



Live like the money isn't there

Dear Dave,

I'm 24, single, and I make \$60,000 a year. I'm also debt-free and live in an apartment, plus I have about \$550,000 in a brokerage account that's made up of 75 percent mutual funds and 25 percent single stocks. The money in the brokerage account was originally an inheritance of \$280,000 that has grown since I received it in 2007. Am I putting my money toward the best investment possibilities right now?

Drew

Dear Drew,

You're in a nice place! I'm glad you're taking your finances and your future so seriously.

First of all, I don't play around with single stocks. There's just too much risk there for me. Since I don't invest in single stocks, I don't recommend others do it, either. I look at two things when it comes to investing—real estate and mutual funds.

I always pay cash for income-producing real estate. And when it comes to mutual funds, I invest in good, growth stock mutual funds with a solid track record of at least 10 years. Now, I don't get mad at people if

Significant Real Estates Gains

By: Bill Rosenblatt

Mississippi and the United States have all seen significant real estate growth in the last year and a half. The increase, in part, derives from private and public policy decisions.

The following are three significant policy decisions in 2020 that occurred due to COVID-19: the federal government lowered interest rates, manufacturing facilities of building materials either temporarily shut down or reduced capacity, and federal and state governments increased unemployment



I often taken a book to the tree stand with me. I mostly do it during the evening hunts because the deer tend to be slower moving until just before dark. I've read many good books using this approach. On occasion, I have been so intent on the subject matter that I have gotten lost in the moment, only to wake up and realize that I need to be scanning the horizon for deer. There have also been times I have been entrenched in my book and, all of a sudden, I realize there are deer right under my stand. It's those times no matter how good that book may be, it now plays second fiddle to this welcomed interruption.

Let me ask you, how are you at interruptions? Are they annoying and bothersome, or are you expecting them and even sensitive to what my lie in each one? You see, the great things in your life will come as an interruption to your normal activity. God works that way. He wants to catch you off guard in order to test your reaction. You see, the true test of our character is not how we act, but how we react. He also uses these holy interruptions to insert his plans in your

they want to dabble in single stocks a little, but I wouldn't recommend having more than 10 percent of your investment portfolio wrapped up in them. The numbers on playing single stocks are just not that good for the individual, and besides that, I don't like losing money!

If I woke up in your shoes, I'd move the 25 percent you have in single stocks into good mutual funds. And I wouldn't use a brokerage account. I'd stick with a quality financial advisor, one who has the heart of a teacher. I think you'll end up doing better with your money in the long haul this way. It might be a little boring, but boring is good when it comes to stuff like this. Exciting means you stand a good chance of losing a lot

sult, demand for homes has outweighed available homes for sale. Thus, the market has become a sellers' market in which the sellers dictate the price. Second, would-be sellers have become hesitant to sell their homes. They are mindful of the disproportionate ratio of buyers to sellers. Thus, some would-be sellers have held onto their homes, only furthering the imbalance that has led to price increases.

When manufacturers of building materials temporarily shut down or reduced their economic output, it created a void. Safety concerns and fear of low demand drove this action. However, low interest rates accelerated home purchases leading some buyers to turn to new

Hyde-Smith, panel hear plea for Treasury Dept. funds to help underserved communities, businesses

Miss. Delta banker testifies at Senate Appropriations Hearing on FY22 Treasury Budget Requests

Washington, D.C. – U.S. Senator Cindy Hyde-Smith (R-Miss.) recently welcomed the testimony of a Mississippi Delta banker on the need to expand federal programs that allow small community banks to supply loans to underserved populations.

Hyde-Smith, ranking member of the Senate Financial Services and General Government Appropriations Subcommittee, invited Bank of Anguilla CEO and President Andy Anderson to testify at a hearing to review the FY2022 budget requests for the U.S. Department of the Treasury.

“While we consider the broader scope of Treasury Department policies and proposals under the Biden budget plan, it’s important for us to hear directly from business leaders from outside of Washington on the problems facing our nation and their proposed solutions,” Hyde-Smith said. “Andy Anderson provided very good insights on Treasury programs that can have an even bigger impact on underserved regions of the country, like the Mississippi Delta.”

Anderson advocated greater investment in the Community Development Financial Institution (CDFI) fund and its Bank Enterprise Award (BEA) Program, which his Sharkey County institution uses to serve the South Delta.

“BEA has the strongest demand among the CDFI Fund programs and is far oversubscribed compared to other programs. In 2020, only \$1 in BEA funding was available for every \$5.68 in requests. Given the benefit generated by the BEA Program it is critical to increase funding,” Anderson said. “Through the financial benefits of the BEA Program, Bank of Anguilla is able to make commercial loans to

of money.

You’ve got a good income, especially for a single guy who’s 24, so I’d make those adjustments and live like the inheritance money wasn’t there. Stay away from debt, live on a reasonable budget, and make sure you’re putting 15 percent of your income away for retirement. Then, when it’s time a few years down the road, use some of that inheritance money to pay cash for a nice home.

