Money Matters: What to do with an inheritance

By Rick Gross

Over the next 30 years, in what is anticipated to be the largest wealth transfer in American history, an estimated $30 trillion is expected to be passed from baby boomers to their children and grandchildren.1

Rick Gross

While the size of inheritances will vary, 53 percent of Americans between ages 25-70 who expect to receive assets are anticipating it to be more than $100,000, according to recent research from Ameriprise Financial.2 No matter the size of the assets, managing an inheritance can be emotional and overwhelming as the recipient deals with the loss of a loved one.

If you have received or expect to receive an inheritance, the following five-step strategy can help you decide how to manage and spend the newfound assets:

Don’t make rash decisions

You may be tempted to buy the luxury car you’ve always wanted, take a dream vacation or quit your job. While any of these goals may be possible depending on the size of inheritance you receive, none of them should happen without careful planning.

Give yourself time to work through the logistics of receiving the inheritance before deciding how to allocate the money.

Understand what you have or will receive

Inheritances can come in many forms, so it's important to understand what type of assets you will receive and their estimated value. You may inherit cash, but it is also common for a loved one to gift securities (stocks and bonds), retirement plan savings, real estate, life insurance or other types of assets. Certain assets, such as retirement accounts, may allow you to receive payments over time rather than taking control of the money all at once. Your loved one may have specified in a will or in trust documents how the money will be dispersed. In the absence of instructions, you may be able to choose how you'd like to receive the money.

Understand the tax implications

Tax consequences can vary dramatically depending on the type and amount of the assets you inherit. For example, if you receive stock (in a non-retirement account) that your loved one owned for a long time, you can take advantage of a step-up in cost basis. That means when you decide to sell the stock, any capital gains (and tax you owe on those gains) will generally be determined based on the value of the stock on the date the decedent passed away, not when it was originally purchased. Be sure to consult with a tax advisor to clarify any tax implications from your inheritance.

Update your insurance and estate plans

Insurance and estate planning needs will likely arise as a result of your added wealth. Consider meeting with a financial advisor and an attorney right away to sort out what actions you may need to take. Common steps after receiving an inheritance include updating your will to reflect any changed wishes or creating an estate plan if you don't have one; assigning beneficiaries to newly received accounts; and potentially purchasing additional insurance to cover certain inherited assets.

Decide how to save – or spend – the money

Think about your financial goals and how these newfound assets could help make one or more of them a reality. Even a modest inheritance can make a meaningful difference in helping you save enough for a child or grandchild's college education, pay off a home mortgage, retire when you want to, or achieve another important milestone. If you inherited from a loved one or close friend, you may want to consider how to honor his or her legacy with a charitable gift.

There is no question that an inheritance can represent a significant new opportunity in your financial life. Taking a prudent, thoughtful approach can help preserve your wealth, add to your sense of financial security and open doors to pursue your most important dreams and goals.

1 – Malito, Alessandra. "America's trillion-dollar wealth transfer: How to prevent a generation of entitlement," MarketWatch, April 30, 2017. https://www.marketwatch.com/story/americas-trillion-dollar-wealth-transfer-how-to-prevent-a-generation-of-entitlement-2017-04-25.

2 – The Family Wealth Checkup study was created by Ameriprise Financial, Inc. and conducted online by Artemis Strategy Group November 23 – December 15, 2016 among 2,700 U.S. adults between the ages of 25-70 with at least $25,000 in investable assets. For further information and details about the study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial or go to Ameriprise.com/familywealth.

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Plan ahead for fun in the outdoors with your dog

By Angela Rudolph, Reno Gazette-Journal

Reno/Tahoe is a highly active region with many residents who enjoy getting outdoors to hike and camp. Most dog owners love to take their four-legged best friend with them for all the fun adventures – so, here’s how to make sure you and your pooch stay safe together.

Be sure that your dog is wearing proper identification (and preferably also has a microchip), and that your dog is fully vaccinated, before taking her on a hike or camping. Remember to always bring water with you, even if you’re just going on a short hike. Higher altitudes and hot weather can cause rapid dehydration. Bring enough water for you and your dog, as she can get dehydrated just like you. Be sure to avoid hiking during the heat of the day, and if you’re at a lake or on a beach, be sure there is shade for you and your pooch. Some light-coated pets might also do well with sun screen, since their fur might not provide the same protection that pets with thicker coats often enjoy.

Read the whole story

Vail Resorts on ski resort buying spree

By Matt Pepin, Boston Globe

Vail Resorts, the Colorado-based owner of ski areas around North America, is continuing its expansion on both coasts and in Colorado.

Vermont’s Okemo Mountain announced Monday morning that it has entered into a purchase agreement with Vail Resorts that also includes New Hampshire’s Mount Sunapee and Colorado’s Crested Butte. Vail also bought Stevens Pass ski area in Washington state. The sales are expected to be completed this summer.

Vail owns Heavenly, Kirkwood and Northstar in the Tahoe area.

