



National Editor
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Our Economic Forecast

Greetings, to you all I'm Wayne Randall. I am an Accountant and Defense Contractor. I have some concerns I want to address. Recently, a major piece of legislature was finalized by the General Assembly in Annapolis, MD Q2 of April 2018. The Maryland Tax Relief Plan in this commentary, I will shed some light on the recent events and how they will affect you and your family in the coming months. What's important to understand here is the [state's tax code] and [federal code] are directly linked. Anchor your thoughts around this concept for a moment. This point alone will better help you grasp a better understanding of the significant changes that were made by lawmakers. One in particular was elimination of Maryland deductions to reduce the amount of income that's subject to taxation which caused state taxes to increase.

"Those taxpayers earning less than

\$150,000 annually will generally see a higher tax Bill. However, not all classes will be affected by the change for example; relief for younger taxpayers, working poor, military veterans, and corrections officers' retirement income is exempt from taxation. The bill brought a \$250 increase in the standard deduction for single people and a \$500 increase for couples, the first increase in three decades" (Cox p 3). Changes for the remaining taxpayers can't be decided upon until an analysis has been done on the federal changes. Not to mention, what the current Administration and Congress plan to do about plans to reduce state aid.

There are times in life when we can only do so much and if there were ever a time it's now! I mean getting back to basics whatever the government plans to do or not you still have to manage your own resources. If you're not familiar with the

50, 20, 30 rule well, that's why I'm here to fast track you to a proven method that yields results. Oftentimes, it's very difficult to stick with a set budget though everyone's situation is different, said that to say, everyone's debt -to -income ratio varies. One family or individual maybe be dealing with a mortgage while another is paying rent. Obviously, these two types of scenarios play a major part in ones monthly expenses not to mention, a car payment, and insurance. Out of the 3 categories you can see where this falls into play. The 50% category that's designated for fixed expenses and essential leaves no margin for tweaking. However, you can see that the 30% category does give you the flexibility to do so.

That's why I provided this financial model that gives some clarity to the types of spending most of us have to do.

I am here to assist you and I have the tools that can be applied to help you reach your goals. Obviously, this is just a visual, but after applying the correct resources you'll better grasp the concept of how to use it to your advantage. Below is the breakout used in the various spending plans?

Once you get comfortable using the tools for the rule you'll have the confidence you need to better structure your budget plan. Below are the 3 spending categories as they apply:

50% of your income should go to living expenses and essentials. This includes your rent, mortgage, utilities, and things like groceries and transportation for work.

20% of your income should go to financial goals meaning your savings, investments, and debt-reduction payments (if you have debt, such as credit card payments).

30% of your income should be used for flexible spending. This is everything you buy that you want but don't necessarily need (like money spent on movies and travel).

Keep in mind that the percentages for essentials and flexible spending are the maximum you should spend. Working below those guidelines can leave more money for other financial goals. In other words, you don't have to stick to 50% if that doesn't work for you use 40%. Here's where things can get interesting because you can tweak the numbers that's the beauty of it. There's always a margin for variation you'll have to see what works for you.

I invite you to participate in this section of The National Black Unity News. If you would like to contribute some information or promote your services please contact me, I welcome you. I look forward assisting you in reaching your financial goals. "Knowledge is power and education is the passport to freedom"

**Wayne Randall
Financial Service**

Enlightening The Black Community:
Financial Food For Thought

The Importance Of A Month To
Month Budget

- * Cash Flow & Making Sense Of It All
- * Not Spending Above Your Means
- * Financial Discipline

Participating In Your company's
Retirement Plan

- * Am I Too Young? Am I Too Old?
- * Why Should I Invest?
- * How Much Should I Invest?

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Free Consultation

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your mistakes; there are only lessons learned.

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