

MOTION BEATS MEDITATION

JANUARY 2024

“At our Firm,
Your Estate Plan
is Not Business,
it’s Personal...”



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“Fail early, fail often, but
always fail forward.”
- John Maxwell

Welcome to 2024! Was your Thanksgiving, Christmas and New Year everything you wish it would be? We sure hope so, because we're officially all back in business, so let's do this! Considering everything we have been through since the pandemic, every single business owner we have spoken to is wary about the instability of... the world. You think I'm being dramatic? What have we been dealt with as of late – Covid, sky high inflation, unaffordable homes and rentals, talks of the dollar no longer being the currency of the world, the war in Ukraine, the war in Israel, the war on my kids spending too much time on their computers; I could go on, but you get the point.

How the Feds will handle the mortgage rate will have a tremendous impact on how the economy will play this year. Who will be the new President by year end could radically alter the coming four years. To be completely blunt, 2024 very much feels like 2023 as there is so much uncertainty. With that being said, if we are to be honest with ourselves, this is not as bad of a 'winter' as we may have anticipated. Think about it, not so long ago, during what is often called the Carter era, there was double-digit inflation, double-digit unemployment, gas shortage, even gas rationing! As a nation, we have indeed faced much worse. It doesn't make things any easier, but it does give us all some perspective. With this context in mind, let us think about how to handle the upcoming months. As usual, we will learn and grow via principles, not tik tok video recommendations!

Having shared all this information, it is incumbent amongst business owners to take control of the situation and ensure their respective industry thrives. This means - do not get paralyzed by over-analysis. As the great marketer Joe Polish once said "In certain situations in life, motion beats meditation!" And so it is with 2024. There will be a lot of unknown, but at the end of the day, a great product / service will always be in need. A wise man never dines with the impoverished. Keep your head down and continue working hard, and most importantly, make sure to 'winterize' your business by setting funds aside, a la Dave Ramsey People!

Many reports are showing that the U.S. is in its greatest credit crisis it has ever known, the default rates in the car industry is experiencing a bubble. We certainly hope and pray this is not happening in your personal sphere. We encourage you to take proactive measures to survive whatever recession may be coming our way.

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INTRODUCTION

2024 promises to be an exciting year! The fate of mortgage rates, thus home purchases - is still a big unknown; by year end, we shall have a presidential election, the Kuwait v. Russia and now Israel and Palestine wars is creating worldwide instability. It is important to stay on top of the news to understand the world around you. But you cannot use that as an excuse to stay idle. Continue doing good around you, and stay hopeful!

Everyone is usually pretty excited about the start of a new year, gyms are packed, restaurants are busy, and all businesses are up and running. It is an exciting time indeed. For those of us that have been in business long enough, we know that the key to success is stick-to-it... ness (yes, this word exists... at least at our firm 😊). In order to do so, it is crucial that you spend hours, if not days devising the entire year, and have a clear vision of what needs to get done! For us, your continued support and faith in us makes that vision crystal clear. So we are starting January with gratitude, so we thank you for staying and entrusting us with your assets and family!

Our motto this year is, let's make work fun again, let's meet good clients and good people! Here's to a successful road ahead, we want to hear from you!!

ESTATE PLANNING UPDATE FOR 2024

Here we go - new year, new resolutions, and of course... updated law! If that last one doesn't get you excited about 2024, I'm not sure what will?! 😊 Last month, we got to close the office on a positive note, and looked back and evaluate what was done well, and what could be improved. We hope you had the opportunity to do the same. It is a challenging task to allow yourself some 'dead time' in order to just sit alone with your thoughts. In a day and age when we are used to constant information, be it social media or YouTube; the thought of sitting idle seems scary. Try to make it a habit, and you'll easily be labeled as weird!

However, in order to truly make some progress both professionally and personally, I have found this practice imperative for continued growth. The challenge can be found in staying with the practice long enough in order to see the benefits. For 2024, of course you should – work out regularly, continue learning and produce, work harder! But amidst all this commotion, laser focus isn't such a bad thing! Now, you may think this is a joke as my partner wrote above and advocated the opposite in her quest to focus on motion rather than meditation! But that isn't the case dear Reader, we always like to provide you both sides of the coin, and the applicable 'technique' depends on where you're at in life and your professional career.



One thing is certain though, sales for most industries are extremely strong the first quarter of every year. Thus, unless you're in retail, this is indeed the time to aim for growth! Best of luck with your work endeavor, and we are here should you need any legal assistance.

