



May 2018

Relocating for your career

Moving for a new job is a significant and stressful life event. There are many factors to consider when determining if the perks of moving outweigh the emotional and financial hardships that come with relocating. Review the following points to help determine whether moving for work is the best choice for you.

Steps of Consideration

Employment Situation: When evaluating whether or not to move for a new job, start with your current situation. Weigh how much you enjoy working for your current employer, the salary and benefits, as well as how your job helps grow your professional skills. Relocating for a new job may be vital to your career growth if your current location may not have the same opportunities. However, if the new job doesn't offer a significant financial upgrade over your current job, then moving may not be a worthwhile trade-off.

New Location: In addition to your current career, evaluate your living situation. Your current standard of living may be drastically different when relocating. The potential pay raise you get may not adequately cover the inflated standard of living. Additionally, if selling your current home and buying a new one will result in a significant loss of money, then relocating may not be a sound financial decision. Additionally, make sure that the new residence is a good fit for how your family lives. Research potential neighborhoods to make sure a new location is able to meet any of your potential needs.

Impact on Significant Other: Making your partner move for work will impact them as much as it will affect you. Your relocation will most likely result in your partner needing to find new work. If your partner has a career that is lucrative or has few openings, moving may hurt their professional future and cost your family more income than a new job would provide.

Impact on Your Children: Relocating will have a big impact on your children as well. Changing schools, leaving their friends and moving to a new city will be an extremely disruptive change for them. Ensure that your new neighborhood has a quality schooling system. A good school can both ease the difficulty of change as well as provide new learning opportunities.

Envision Your Future: Make sure you have stability and a long-term plan with the company for which you are relocating. If you don't have a set path for your career, you may end up going through the relocation process again in a few years.

Emotional Ties: You and your significant other may have deep personal relationships in your current city. Leaving your home, job, family and friends will make a move incredibly difficult. Make sure that you and your family are prepared for the emotional toll.

Paying for Relocation

Company Assistance: Oftentimes, your new employer will help you with moving expenses in order to encourage you to join their company. However, this may not always be the case. Before you make the decision to move and are stuck paying out of pocket, ask your new employer if it intends to offer you financial assistance.

Paying Out of Pocket for Relocation: If you are personally paying for relocation, you may be able to deduct the expenses from your taxes. However, there are requirements that must be met in order to qualify for this:

1. **Distance Requirements:** Must be at least 50 miles farther than your previous employer was from your initial home. For example, if you worked 10 miles from your job, your new home must be at least 60 miles away.
2. **Time Requirements:** Must work full time for at least 39 of the 52 weeks following the day you move. "Full time" is decided by your industry's requirements for full time and there is no universal number that must be met.
3. **Moving Expenses:** "Reasonable expenses" that come as a result of needing to move will most likely be deductible. This includes a storage locker for up to 30 days if there is a transition period when you are unable to complete the move (such as move-in date that comes a few days after moving out). Otherwise, "reasonable expenses" include gas for personal vehicle, parking costs, toll costs, and moving vehicles. Also, if you are moving a long distance, you can deduct airplane and train ticket costs.





Unlike most deductible expenses, you are permitted to claim the deduction before you know if you'll fully qualify for it. This is because the "12 month full time" stipulation might change your qualification.

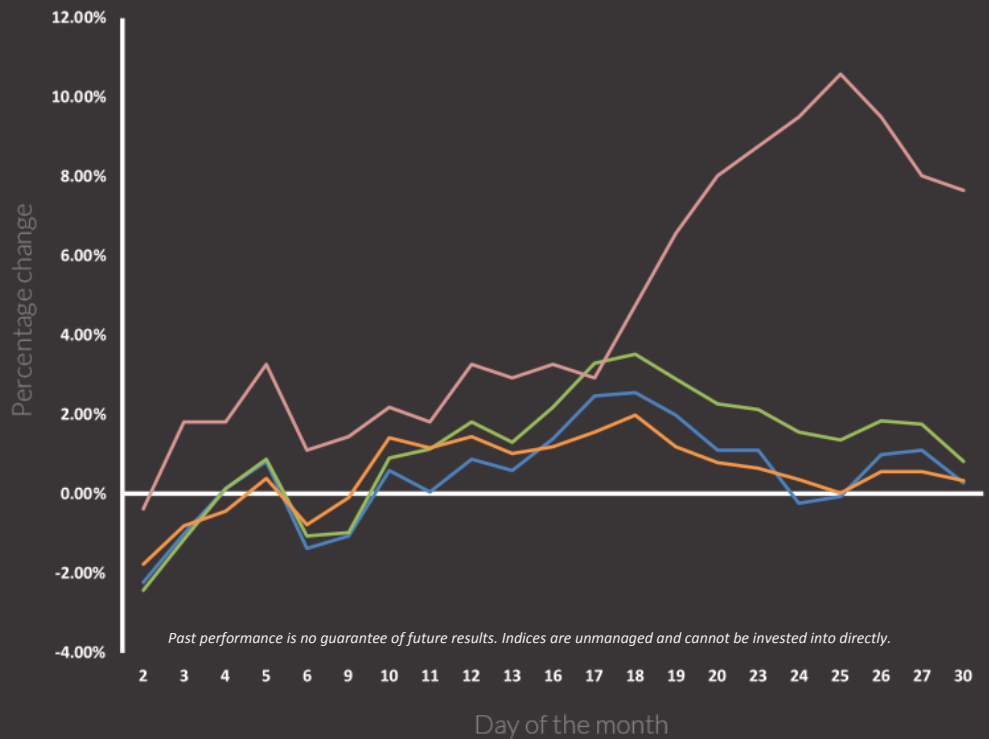
Deciding to relocate for your career may be difficult, as the move will impact many aspects of your life. But if you carefully consider how the decision will affect you and your family, it may ease the stress.