Read the whole story

Snippets about Lake Tahoe

· The inaugural group of athletes will be inducted into South Lake Tahoe’s Walk of Champions at Champions Plaza at Lakeview Commons on June 15 at noon.

· The dome on the South Lake Tahoe community pool has been removed for the season.

· South Lake Tahoe Mayor Wendy David’s next “conversation” will be June 20, 9-10am at the senior center. Her guest will be interim City Manager Dirk Brazil.

· June is Lake Tahoe Wildfire Awareness Month.

· Tahoe Regional Young Professionals' is having a networking mixer June 13 from 5:30-8:30pm at South Lake Brewing Company in South Lake Tahoe; and one on June 19 from 5:30-8:30pm at Caliente in Kings Beach. Cost is free for members, $10 for others.

Tahoe Tails – Adoptable Pets in South Lake Tahoe

Rosco

Rosco is a year-old yellow Labrador mix who weighs about 75 pounds.

He loves to play with people and other dogs. Be sure to call before coming to the shelter to be sure he hasn't been adopted yet.

Rosco is neutered, microchipped, tested for heart worm, and vaccinated. He is at the El Dorado County Animal Services shelter in Meyers, along with other dogs and cats who are waiting for their new homes. Go to the Tahoe animal shelter's Facebook page to see photos and descriptions of all pets at the shelter.

Call 530.573.7925 for directions, hours, and other information on adopting a pet. For spay-neuter assistance for South Tahoe residents, go **online**.

— Karen Kuentz

Challenge to prevent Sierra forest fire catastrophe

By Linda Fine Conaboy

INCLINE VILLAGE — "It's not a matter of getting better at firefighting, it's now a matter of too much stuff for fires to burn," Malcolm North, forest ecologist with the U.S. Forest Service Pacific Southwest Research Station said, explaining that in 2017, the costs to fight fires was upward of $3 billion. "We're losing the forest fire battle. It's not whether fire will occur, it's when.

"We have two choices. We can continue to deny that we can control fire or we can get in front of it and learn how to be smarter when it comes to forest fires."

Forest fire and drought are top-of-mind for those who live in, or close to, the Sierra Nevada, as attested to by the packed house last week at a UC Davis TERC presentation at Sierra Nevada College on managing fire and drought in the Sierra Nevada.

The room was jammed as North did his best to explain the symbiotic nature of fire, fuels and forest inhabitants.

“The goal for a resilient forest and happy owls is big trees and moisture.”
— Malcolm North

Beginning with why our forests are unhealthy, with a nod to spotted owls and the role they play, followed by data collection and finally, circling back to managing forests so that all creatures can live out their lives despite climate change, drought and wildfire, North wove his four intertwined topics into a fascinating saga.

“It doesn’t take a forest ecologist to see that our forests are in bad shape. Clearly, something is out of whack,” North said.

He blames early clear-cutting in the Sierra during the Gold Rush time period for the beginning of an irrevocable alteration of the forests. “Large, fire resistant trees were cut and ‘defect’ trees were eliminated,” he said. “But in actuality, these gnarled, crooked trees (defect trees) are the nexus for wildlife—like owls. This was not a good idea.”

Additionally, fire suppression changed the forests in the Sierra Nevada forever, causing incredible density on the forest floor, thus providing fire with the fuel it needs to easily burn.

“Fire is actually essential in a forest. Eliminating fire, like for the last 100 years, causes crown fires,” he added. “In the past, fires occurred every 10-15 years, adding life to the forest.”

Long ago, a typical, healthy forest supported about 64 trees per acre with a diameter of about 26 inches; now, there are about 320 trees on an acre with measly girths of 14 inches or so.

Canopy cover totaled 32 percent of the green foliage aloft; now, the dense forest canopy averages 65 percent.

Forests, North said, used to be able to recover and reseed themselves, but now money is going directly to fire suppression, not to the necessary replanting of a fire-ravaged forest, causing lots of shrub fields to grow, further exacerbating the problem.

Additionally, the elimination of repeated fires (every 10-15 years) means that there is now competition for water.

“Lack of water causes stressed trees, which are becoming overwhelmed by beetles who can sense when a tree is unhealthy. There’s never been a precedent for beetle infestation in the Sierra,” North said. “Beetle mortality is particularly accelerating the loss of large, tall, old-growth trees.”

He added that sugar pines are in a reduced state not only because of drought and forest mismanagement, but also because of rust. “Beetles are just a pile on,” he said.

Add to all of this the spotted owl, whose now-protected habitat is a roadblock to forest restoration and resilience. According to North, owls need lots of tree canopy to thrive as do northern flying squirrels, Pacific fisher and northern goshawk. “Actually, 70 percent canopy is good for owls; bad for fire.”

To determine the amount of actual available canopy cover, some means of measurement needed to be utilized, North said. “If canopy structure is so important, how accurately is it measured? Not so well,” he said. “Measurements are crude and inaccurate. The Forest Service doesn’t even accurately measure canopy cover.”

Enter LiDAR (light detection and ranging) a remote sensing method used to examine the surface of the Earth. In actuality, LiDAR analysis found that owls really don’t need masses of dense ground cover, but they do need canopy cover to survive.

