As America celebrates Memorial Day, we pay tribute to those who have given their lives in our nation's wars.

"Who kept the faith and fought the fight; The glory theirs, the duty ours." -Wallace Bruce

Introducing the youngest member of our team, **Raylee June Mayer**, born April 22 at 7:45 a.m., weighing 7lb 13 oz and 20 inches long. Congratulations to Maggie and her family!

Reminder: June 15th estimated tax payment is fast approaching.

McCarthy Grittinger Financial Group One Honey Creek Corporate Center 125 S. 84th Street Suite 130 Milwaukee, WI 53214 414-475-1369 www.mgfin.com

Six Affordable Habits of the Wealthy

Dear Valued Clients & Friends:

"Early to bed and early to rise makes a man healthy, wealthy and wise."

-Benjamin Franklin

While catching up on sleep may help your health, it would take a miracle to go to sleep earlier one night and wake up with a heap of cash at your bedside. While there's no one secret or rule that will instantly make you rich, emulating some of the financial habits of the wealthy may help you follow in their fiscal footsteps.

How did the wealthy get to where they are today? While there's no universal path to financial success, there are some common financial habits that many wealthy people share.

Throughout the years, our clients have shared with us some of their best techniques, which we feel correspond quite well with this list of six good habits. Learn what they are-and how you can learn from them.

1. They spend less than they earn.

While this may seem like a no-brainer, it's a concept that many Americans struggle with. The "keeping up with the Joneses" mindset can be a recipe for disaster, causing people to buy things they can't afford and ultimately don't need. While many people think of the wealthy as celebrities (think Paris Hilton) who lavishly spend on extravagant goods, many of the wealthiest people in America maintain low-key lifestyles and are careful to spend far less than they earn. For example, Warren Buffett has billions of dollars but has lived in his Omaha, Nebraska, home for over 50 years without "trading up" to a mansion. Actress Hilary Swank, who has a reported net worth of $40 million, has admitted that she still regularly clips coupons. Far from insinuating the message that "stars are just like us," these examples simply show that becoming wealthy often means starting out with and maintaining a saver's attitude.

Of course, to spend less than you make, you first have to know how much you're spending and making. Budgeting is key to this process. Thomas Stanley and William Danko, authors of the popular book "The Millionaire Next Door," found that millionaires spend substantially more hours per month reviewing their budget than non-millionaires do. No matter your net worth, by carefully tracking your finances, you can better understand where you're spending too much and where you can afford to spend or save more. This helps you gradually accumulate more and more wealth over time.

2. They shop online.

This may come as a surprise. Although online activity is often considered a habit of the Millennial generation, a 2013 Gallup poll that asked how likely respondents were to do their holiday shopping online found that high earners also like to surf the web. Of those earning $75,000 or more per year, 50 percent said they were "very likely" to do some of their holiday shopping online, as compared to 34 and 15 percent of lower income brackets. And, for the very wealthy, the likelihood only climbs. In a survey conducted by Google, it found that 95 percent of the 263 millionaires surveyed had bought their last luxury item online versus in a store.

While any shopping habit can become problematic if you do it too often, online shopping lends itself much more easily to price comparisons and can help you look at reviews to avoid lousy impulse buys. In fact, it seems that the wealthy who shop online are even more likely to bargain hunt-a similar study from market research firm Synovate found that about one-third of those with higher earnings said they will only buy when there's a discount or when there's free shipping, compared to one-fourth of those with lower earnings who said so. It also found that, in general, as household income increased, so did the percentage of respondents who used these type of bargain shopping tactics. So, the next time you want to head out to the bargain store to find a deal, consider that it may save both time and money to check online first.

3. They set financial goals-and stick to them.

To some, setting financial goals may be as simple as stating, "I want to be able to retire at age 60,"-but this general approach isn't very effective. Your financial goals should be clearly defined, and you should have a plan in place and deadlines to help you reach them. According to Steve Siebold, author of "How Rich People Think," many middle-class people struggle with having loosely defined goals or give themselves too flexible of deadlines. The wealthy, on the other hand, "have firm goals with 'do or die' deadlines." Stanley and Danko also emphasize how much time the wealthy spend planning a wealth strategy, and found that the wealthy spend twice as much time doing so than others. Setting goals, making a plan to achieve them, and then measuring your progress toward those goals are essential financial habits, and MG Financial Group can help you with these tasks.

4. They redefine "the American dream."

Many wealthy Americans are beginning to realize that they don't need the traditional American dream of owning their own home. Manhattan saw its number of leases for "luxury apartments" (those charging $10,000 a month or higher) double from 2009 to the third quarter of 2010. While most people don't want to pay $10,000 for rent, many people can understand that renting is appealing for those who are uncertain either about the housing market or their own plans for the future. For example, do you like to move around a lot? Is your job secure or subject to change? If there's uncertainty about your living situation in the future, it's probably more fiscally responsible to rent. Renting also means you avoid the carrying costs of buying, such as property tax, homeowners insurance, renovations, maintenance, etc.
It's important to remember that you'll have many financial goals throughout life-saving for your children's education, saving for retirement, paying for health care-and, depending on your situation, these may be more important to you than buying a home. That's not to say the American dream is dead-but it is changing. A MacArthur Foundation survey from March 2013 found that 61 percent of those surveyed agreed: "for the most part, renters can be just as successful as owners at achieving the American dream"-and judging by the habits of the wealthy, they agree, too.

5. They save more.

This should come as no surprise. During their research, Stanley and Danko found that millionaires save much more than the average person does-on average, 20 percent of their income. And, for the top 1 percent, that number is much higher. According to research from American Express Publishing and Harrison Group, the wealthiest 1 percent of Americans had a savings rate of 38 percent in 2015. While it makes sense that those who make more can also afford to save more, it comes down to creating a habit of saving. It's easy to say that you'll start to save "when you can afford it," but by making it a practice to save at least a small amount of your income now, you set yourself up for financial success down the road. Even if you can only afford to save a small amount of your paycheck, setting this money aside and "paying yourself first" can help you establish a higher level of financial security.

6. They plan to retire later.

It's many people's dream to retire at 40-but not the wealthy. A survey from wealth research firm Spectrem Group found that almost one-third of the highest earners (those with annual earnings of $750,000 or more) in America don't plan to retire until they're at least 70 years old. Fifteen percent of the highest earners say they never plan to retire. For those making less than $100,000 per year, that number drops to 6 percent for both categories-most of this income bracket plans to retire by age 65. It makes sense that the longer you work, the more you increase your earning capacity and the more wealth you can eventually accumulate. Keep in mind that the longer you put off retirement, the larger your Social Security benefit will be as well.

If you do plan to retire later in life, it's important to have a backup plan. After all, you never know when a disability will prevent you from working, or if health care bills will dominate your finances in your later years. It's important to build up retirement savings before your golden years and to have sufficient insurance coverage so that you're not completely dependent on your later years' earnings for your retirement.

As always, we appreciate your business. If someone you know would benefit from this newsletter, please feel free to pass it along. We look forward to continuing to serve you in all of your investment and planning needs.

Your Anxiety Removal Team®

Scott D. Grittinger, CFP®
Matthew T. Miler, CPA, CFP®
Jacqueline A. Schneider, CFP®
Amy L. Finley, CFP®
Alicia A. Nordwig, AAMS®
Robert P. Kult, CPA
Maggie Mayer

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