44 YEARS / INSIDE INFORMATION FROM THE WORLD'S BEST EXPERTS

Bottom Line PERSONAL

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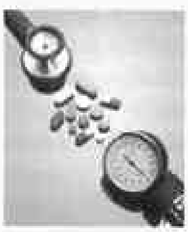
Lessons from rhinos, giraffes and birds
Page 7

HEARD BY OUR EDITORS

New cap on credit card late fees, reports analyst Ted Rossman. The Federal government has blocked major credit card companies from imposing outsized fees for late payments, bringing the average penalty down from $32 to $8, with no increase for multiple offenses. The banking industry has filed legal action to stop the rule's implementation. But even if the rule is overturned, late borrowers are successful about 80% of the time when asking banks to waive late fees.

Ted Rossman is a senior industry analyst at Bankrate.com, Pleasantville, New York.

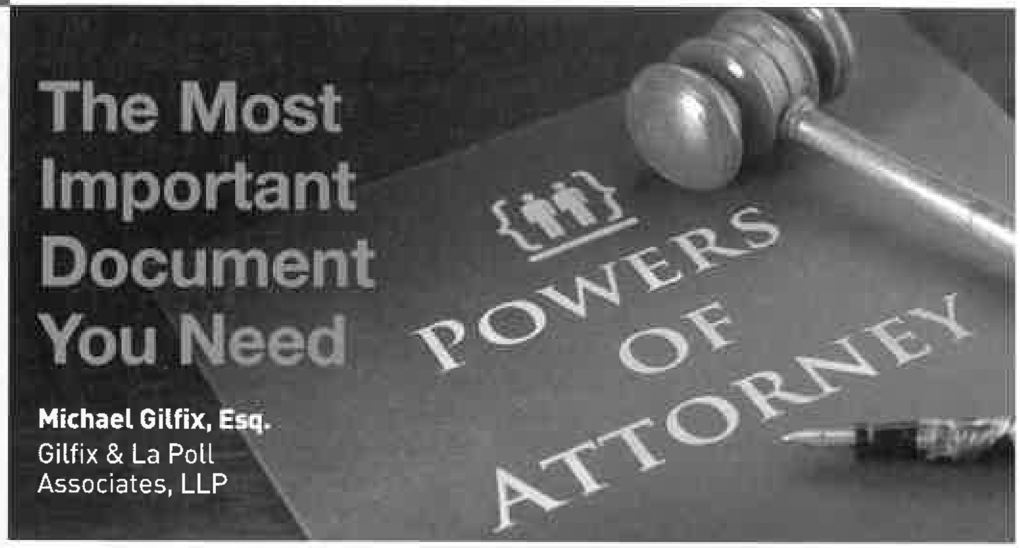
Weight-loss meds improve blood pressure, says Shauna Levy, MD. *Recent finding:* Taking a standard dose of *tirzepatide* (Zepbound) for nine months was associated with an average 7.4-point drop in systolic blood pressure. A higher dosage offers a 10.6-point improvement. Similar benefits have been seen with *semaglutide* (Wegovy) and bariatric surgery. While blood pressure typically is better controlled once patients lose weight, the improvements from these drugs could stem from hormonal changes that reduce inflammation throughout the body.



Shauna Levy, MD, is assistant professor of surgery at Tulane University School of Medicine, New Orleans, commenting on a study of 600 adults published in *Hypertension.*

Realtor settlement may be bad news for homebuyers, warns broker Martin Eiden. In March, the National Association of Realtors settled a landmark suit and agreed to de-couple buyers' and sellers' agents' commissions. *Result:* If a seller's agent chooses not to share the commission with the buyer's agent, the buyer may have to compensate his agent out of his own pocket. This could mean raising an additional 3% in cash on top of closing costs and a down payment.

Martin Eiden is a licensed real estate broker with Compass, Inc., in New York City. Compass.com



The Most Important Document You Need

Michael Gilfix, Esq.
Gilfix & La Poll Associates, LLP

Imagine that you or an elderly family member has a stroke. Chances are she appointed a proxy to make health-care choices for her. But what about the money decisions that she is no longer capable of handling?

Solution: A *financial power of attorney* (POA) lets you name an individual to act in your name and manage your financial affairs if you can't. Without a POA, it can be difficult for your spouse, children and/or caregivers to withdraw money from your accounts, sell your home, manage your Medicare and Social Security benefits, and pay your bills. To gain that authority, they would have to go through expensive court probate procedures to become your conservator(s).

Bottom Line Personal spoke to elder-law attorney Michael Gilfix to find out how to properly craft a financial POA...

HOW FINANCIAL POAs WORK

You can prepare a POA yourself—inexpensive forms are available online—but if your finances are at all complex, it is best to work with an elder-law or estate-planning attorney familiar with your state's requirements. Comprehensive POAs run 12 to 18 pages long and cost between $200 and $500 to prepare.

