



faith . discipline . patience



This August marks the 87th anniversary of the signing of the Social Security Act in 1935. A study from United Income found **“only 4 percent of retirees claim Social Security benefits at the financially optimal time”**. They calculate retirees lose an **“average of around \$110,000”** per household by claiming too early. **“If you start benefits early [at age 62], your benefits are reduced a fraction of a percent for each month before your full retirement age,”** the SSA says. Keep in mind, no matter when you decide to take benefits, Social Security is income for the rest of your life—that is the great news. And remember, not only is my partner Jorgen Vik the second handsomest advisor at SKV, but he’s pretty smart on this SS stuff. Put him to work!



(source: FinMasters)

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Investor Warren Buffett is 92 years old today! Naturally, thoughts of legacy come to mind as one ages...He has mentioned many times that his billions of dollars would be better spent going toward philanthropic causes than into his kids' investment portfolios. *"After much observation of super-wealthy families, here's my recommendation: **Leave the children enough so that they can do anything, but not enough that they can do nothing,**"* he said in a [note to shareholders](#), adding that his own adult children *"pursue philanthropic efforts that involve both money and time."* Charles Schwab reports that "81% of adult children give when their parents give." And they estimate around \$6 trillion will be left to charities through year 2061. **It is fun to note that most of Warren's net worth was achieved after he became eligible for Social Security.**

(source: FinMasters)



Speaking of educating your children...we get a lot of questions this time of year about "qualified expenses" when using 529 funds. According to IRS: Tuitions and fees, Room and Board, Books, Supplies, equipment, computers, software, and internet are all qualified. Not a comprehensive list—but many of the biggies, you get the idea. Remember in addition to college and university, and trade school tuition---these savings accounts can now also be tapped for K-12 private school tuition—up to \$10,000 a year. As always—consult with your tax advisor on these matters. Non-qualified withdrawals could be subject to income tax and penalties. While I am not 100% certain—using to these funds to buy a cool car to drive while in college is likely not a qualified expense. (Nor is the lava lamp for the dorm room!)



If Warren Buffett waited until age 70 to collect social security---*a reasonable assumption for a billionaire?* —he may have collected about \$1700 in 2000. Inflation adjustments over the years would have pushed this benefit to nearly \$3000 a month. (ssa.gov)



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As always, I'm honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***

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