

Keeler & Nadler: A Closer Look

Welcome to our summer issue of **Keeler & Nadler: A Closer Look**. In this issue we discuss when to “sweat the small stuff” and how our staff is dealing with COVID-19.

Best Regards,

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Photo by Simon Matzinger from Pexels

It's Time to Sweat the Small Stuff

We all face obstacles, big and small, in our quest to accumulate wealth. Most of us overlook these small detractors, having to make decisions in the heat of the moment, based on emotion, or simply because we don't know what questions to ask. Here I will point out three factors that can diminish our efforts to accumulate wealth.

1. Investment Expenses: There are types of erosional (yes, that's actually a word) expenses that act as a drag on the return on your investment portfolio. One is called an expense ratio. Whether you invest in index mutual funds or ETF's or mutual funds actively managed by an investment manager, you pay an expense ratio. This fee varies from 2% or more per year to as little as .03%. Some will argue that you get what you pay for-if the “star” manager can actively select a superior list of securities then they may overcome this 2% fee.

The trouble is that most managers cannot consistently do this. The reality is that most of the brightest minds on Wall Street cannot consistently get lucky enough to outperform the index to which they are compared. Think of it this way. If you could put Carl Lewis and Jesse Owens on the same virtual track and pit them against one another twenty times, it would be a toss-up who the winner would be. But what if you put a 200-pound rucksack on Jesse's back, then who do you think wins?

2. Medical Surcharges: If you are 65 or older, you may be in for a surprise when it comes to your Medicare Part B and Part D premiums. While the Part B premiums can be as low as \$144.60, They can be as high as \$491.60/month. That's a \$317 difference, per month, per person. This means that a married couple may pay an extra \$7,608 per year for Medicare Part B alone. Over 25 years, that amounts to a \$190,200 loss of wealth. What choice do you have, right? You should work with your financial advisor to consider strategies to “fly under the thresholds”. These premium surcharges are based on your income two years prior. This means that you have the opportunity to modify your income looking ahead.

3. Cash Back versus 0% interest on a new car purchase: The 0% financing, for as much as 84 months, is hard to say no to. But what about the “cash back” offer? Let's say that you are buying a car that costs \$40,000 total. You are offered 0% for 84 months or \$3,500 cash back. If you choose the 0% option, your payment is \$476, you pay \$40,000, and you own the car in seven years. If you decide to take the cash back offer, you finance \$36,500, you pay \$39,341 over five years, and you own the car.

Next time you are making a financial decision, take the time to sweat the small stuff. The little things can make a significant difference over time.

By: Andy Keeler, CFP®

How is Keeler & Nadler Handling COVID-19?

The Keeler & Nadler team returned to the office on June 1st and have been continuing to serve clients as per usual business (but definitely not business as usual!). We have been conducting meetings in-person and virtually.

There are many policies and procedures that have been put in place to ensure the safety of our employees and clients such as:

- All employees and clients who visit the office are required to wear a mask. We have disposable masks upon entering our office if needed, as well as a hand sanitizing station (employees are required to do a temperature check each morning as well).
- The conference rooms are disinfected after each meeting. Currently, we are trying to keep our in-person meetings at a 2 per day maximum to limit the amount of people coming into our office each day.
- We have implemented a new travel policy. When an employee goes out of state, they are required to have a negative COVID-19 test result in order to return to the office.

Meeting Options:

- In-person, wearing masks
- Virtual meeting through GoToMeeting
- Always available by phone
- Other on a case-by-case basis

While there is a lot of uncertainty with the virus, one thing that is 100% certain is that we are here for you, when you need us.

Notes

Have you visited our Blog?

If you want to stay up-to-date on financial planning topics and issues, check out the blog on our website. You'll find articles from our newsletter as well as other timely commentaries.

www.keelernadler.com/blog

Holiday Schedule

Good Friday – April 10th (market closed, banks are open)

Memorial Day – May 25th (office and market closed)



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