When creating a POA, you choose an "agent"—also known as an "attorney-in-fact"—to manage your assets. You decide how much authority that agent has. Your POA can become effective the moment it is signed...or take effect only after you're declared incapacitated. Incapacity is established by a person's physician and sometimes a second opinion. You must sign the POA, as well as witnesses and a notary public if your state requires it. While not a legal requirement, many >>

Bottom Line Personal interviewed Michael Gilfix, Esq., partner with Gilfix & La Poll Associates LLP, Palo Alto, California, and cofounder of the National Academy of Elder Law Attorneys. He is author of *Beat Estate Tax Forever: Planning for Future Generations.* Gilfix.com

Secrets Inside

Editor's note

Military Honors

My father recently passed away after a brief illness. He was 87 and lived a wonderful life...and my mother, sister and I were fortunate to have him for so long. Of course, planning the funeral services was very difficult. We wanted to honor him in all ways possible...and the military helped us do just that.

My father was in the US Marine Corps from 1953 to 1956, stationed in Korea. He was proud of that service, as were we. When it came time to make the burial arrangements, the military stepped in. My family members and I followed my father's casket to the military cemetery, where we were greeted and shown to a committal shelter. His casket was placed beneath the medallions of five branches of the US military—the Navy, the Marines, the Army, the Coast Guard and the Air Force. A member of the Marines played "Taps"...and my mother was presented with the folded burial flag. We each filed past the casket and placed a carnation on top. It was not a long ceremony but incredibly important to my family...and my father would have loved every minute of it!

I believe every veteran deserves such honors and so much more. My father was a huge proponent of the Veterans Administration, now known as the US Department of Veterans Affairs (VA.gov). He encouraged all the veterans he knew—my husband among them—to learn about the benefits they deserve and to sign up with their local VA office. Now I am picking up where he left off.

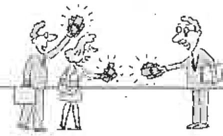
A heartfelt thank you from the entire *Bottom Line* team to all who are serving or who have served in the US military.

Kelli

Kelli McCourt
E-mail me at Kelli@Belvoir.com.

Photo: MarianaSemenza.com

Top Takeaways this issue



>> POAs require your named agent to sign. Keep your POA with your will, advance medical directive and estate-planning documents, and make sure loved ones know where it is.

To ensure your financial POA is sound and can go into effect as soon as needed, avoid these common mistakes.

***Mistake:* Not creating a POA before you suffer ill health or diminished mental capacity.** Waiting may result in your not being competent enough to sign a POA at all. Options...

Create a "durable" POA at the same time you draw up your will. This kind of POA gives your agent power the moment it is signed and lets him/her continue to take actions in your name if you can no longer handle your finances. *Important:* A durable POA does not prevent you from making decisions or conducting business while you are capable. If the agent does not respect your wishes, you can replace him.

Use a "springing" POA if you are uncomfortable sharing control of your finances. This takes effect only under certain conditions such as when you are incapacitated. *Drawback:* You must define what terms like "incapacitated" or "dementia" mean, and you'll need one or two physicians to certify your condition.

***Mistake:* Appointing the wrong person as your agent.** You should trust the person you choose implicitly—agents have ample opportunity to misappropriate your assets. What to do...

Don't automatically select a family member to be your agent. If your spouse is elderly and has trouble making decisions or your child isn't very good with his own money, they may not be suited to be your agent. Make sure your agent is willing to take on the responsibility. Talk with him honestly about your wishes for your financial affairs so he is comfortable making decisions for you when the time comes. A responsible person need not understand all aspects of your financial affairs but should know when to get advice from a professional.

Consider choosing someone skilled at managing other peoples' financial affairs, especially if your finances are complex. Attorneys, accountants and professional fiduciaries are popular choices. Annual compensation for a professional fiduciary to act as your agent can range from 0.7% to 1% of the assets they oversee. The appointment is personal, which means that an individual is named, not a law or accounting firm. If that professional moves to another firm, the appointment remains effective unless otherwise specified. The named agent could retire or pass away, underscoring the need to name an alternate agent.

Don't name more than one person as agents. That can cause conflicts in making financial decisions. *But:* There are circumstances when you might split responsibilities—perhaps you have a complicated investment portfolio. You could name a professional to oversee investment decisions and a family member for routine tasks such as paying bills.

Always name a successor agent in case the primary agent cannot fulfill his responsibilities. Many times, married couples name each other as the agent. Naming a successor ensures that if anything were to happen to both spouses, someone else could step in.

***Mistake:* Putting insufficient instructions in the POA.** Agents need flexibility to handle your finances, but granting an agent "any and all powers" may be imprudent. What to do...

Spell out the specific powers you want to grant. Example: Gift-giving powers are a common issue of contention. Do you want the agent to be able to give gifts from your assets to himself? To family members? To charities you list?

Limit actions that the agent can take, perhaps not allowing sale of your house until your spouse dies or redesignating beneficiaries of insurance policies.

Establish oversight. Most states follow the Uniform Power of Attorney Act, which imposes legal safeguards in POAs to protect grantors. *Examples:* Agents cannot alter your will, and they have a fiduciary responsibility to act in your best interest. But you can add safeguards if you want—for instance, you can require the agent to send monthly statements of any POA transactions to family members or financial professionals.

