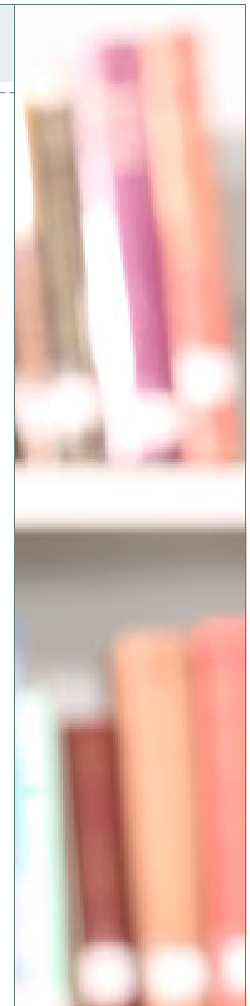
S.F. EHRLICH ASSOCIATES, INC.

November 15, 2025



Managing Your Money

STAN'S WORLD — HELPING OTHERS (RESPONSIBLY)

I engage in pro-bono work for a few non-profits, helping people with financial difficulties. In a society where the gap between the haves and have-nots is growing ever wider, I view my involvement as an obligation.

It might be a single parent who is having trouble juggling his/her bills on one salary, or a homeowner who is struggling to pay the mortgage. Sometimes it's a young family trying to make ends meet while trying to raise children. A recent case involved two seniors who got into financial trouble while trying to help their grandchildren. I got called in because their ability to continue to make rent payments looked less and less sustainable.

I suspect you've heard or read similar stories countless times; people on a fixed income who overextend to help a family member in distress. The details in this instance really aren't pertinent but suffice it to say this couple never envisioned they would have to file for bankruptcy in their 80's. Sadly, they're in the process of doing so.

The bigger point to be made is to what extent should we offer to help family members who are struggling with finances? The story of these seniors could be applied to any of us. Would you turn down an adult child, or grandchild, if they needed help? And if you did turn them down, how might that impact you emotionally? Or how might it affect your relationship with your family?

I recall a conversation from many years ago when I told a client that his plan to withdraw funds from savings to pay for college tuition for his children would jeopardize his retirement. He told me it was his obligation to pay the tuition, and he would work for as long as he had to until he could safely retire. In turn, I told him when we choose to retire isn't always our decision, and that you can borrow money for tuition, but you can't borrow money for retirement. I lost that argument, but in this business, losing an argument means we shift our obligation to try to make Plan B work, optimal or otherwise.

STAN'S WORLD — HELPING OTHERS (RESPONSIBLY) (CONT'D)

When it comes to family, there are ways to provide help without jeopardizing your own finances. Setting limits is a good place to start, though admittedly it may be difficult to do so due to unknown variables (e.g., how long? how much?). Setting limits means yes, an adult child may be able to return home to live, but for this many months and with a monthly payment to cover their rent and food costs. Setting limits means yes, you can help with a cash shortfall, but at a fixed amount for a set number of months. You can be generous, but not at a cost that will jeopardize your future.

Obviously, there are exceptions to all rules. If you have excess savings (e.g., more money than you need to support yourself in retirement), then parameters can obviously be expanded. But at what cost? Your generosity shouldn't lead an adult child, or an adult grandchild, to become dependent on your largesse. That sort of 'conditioning' can lead to a host of other personal familial complications.

If you find yourself in one of these predicaments, may I recommend you take advantage of having a personal financial planner. We're an objective third party that can look at a set of circumstances and help you to determine how much financial assistance is required, and for how long. While we don't have the counseling background to dive deeper into interpersonal relationships, we can help you to draw a line under what you can do, while also helping your loved one get back on his/her feet.

