

# THE FINANCIAL EDGE

November 2024



## WHEN IS ENOUGH...ENOUGH?

*Personal comments by Mary*

Thanksgiving is a celebration of abundance, a time to focus on all there is to be thankful for. Yet, thoughts of scarcity can still creep in.

A recent update to our personal financial statement stirred up mixed emotions. In the early days of starting a business, our financial outlook was bleak. We were already upside down even before the housing market crash. After years of persistent effort, our financial reserves finally grew to a level where retirement became possible! The updated financial statement provided a sense of relief and accomplishment. I shared my excitement with my husband and he said, "now you are a wealthy woman." Strangely, the feeling of wealth didn't settle in, sparking a realization: our definitions of wealth were different. This led to a deeper question—how much is truly enough?

Commercials bombard us with the message that we're lacking—more money, better health, greater beauty, and countless other needs are advertised as the path to fulfillment. But when is there truly enough? Enough money, enough food, enough time, enough clothes, enough sunshine, air, water—where does the line fall?

Experience has shown me that focusing too much on what I wanted often makes it harder to attain. Feelings of desperation drain energy, and I tend to force things to happen and repel exactly what I am looking for. This season, the goal is to resist the pull of scarcity and instead embrace gratitude for all that is already present.

**Happy Thanksgiving!**

*Mary Guldán-Lindstrom*

**"I started out giving thanks for small things, and the more thankful I became, the more my bounty increased."**

~ Oprah Winfrey

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"As both a personal client and a family business owner, I've entrusted Focus CPA with our accounting needs and they've consistently gone above and beyond. Their team understands the challenges and nuances of running a business and managing personal finances simultaneously. They provide tailored advice that has been crucial for our operations and growth. Having a partner like Focus CPA, who is as invested in our success as we are, has been a game changer. If you're looking for a CPA that truly gets the pressures and priorities of business and personal financial management, I can't recommend them enough."

*Eric Thompson, Owner of Local Results Marketing & Real Estate Investor*

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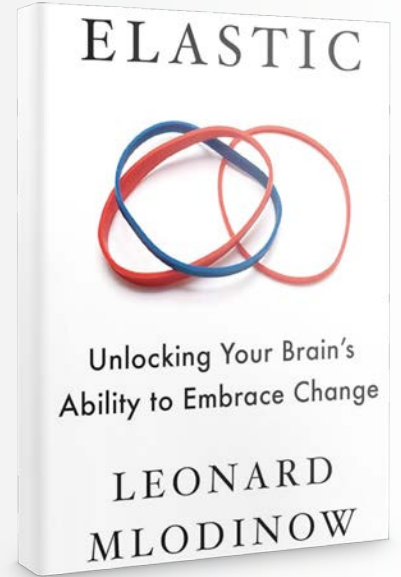


## THE BOOK REVIEW

**TITLE:** Elastic  
**AUTHOR:** Leonard Mlodinow  
**TOPIC:** Life Sciences  
**EASY TO READ:** \$\$\$ (3 out of 5 dollars)  
**APPLICABLE TO SMALL BUSINESS:** \$\$\$\$\$ (5 out of 5 dollars)

**Summary:** The author describes the inner working of the mind with scientific findings with stories that apply. He explains how we think beyond the binary code or a computer. To survive in our world, we need to handle change.

**My recommendation:** Technology is changing at a faster pace and I know I have to unlearn what I learned. This book explores how the mind works and what I can do to change my thought patterns to succeed in the current world. Lots of jargon, but good information.



Pages: 220 | Published: 2018



## SOCIAL SECURITY CHANGES

By Mary Guldán-Lindström, CPA

Social Security taxes impact almost every stage of our life. Social security is collected from those working to pay those who have retired. Here are the changes for 2025:

### FOR THOSE STILL WORKING:

- The maximum amount of an individual's taxable earnings subject to Social Security tax will be \$176,100
- The Medicare tax of 1.45% each for employees and employers has no wage limit and is unchanged.
- Individuals with earned income of more than \$200,000 pay the Medicare tax of 0.9% of wages with respect to employment. This didn't change.
- Self-employed individuals pay self-employment tax for both employees and employers. They pay 15.3%, up to the \$176,100 and 2.9% in Medicare taxes on net self-employment income above it. There is an income tax deduction of half of the amount paid.