“So maybe ladder fuels (live or dead vegetation that allows a fire to climb up from the landscape into the tree canopy) can be reduced without endangering owl habitat,” North mused.

As he prepared to wind up his talk, he arrived at his final topic—how to meld owls’ needs with wildfire resistance? He suggested that tree planting patterns are key to a healthy forest. For example, trees need to conform to a group/gap situation where groups of trees are surrounded by gaps of space. “There’s a tight coupling among ecosystem processes—forest heterogeneity supports fire diversity.

“Old-growth forests with restored fire patterns in Yosemite and Sequoia national parks all exhibited the same needs—tall trees, snags and moisture. The goal for a resilient forest and happy owls is big trees and moisture.”

Opinion: Wildfire plan makes

things worse

By Chad Hanson and Char Miller, Los Angeles Times

Responding to the tragic losses of homes and lives in wildland fires in California over the past year, Gov. Jerry Brown announced a "major offensive" against fire, in the form of a "Forest Carbon Plan." The governor proposes to use $254 million of taxpayer money to double logging levels in California's forests — to "at least" 500,000 acres a year — and to achieve it, he wants to reduce environmental protections.

Although the governor's May 10 proposal is ostensibly designed to protect human communities from forest fires and to mitigate climate change, it ignores and misrepresents current science. The Forest Carbon Plan will exacerbate climate change while doing little to protect communities from fire.

Read the whole story

Audit: Calif. underreporting hate crimes

By Alexei Koseff, Sacramento Bee

While law enforcement officials have identified hate crimes as a growing problem in California, it is worse than the numbers would suggest.

California is undercounting hate crimes, according to a state audit released Thursday, because outdated policies have led law enforcement agencies to misidentify or fail to report incidents.

Hate crimes are criminal acts committed, at least in part, based on real or perceived characteristics of the victim, such as race, religion, gender, sexuality or disability. They spiked by more than 11 percent in 2016, the most recent year of data available, with race-related crimes topping the list.

Read the whole story

Why poverty is rising faster in suburbs than in cities

By Scott W. Allard, The Conversation

In the U.S., the geography of poverty is shifting.

According to a May report from the Pew Research Center, since 2000, suburban counties have experienced sharper increases in poverty than urban or rural counties.

This is consistent with research across the U.S. over the past decade – as well as my own book, “Places in Need.”

The suburbanization of poverty is one of the most important demographic trends of the last 50 years. Poverty rates across the suburban landscape have increased by 50 percent since 1990. The number of suburban residents living in high poverty areas has almost tripled in that time.

These new trends are not just occurring in the wake of the Great Recession. In 1990, there were nearly as many poor people in the suburbs of the largest 100 U.S. metropolitan areas as within the cities of those metros, even though poverty rates historically have been much higher in cities.

Why is poverty rising faster in suburbs than in cities? There are many reasons. Population growth in suburbs plays a part – the U.S. has become a suburban nation. However, that’s not the most important factor. My research finds that suburban poverty is growing three times faster than population size in suburban communities across the country.

As in cities and rural communities, poverty is rising in suburbs because of the changing nature of the labor market. For those in low-skill jobs, earnings have stayed flat for the last 40 years. In most suburbs, unemployment rates were twice as high in 2014 as in 1990. Good-paying jobs that don’t require advanced training have started to disappear in suburbs, just as they did in central cities more than a quarter century ago.

These national employment trends have contributed to rising poverty everywhere, but the impact has been particularly acute in suburbs, where there are a large percentage of workers without advanced education or vocational training.

Rising suburban poverty has surprising implications for the safety net. Many suburbs lack the resources needed to respond to growing poverty. For example, I’ve found the typical urban county spends nearly 10 times as much on human service programs per low-income person as the typical suburban county.

What can be done? I have a few suggestions.

First, the U.S. must maintain federal funding of safety net programs like food stamps, which are effective at reducing poverty. Increasing public funding of human service programs also will help to support those weathering a spell of unemployment or seeking to advance in the labor market. Communities must find ways to cultivate a new generation of local leaders and nonprofit organizations capable of tackling suburban poverty challenges.

Finally, poverty problems continue to rise, albeit at slower rates, in cities and rural communities. Across geographic boundaries, the nation has a shared interest in the fight against poverty. If we cannot come together on this issue, we will not be successful in that fight in any one place — urban, rural or suburban.

Scott W. Allard is a professor of social policy, University of Washington.

Big One could leave 250,000+ quake refugees in Calif.

People walk toward the Ferry Building on Market Street after the 1906 San Francisco earthquake. Photo/Library of Congress

By Rong-Gong Lin II and Sarah Parvini, Los Angeles Times

When a catastrophic earthquake hits California, buildings will topple and potentially hundreds could be killed.

But what gets less attention is the wrenching aftermath of such a huge temblor, which could leave whole neighborhoods torched by fires uninhabitable and hundreds of thousands of people without a home.

Officials are grappling with where all these quake refugees would go.

Read the whole story