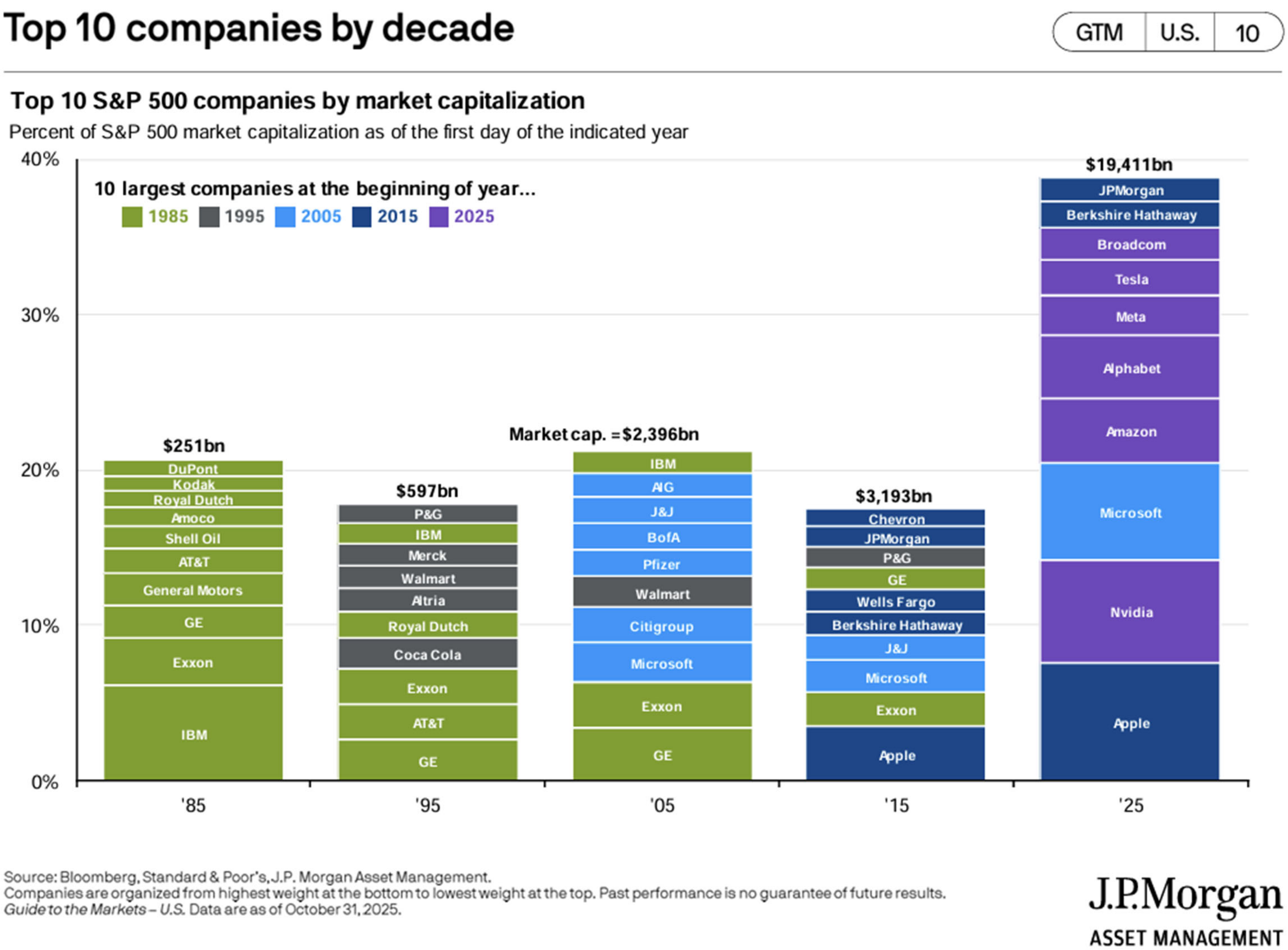
There's a dissatisfying expression that's sometimes used when a good deed goes awry: "No good deed goes unpunished." Maybe you've heard it, or perhaps even used it (I know I have), when you attempted to help someone, only to see things turn sour. Unfortunately, there are times when doing good doesn't generate positive results, either personally or on behalf of the intended recipient.

Life works in mysterious ways, and much to my chagrin, we're not always able to control each step. One of the reasons we're here is to help you to decipher some of those mysteries. Filing for bankruptcy in your 80's is a hell of a time to utter the words: "No good deed goes unpunished."