Mistake: **Not revisiting your POA.** People tend to set up a POA and forget it. But if you get divorced or become estranged from a child, you may no longer want your former spouse or that child to be your agent. You can change agents or any of the POA's terms at any time. What to do...

Revoke the old POA, and have your attorney create a new document. You cannot simply edit an existing POA. Be sure to notify your original agent about the changes in writing, and contact any third parties who have your POA on file.

Mistake: **Not planning for what happens to your POA once you pass away.** All POAs become invalid upon your death. At that point, the executor of your will takes over management of your estate, which must go through probate before ownership of assets can be transferred to beneficiaries. Probate can take months—creditors must be paid and assets sold or distributed. What to do to avoid probate...

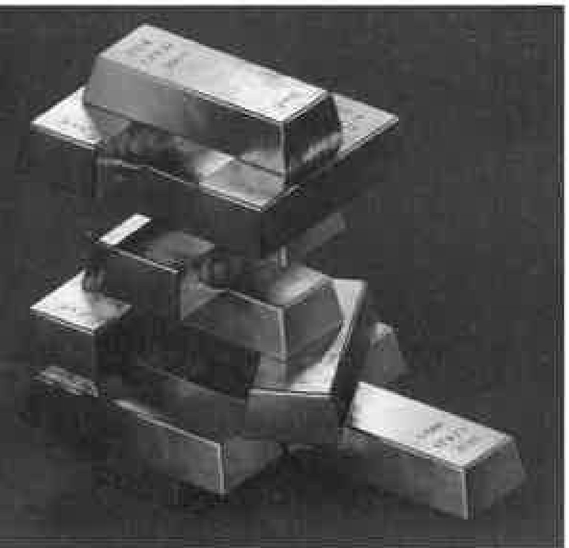
Create a revocable living trust at the same time you put together your POA. You control the trust and typically name yourself as trustee. You also name a successor trustee to take over if you die or become incapacitated. It is common for your POA agent and successor trustee to be the same person, but your successor trustee is bound by the terms of the trust, which can be changed or revoked by you at any time. *Note:* Assets in a living trust typically include bank accounts, real estate, personal property and taxable investments—but not retirement accounts such as 401(k)s or IRAs because of the tax consequences.

Mistake: **Expecting your bank to honor your POA.** Many financial institutions prefer to err on the side of caution, given how common it is for elders to fall victim to fraud. What to do...

Share your POA with your banks, brokers and insurance companies. They may want you to use their own POA forms in addition to the one you have.

Introduce your agent to someone you have a relationship with at your financial institutions. That way, they won't be dealing with a stranger. BLP

Why Gold Will Shine in 2024



Frank E. Holmes
US Global Investors

Gold has been the way to go in the 21st century. While the S&P 500 has produced a solid 7% annual return (when adjusted for inflation) through the first 24 years of the 2000s, investing in gold topped that, at 7.8%.

And yet gold has been a little less shiny for the past few years—it topped $2,000 an ounce for the first time in mid-2020...but nearly four years later, it remains at only slightly over $2,000, generating virtually no profits while stocks have climbed.

But there is good news! Frank E. Holmes, CEO and CIO of US Global Investors, believes the rest of 2024 will be a tremendous time for gold. In fact, he thinks the precious metal could possibly soar all the way to $3,000 an ounce, up nearly 50% from current levels.

When *Bottom Line Personal* recently asked Holmes what's behind his optimism, he listed several factors. Here is his case for gold in 2024...

This is a year of global governmental uncertainty. Perhaps you've heard that there's a US Presidential election toward the end of this year. What you may not know, however, is that much of the rest of the world is in a similar situation. About 70 countries that, together, are home to about half of the world's population are holding elections in 2024. It's being called the biggest election year in global history. What does that have to do with gold prices? Election years are times of political uncertainty, and gold is widely considered a secure investment for such times, in part because its value generally is not linked to any one government's decisions. This year of elections likely will spur global demand for gold, pushing prices upward.

US historical trends are favorable for gold. As of press time, it's difficult to say with any certainty which political party will come out ahead in November... but history suggests that gold is likely to come out ahead this year. Historically when there's a Democrat president up for reelection, a Republican Congress and falling interest rates, gold tends to have a good year...and gold-mining stocks tend to have a great year. That sounds a lot like 2024, where we have a Democrat incumbent...interest rates are likely to come down....and while Congress isn't Republican, it is divided, with Republicans holding a narrow majority in the House and Democrats a narrow majority in the Senate.

Global governments are printing and spending massive amounts of money. In recent years, an economic philosophy known as Modern Monetary Theory (MMT) has taken hold with decision makers in many of the world's most important economies, including those in the US. At the core of MMT is the idea that nations can and should print as much money as they need without worrying about whether their spending exceeds their revenue >>

Bottom Line Personal interviewed Frank E. Holmes, CEO and CIO of US Global Investors, a San Antonio–based investment-management firm with expertise in gold and other precious metals that has assets of more than $945 million under management. He is coauthor of *The Goldwatcher: Demystifying Gold Investing.* USFunds.com