The market at a glance

April

 U.S. Large Cap (S&P 500)	2,648.05 (0.27%) ▲
 U.S. Mid/Small (Russell 2000)	1,541.88 (0.81%) ▲
 International Large (NYSE International 100)	5,674.16 (0.34%) ▲
 U.S. Treasuries (U.S. 10-year Treasury yield rate)	2.95 (7.66%) ▲



The market in action

- April opened with one of the largest technology IPOs ever when Spotify went public, gaining a \$29.5 billion valuation. Spotify's listing was unusual because it was a direct listing and offered shares without the help of a bank for underwriting purposes.
- Facebook founder and CEO Mark Zuckerberg made the trip to Capitol Hill for his first ever appearance before congress in the wake of exposed privacy concerns stemming from user data harvested without explicit permission by Cambridge Analytica.
- After years of war and high tension, the leaders of North Korea and South Korea convened in Seoul, South Korea. The meetings focused on the denuclearization of the Korean peninsula and the first steps towards peace negotiations. Additionally, this marked the first ever visit to South Korea by a North Korean leader.
- Optimism surrounding the media streaming giant Netflix soared after the company announced their first quarter earnings. The company saw big increases in subscribers and slightly beat out revenue estimates – all in the face of rising competition from Disney and Amazon.
- Impossible Foods, a company that makes meat directly from plants, has seen plans for rapid expansion as the addition of a \$114 million convertible note has raised total investments to nearly \$400 million. The company's staple food, the award winning Impossible Burger, can now be found in more than 1,000 restaurants across the entire United States.

Building a home

Owning real estate is one of the most significant — and expensive — investments most people will ever make. Though many prospective homeowners choose to live in an existing house or purchase from a planned development, buying land and building a house can be an incredibly exciting opportunity. Before you decide if building a house is right for you, consider what you will need when constructing your new home.

Preparing for construction

Setting a plan

In order to build a home, you will first need to set a clear plan. Selecting architectural designs for the house and the location of its construction are the two biggest decisions you will have to make and will determine much of the construction costs.

Broadly speaking, architectural plans fall into two categories: custom and prepared. Prepared plans are designs that a construction company already has on record and (likely) has experience building. These plans often have modular options, allowing buyers to mix components from different sample floorplans into their house. Because these homes use approved designs and building materials, the planning process and construction is usually faster and cheaper than a fully customized home.

While they typically take longer to build and require paying for a designer, custom homes are truly unique buildings with limitless design options. While many people want a custom home, it's best to first check the huge variety offered by prepared and modular blueprints; the extra money spent on custom designs might not be necessary.

Selecting and buying a plot of land

Selecting a plot of land to build on will vary for each person or family, depending on both lifestyle preferences and budget. Suburban plots of land will likely cost more than their rural counterparts,

and states with higher standards of living will also result in a higher price range.

While this will vary considerably depending upon where you are buying the land, as well as how large the plot is, be sure to factor in how much it will cost to buy the plot of land. In some areas where owning land is in high demand, the land itself may be worth much more than the eventual cost of building the house. In less in-demand areas, the construction of the house will likely exceed the cost of buying the land.

Hiring personnel

Once you have a design in place, hire contractors, inspectors, and construction personnel to help build your home. It is imperative to have your plans and budget in place before proceeding, as some lenders require this information in order to move forward.

Getting a loan

As stated earlier, to get a loan for the construction process, everything pertaining to building the home must be mapped out. Architectural plans, a construction timeline and a realistic budget estimate is required to apply for a loan.

It is important to note that due to the high risk of a construction project, interest rates on these loans are often higher than on regular mortgage loans. Additionally, construction loans are often far more complex than regular mortgages. Exact prerequisites and loan specifications will vary depending on your credit score and the bank from which you seek the loan.

Obtaining a permit

Before you break ground on your new home, be sure you obtain a permit to start construction. Check with your local government offices to file for the ability to begin construction on your house, as well as the conditions and cost of the permit.

The Risks of Building Your Own Home

Sunken costs

When purchasing property and building a home from the ground up, it is possible that the total cost will exceed the resale value, especially if the home is sold shortly after construction. Be wary that the luxury of building your own house may come at the cost of losing capital upon selling your property.

Excess

Excessive size and unnecessarily high-tech additions will add to the cost of a project that is already likely to be very expensive. Be sure not to go overboard and stretch your budget. This may be vital in sticking to the approximate cost you quoted on your loan as well.

Difficulty reselling

Compounded with the average amount of time it takes to move an “average” house, it may take longer to sell your house if it is expensive and highly personalized.

Going over budget

If your construction project runs into issues, you might incur a larger budget than you initially anticipated. With potential shortages in labor, weather delays and other issues, delays are very possible. Make sure you incorporate wiggle room in your budget in the event of unforeseen expenses and delays.



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