On another topic, let's look at what is new in the estate planning world. For 2024, the gifting amount has kept up with inflation. This year, an individual is allowed to gift up to \$18,000 to a chosen beneficiary. That is a jump of a \$1,000 from last year. As far as the lifetime gift tax exemption, it has jumped from \$13,610,000; up from \$12,920,000 for 2023. By any standard, these are quite large amounts, and effective estate tax planning can be had with such tools. Not only that, 2025 promises to stay on the same trajectory which will be good for affluent families. However, please keep in mind that this whirlwind 'romance' is scheduled to sunset come the end of 2025. Though 2 years may sound like a long time, believe me when I say tax planning for large estates do take time to orchestrate, design, and implement. If there should be no changes, the estate tax exemption will drop to \$6 to \$7 Million. Don't get me wrong, that is still a very large amount by any measure! However, if you take into consideration the amount of quantitative easing that has taken place in recent years, the cost of inflation for not just COGS but assets in general, this will impact many more CA families than you can imagine. Indeed, this would be a 'good' problem to have, but it remains a problem nevertheless.

As always, we like to remain a center of information for you and your family. These are general information bits that are useful for you to keep in mind. Getting your financial and legal affairs is not a destination, it is an on-going journey that would behoove you to stay on top of throughout the year. Read a little bit about it, you would be surprised how fascinating the subject matter can become. Hopefully I did not reveal how much of a nerd I can be at times 😊.

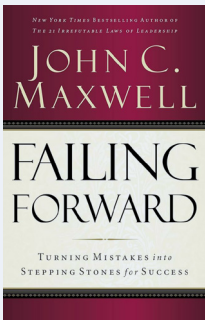
Here's to you making 2024 a standout year! At the Asset Protection Center, we will continue to strive and provide you the best legal services we can. We are coming out with new updated Consumer's Guide on Estate Planning, Medi-Cal law, and Asset Protection. If any of it is of interest to you, call us at 714-966-2646 and we will send them to you at no cost for being a loyal reader of ours!

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For example, one thing you can do is to anticipate the five to ten potential economic crisis in your industry should we run into a recession. Based on that forecast, start preparing against them. For us, some may set aside their estate planning needs. We will actively (and continuously) educate them in its importance, and explain why being penny wise and pound foolish could end up costing them thousands, if not hundreds of thousands of dollars by not simply investing into a sound estate plan.

Let us all wish for the best, but definitely insulate your business from potential harm. As with most of us, industries don't magically stay afloat. Stay active, be entrepreneurial, and keep making space in your field! As always, we are here to help you incorporate, help with tax planning, and ensure your family stays safe!

With all that being said, have a great 2024!! 😊 In all seriousness, do not be alarmed by this article, we simply aim to have you prepared, so let us march on together for another great year!



JOHN MAXWELL – FAILING FORWARD

School for most of us was very tough. Unless you were a 'naturally' inclined studious youngster, you learned that studying was an integral part of getting good grades. This is how most of us were introduced to the concept of 'failure', as getting bad grades never felt good. And if you happened to be a descendant of Asian parents, you knew your life was over as you knew it if you dared come home with a B-! Well, Author John Maxwell gives us a new, healthier perspective on how to tackle 'failure'. If you are familiar with books such as Think And Grow Rich, you know that shared ideas and principles can be life changing when put into application.

Maxwell details how to deal with life adversity as a whole. Naturally, getting your mind right is key, and the rest is about being systematic. Here are some of the concepts that he shares in his book Failing Forward.

Lesson #1- You might not be responsible for your failures, but you can take responsibility for your success. Growing up, if you have siblings, you may have been blamed for wrongdoings that were not yours. If you run a business, you may have been victim of fraud or deceit, thereby leaving you empty handed in the process. There are countless scenarios where that can happen, and it for sure it isn't 'fair'. But what you decide to do from that point forward is 100% in your hands! The speed at which you get back on your feet is all up to you! And remember, money loves speed!

Lesson #2 – Turn failure into knowledge and knowledge into success. Kobe Bryant, an extremely successful basketball player turned entrepreneur, wasn't simply known for his athletic skills; but rather the incredible mindset in which he approached the game and life as a whole. Every. Single. Experience. Was a learning opportunity to him. No matter how painful (NBA Finals Championship losses, Achilles heel surgery etc...), or humiliating it was (allegation of rape); he found a way to pick himself back up. Incredibly powerful lesson to be learned there. His premature passing was an incredible loss to us as a society as he inspired so many people.

Lesson # 3 – Three skills to help you make the most of the opportunities that come your way. Now that we have spoken about how to deal with obstacles, here are the parameters in which to work from – a) Set clear goals. As shared in the past, clarity of vision alone can be your lifesaver when facing moments of despair. b) Work on your social skills. As adults, networking and communication are keys, no matter what industry you are in. Make this a daily habit. c) Keep a positive mindset. This may be the toughest, but it sure gives you the fuel when fatigue sets in. Not only that, it makes you a pleasant person to be around.

This is a great book to get the year started, hope you enjoy it!

