difficult times (the same thing happened in 2009, leading into the so-called "Great Recession"). The problem is that money sitting on the sidelines isn't moving through the economy. This has many potential results for the American economy, including diminishing growth and further economic inequality.

In a country where Americans are getting stimulus checks and extended unemployment benefits, the message between the lines seems to be "please spend money." While it's a perfectly normal instinct to sock away extra money when you have it, there are cumulative effects for the economy if not enough money gets invested.

You may be ready to have a conversation about what to do with the money you've put away. Needless to say, I look forward to discussing the matter with you.

Richard Moldenhauer may be reached at 716-662-4361.  
*Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC*

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Citations.

1. Axios.com, March 15, 2021

## WE NEED YOUR HELP

Our business has always aspired to provide an extremely high level of quality service for clients. We continue taking steps to provide a top tier experience for all clients, prospective clients, and anyone who works for the business.

As we point toward the future, it is our goal to grow the business while continuing to maintain and improve the quality level we provide.

I mentioned earlier that most of our new clients come either directly or indirectly from referrals our clients and friends provide. One of the greatest complements you can provide us is the referral of a friend, family member, or work associate to our firm. Please consider providing an introduction when and if you can.

I said that most clients come from referrals. While that is especially important, most of our advisors have first been introduced to our firm by clients and/or employees. Each of our members came to us with a great background but little or no experience in our industry.

We provided superior training over an extended period. We also provide an excellent salary and a full menu of benefits for all full-time staff.

New people work and learn from experienced staff members in their desired area of professional development. As they develop professionally, we provide complete subsidy to cover the cost of professional education to include earning professional designations.

We encourage you to invite qualified people you know to interview with our firm. It may be the best favor anyone has done for them. Thank you in advance.

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*Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC*





## I.R.S. DELAYS TAX FILING, PAYMENT DEADLINES

*The new deadline is May 17, 2021.*

Less than one month ahead of the traditional date, the I.R.S. has delayed the deadline for filing and paying taxes. The new deadline is May 17, 2021.<sup>1,2,3</sup>

The delay follows continued disruption from the COVID-19 pandemic and a late start to the tax-filing season, which the I.R.S. delayed to start on February 12. It also follows the agency's decision to postpone the deadline to June 15 for the states of Louisiana, Oklahoma, and Texas, still recovering from disastrous winter storm activity. Other states may now extend their local filing and payment deadlines.<sup>1,3</sup>

This relief does not apply to estimated tax payments that are due on April 15, 2021. These payments are still due on April 15.<sup>3</sup>

While this extension isn't unexpected, it may be welcome to many still coping with what is becoming one of the most complicated tax seasons in decades.

It's important to point out that our letter is for informational purposes only, so make sure to consult your tax, legal, and accounting professionals before modifying your tax-filing strategy.

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Citations.

1. CNBC.com, March 17, 2021
2. Bloomberg.com, March 17, 2021
3. IRS.gov, March 17, 2021

## OPTIMISM

*Hopefulness and confidence about the future.*

Someone once asked: "Is the glass half full or half empty?" The optimist sees the glass as half full and thinks the future can be bright. The pessimist sees the glass as half empty and feels the future is bleak. Who is right? They both are, but only the optimist feels a sense of joy about life.

I think about this quite a bit. I have been blessed so many times and still I have down days. After spending the years between 2002 and 2013 struggling with serious health concerns, I had a serious operation in 2013. Most people did not think I would recover.

Two years later I was physically stronger and was even working part of the year. I have watched the business grow under Brett's leadership. John Ring and the staff have been terrific. Along the way I have had the privilege of working with smaller groups of clients. It is great.

I share this because what is happening at Moldenhauer & Associates and my growing tribe of Moldenhauer grandchildren provide a vision of HOPE related to the future.

I hope that each of you have or can find that thing or things that helps you get up each day and find a reason to smile and try to achieve something that makes the world a bit better.

Then we will all be optimists.

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## UPCOMING EVENTS:

Our upcoming seminars are at:

## UPCOMING SEMINAR SITES AND DATES TO BE DETERMINED SOON.

Please visit our website at [www.moldenhauerassociates.com](http://www.moldenhauerassociates.com) for updates.

We encourage clients who live in the area to consider attending with a friend or two. We find that the best way to introduce new potential clients to our firm is when an existing client brings a friend to one of our seminars. As you know, these are informational/educational events. We are not there to convince people that we are the only firm to consider working with. Rather, we do believe that our firm offers a quality opportunity for those people looking for a new advisor relationship. Please consider attending an upcoming seminar in your neighborhood with a friend. You may register for a seminar by calling 716-662-4361 or through our website at [www.moldenhauerassociates.com](http://www.moldenhauerassociates.com).

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### Privacy & Security

Trust is at the heart of every successful, ongoing relationship. At Moldenhauer & Associates, earning and keeping your trust is the standard for everything we do. Because of this commitment, we never sell, rent or trade e-mail addresses with any other company. We use e-mail addresses furnished by our clients and potential clients strictly for sending newsletters and client communication.

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