If you can manage to do all that, the money you inherited—even with buying a home—will likely grow to millions of dollars by the time you’re ready to retire. Pretty cool situation, Drew!

— Dave

More than any amount of money

Dear Dave,

construction and remodeling. Soon goods used in the building and remodeling of homes became scarce or no longer readily available. Manufacturers' inability to meet the demand has caused prices of building supplies to soar. The soaring prices have resulted in the square foot price (sqft) of new construction increasing to a nationwide average of \$150 sqft (Forbes.com), which is prohibitive to many. Thus, the void in building materials has prevented new construction from alleviating the shortage of homes available to purchase.

Why are these manufacturers unable to increase production? One answer is a limited labor pool existent prior to COVID-19. How-

ever, it could be argued that generous unemployment benefits enacted by the federal and state governments, as well as shifts in the labor market have depleted the country's manufacturing workforce. Forbes reports that by 2028 manufacturers will be unable to fill 2.4 million jobs. As a result, many manufacturers are unable to meet the rising demand. In general, until labor shortages are resolved, it likely will continue to contribute to the increasing costs of homes.

The impact of these policy decisions is nationwide, as well as in local real estate markets. Here are several statistics that are worth noting. The following statistics are from the Central Mississippi Board of Realtors, MLS.

My husband and I are both 29, and we have good jobs that allow us to bring home \$100,000 a year combined. Recently, we began talking about starting a family. We live on a budget, but we still have about \$15,000 in credit card debt and student loans we’re working hard to pay off. Do you think couples should wait until they are debt-free to have children?

Missy

Dear Missy,

You and your husband are chipping away at your debt, and that’s a good thing. It sounds like you two are determined to get it paid off and take control of your finances. You’re also making pretty good money, so keep up the good work!

Ok, so the truth is kids can be expensive. From medical

costs and diapers, to childcare and beyond, it costs money to raise a family. But here’s the thing: If you let money alone, or the perfect financial situation, determine whether you have kids or not, you may never have them. Now, would it be easier from a financial standpoint only to wait on having kids until you’re debt-free and there’s a huge pile of cash in the bank? Sure, it would. But children are worth more than any amount of money. If you love each other and want to be parents, and you’re mature adults in every other area, don’t let this debt stop you.

A child isn’t going to derail your journey to financial peace. Having kids might cause you to press pause for a while on some financial matters, or slow your pace a little bit, but as long as you both stay focused and determined to manage your money wisely, chances are things will work out fine.

Just don’t make the mistake lots of parents do—especially first-time parents. Many of them think they have to run out and buy a new, “safer” car, spend a fortune on a fancy crib, or buy all things baby from some overpriced boutique. Do you get what I’m saying, Missy? Why buy a brand-new, \$400 stroller, when a friend or relative has a perfectly good, barely used one they’re willing to give you?

It’s easy to get carried away spending for a baby. But children will be just fine as long as they have food, clothing, shelter—and most importantly—loving, caring parents. God bless you two!

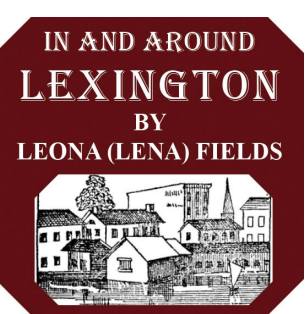
— Dave

small minority businesses and consumer loans to individuals that need financial help.”

Last week, the Bank of Anguilla was among 52 Mississippi banks awarded a \$1.82 million CDFI Rapid Response Program grant to use as capital to spur more local private-sector investments.

As part of the budget review, Hyde-Smith addressed issues with Treasury Secretary Janet Yellen, including President Biden’s gigantic spending and tax plans, rising inflation, and eroding trust in the Internal Revenue Service due to unlawful disclosures of confidential taxpayer information.

“The Treasury Department executes important functions, including promoting economic growth, combatting illicit finance, and administering the Internal Revenue Code. It has also been responsible for executing COVID emergency response programs for businesses and industries. Now, as the country emerges from the public health crisis, the Biden administration’s budget proposals are barreling us toward a spending and debt crisis,” Hyde-Smith said.



I talked to two of Alice Riley’s sisters. They said she’s doing good after having knee surgery. Keep Elder Curtis Cobbins on your prayer list; he has a bad case of gout.

One of Lillie Benson Green’s daughters passed recently. Keep the Benson and Green families uplifted in prayer.

The word is out and Rev. Jim Dixon put it out. Sunday, July 4th, he preached Rev. Dan March’s 21st pastors’ anniversary at Trinity M.B. Church. He said, “A pastor should not be pastoring and preaching to a valley of dry bones.” He walks with a cane and sits on a stool to preach. He has leg problems, but nothing is wrong with his mouth and mind. He did a good sermon.

Be careful, the snakes are out. I killed a little green one that was getting ready to crawl up my back ramp. He was so small I mashed him with a five gallon bucket.