Plant-Based Foods Are Our Future



The growth of businesses like Impossible Foods and Beyond Meat has highlighted the market for plant-based proteins. Furthermore, Bill Gates has argued that richer nations should switch entirely to synthetic beef made from plants because the production of cattle has a negative impact on the climate. The plant-based movement heralds a profound change in how people eat and perceive the connection between their dietary preferences, personal health, and the health of the world as a whole. Given that natural resources are being used up quickly and that the weather is drastically changing, environmental sustainability is a major concern. The World Health Organization has already issued a warning that 75 percent of infections are likely to be foodborne in the future and that the world may soon enter a post-antibiotic era as a result of antimicrobial resistance. This issue compelled food specialists to devise clever solutions, which is how the concept of turning plant-based proteins into faux meat originated. While we have been observing this tendency develop in other countries, the idea is rapidly taking shape in India as well.

Since more people than ever before are eschewing meat in favor of diets rich in plants, plant-based cuisine has swept the globe. According to experts, adopting a plant-based diet has evolved into a way of life. A "generational change and shift towards a more efficient food system" that is better for the environment, animals, and people's health is what has caused the plant-based business to grow. Other food and beverage industry experts credit flexitarians, or people who eat mostly plant-based diets but occasionally consume animal products, with the exponential growth of plant-based products. Being plant-based, however, is insufficient. It must be beneficial to you. Consumers are choosing more wholesome, less processed foods and raising the bar for plant-based standards. Companies are increasingly more careful about the substances they use because consumers are placing a higher priority on nutritional value.

In our daily lives, these changes in consumer choices have been plain to see. A decade or so ago, most coffee shops only offered one non-dairy milk substitute, typically soy. Today, there are a tons of options available, such as rice, oat, almond, or coconut milks, and if you're lucky, a variety of blended versions of those plant-based substitutes. Even if the production of plant-based products still has a negative impact on the environment, it is still much better for human health than raising and processing animals, which requires much more resources. By lowering greenhouse gas emissions brought on by the production of food, a more plant-based lifestyle can minimize the effects of climate change. A noticeable shift in the kind of food individuals eat is just getting started. Similar to other structural changes, the food ecosystem will experience a wide range of effects that will give rise to new possibilities, goods, and occasionally even food sources. This will prompt additional modifications for current food businesses and give rise to new endeavors.



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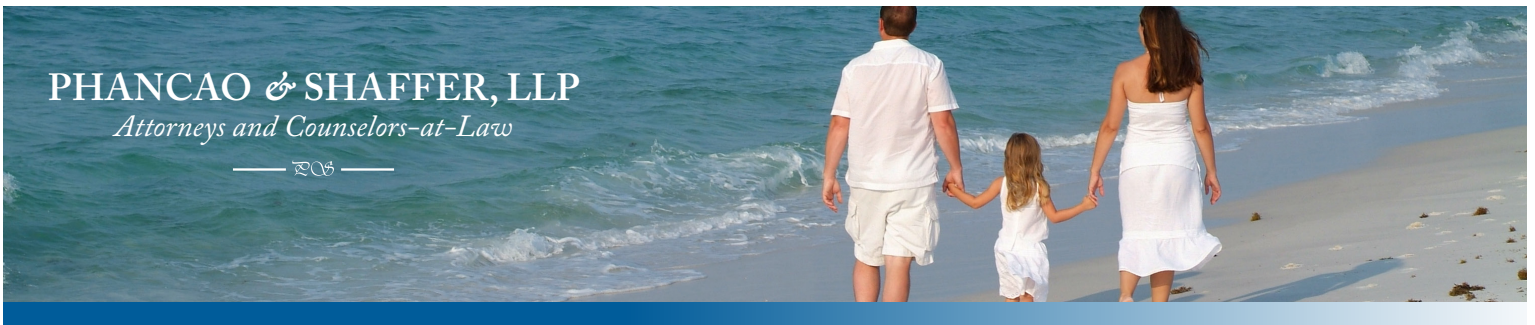


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&
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Last December was a pretty mild Winter by all accounts. We are so blessed to live in California, it cannot be stated enough! Hopefully Christmas time allowed you to take some time off with the family, and you got to enjoy some much deserved R&R. Now that our yearly sipping of Egg Nog is out of the way, let us get back to eating right!

We are living in a very exciting time. Think about the upcoming technology that will be integrated in the very near future – Continued and improved transportation vehicles, medical progress addressing terminal cancers, Artificial Intelligence in our daily lives, and the list goes on. Though we are all in the midst of it all, it is nice to think about the progress we have made as a civilization. Let us hope 2024 will be another standout year!

On an unrelated note... but just as important for the soul 😊, the Segerstrom Hall in Costa Mesa is having some incredible artists in the coming weeks. If you are into live music at all, we encourage you to check it out, it can be a lot of fun for an evening at a very reasonable price!