### FOR THOSE RECEIVING SOCIAL SECURITY:

- Increase of 2.5% on Social Security benefits payable in 2025 to the 68 million who receive it.
- Those receiving Social Security benefits can earn up to \$62,160 in the year they reach full retirement age before their benefits are reduced. After that, benefits are reduced \$1 for every \$3 in earnings over the limit.
- Beneficiaries younger than full retirement age will be able to earn up to \$23,400 in 2025 before their benefits are reduced by \$1 for every \$2 in excess earnings.
- The maximum Social Security benefit for a worker retiring at full retirement age will increase to \$4,018 per month in 2025.

For more information go to [www.ssa.gov/news/newsletter/](http://www.ssa.gov/news/newsletter/)



## 2024 IDEAS TO REDUCE YOUR INCOME TAX BILL

By Mary Guldan-Lindstrom CPA

Tax time is just around the corner. With our federal income tax rates ranging from 10% up to 37%, lowering your income to the next lower bracket can reap great benefits. For as your income jumps, so does your tax rate. Once your taxable income is over \$94,300 for married folks the tax rate jumps from 12% to 22%.

Here are some options to bring down your income.

### MAXIMIZE RETIREMENT CONTRIBUTIONS.

This income comes off the top! If your employed – max out your employer retirement plan. With the 401k plan you can contribute up to \$23,000, plus \$7,500 if over 50. If your self-employed – start with a traditional IRA or Roth IRA of \$7,000, plus \$1,000 if over 50. For business owners there are other options that offer more of a deduction, however you need to meet the criteria.

### FUND A HEALTH SAVINGS ACCOUNT.

If you have a high deductible insurance policy that qualifies, you can fund an HSA account for \$4,150 single or \$8,300 for a family policy, plus \$1,000 if over 55. You get the deduction when you fund your account, not when you spend it. You never lose this money.

**CAPITAL GAINS.** Review your capital gains and capital losses to minimize your overall taxes. If you have capital losses over \$3000, consider generating capital gains to utilize the

loss. You can only take a \$3000 loss; the rest will be carried forward.

**DONATIONS.** Donate appreciated stock. You can avoid the capital gain income on appreciated stock if you donate the stock directly to the nonprofit (501c3). You receive the fair market value for the donation and avoid the capital gain income. Or consider directly donating a part of your retirement account directly to a nonprofit. This can reduce your taxable income if you are over 70 1/2, up to \$100,000.

**ITEMIZED DEDUCTIONS** in most situations will not provide a tax benefit since the standard deduction increased to \$14,600 and \$29,200. For WI residents pay at least \$2500 of real estate taxes each year to qualify for the maximum school tax credit of \$300.

**BUSINESS EXPENSES.** Most small business report their income on the cash basis. Pay as many of your expenses by December 31 to claim the deduction that year. Don't forget to keep track of your business miles on a timely basis.

These suggestions are for discussion purposes. Some of these tax items mentioned have very specific requirements. The requirements can be complicated and may yield different results based on your unique situation.

*To learn more about your options - please CONTACT us for a "Tax planning" meeting to understand the full implication of the items mentioned above.*

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## BOOKKEEPING ASSISTANCE

The end of the year is near. Now is the time to get your financial records up to date. If you need assistance with 1099's, reconciling your bank accounts, additional training on QuickBooks, payroll, etc. please contact our office now. Our time will be limited during January.

Contact Jennifer to get more information:

**920-351-4842**

OR

Jennifer@FOCUS-CPA.com

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**FOCUS** | **CPA** Inc

117A Packerland Drive  
Green Bay, WI 54303  
Phone: (920) 351-4842  
www.FOCUS-CPA.com



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## A LITTLE THANKSGIVING HUMOR

What is stuffing's favorite song?  
*"Hit Me, Baby, One More Thyme"*

I love telling Thanksgiving puns.  
*That's just how eye roll.*

Did you hear about the turkey that plays baseball?  
*He covers first base.*

Why is corn so popular on Thanksgiving?  
*Because it's a-maize-ing.*

Did you hear about the turkey who lost his left leg?  
*He's all right now.*

How do potatoes cross the sea?  
*On gravy boats.*

How do you hire a turkey?  
*Put it on a ladder.*

What do math teachers eat on Thanksgiving?  
*Pumpkin pi.*

How do little pumpkins cross the road?  
*With a crossing gourd.*

What did the ocean say when it saw the Mayflower crossing?  
*Nothing. It just waved.*

What kind of bagel travels on Thanksgiving?  
*A plain bagel.*

What's the best way to stuff a turkey?  
*Serve it pizza and ice cream.*

From [www.today.com/life/holidays/thanksgiving-jokes-rcna43577](http://www.today.com/life/holidays/thanksgiving-jokes-rcna43577)

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