FUN WITH CHARTS

What a difference a decade makes

This is a different way[1] to look at a similar chart from the last newsletter which focused on the Magnificent 7 stocks and whether they can continue to stay on top and lead the markets. When it comes to investing, nothing is forever.



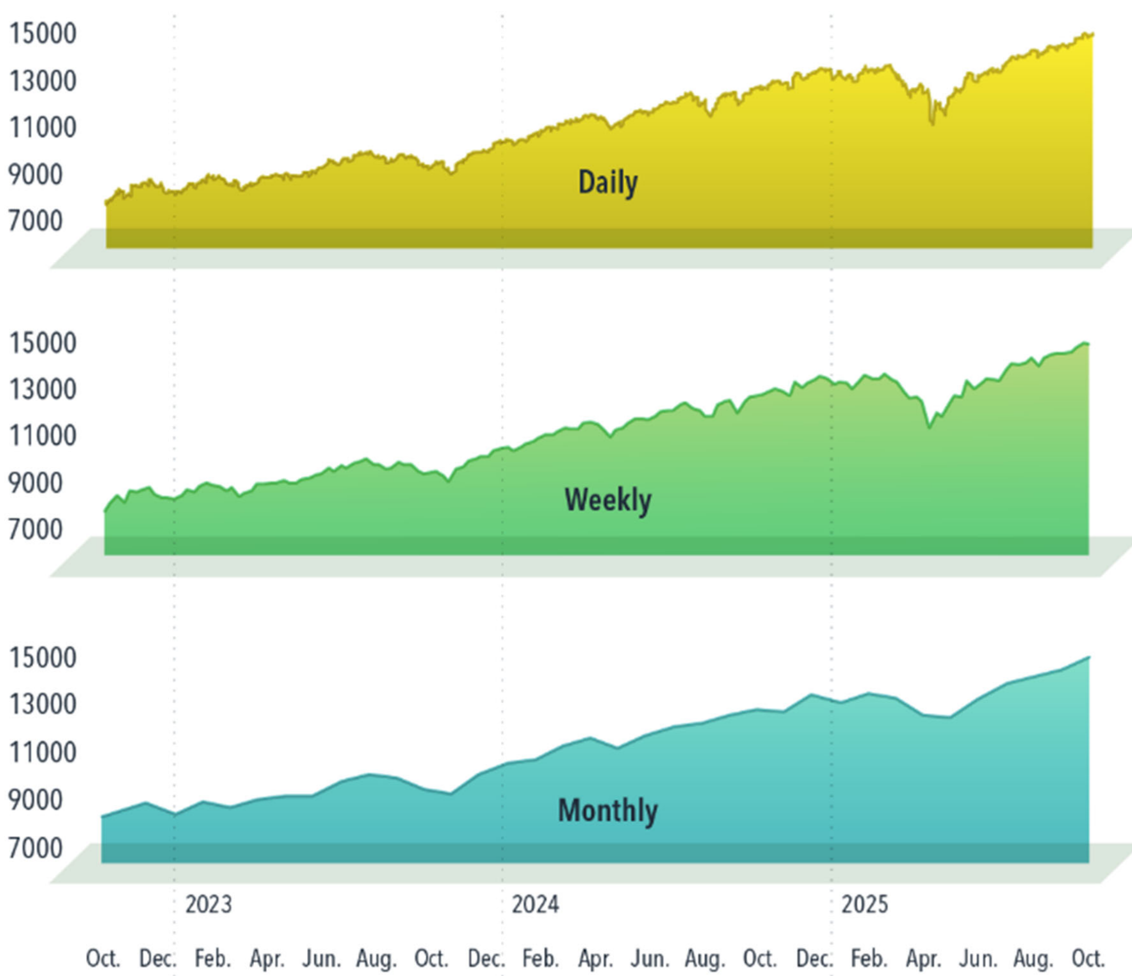
FUN WITH CHARTS (CONT'D)

Sometimes It Helps to Pay Less Attention

While you may enjoy watching the value of your portfolio go up during market upturns, watching it fall on down days can be deflating. So, here's a thought: don't watch the markets, and especially your portfolio, every day. See the chart[2] below and note how daily fluctuations even out if you watch the market less frequently.

S&P 500 Total Return Index Level

For the 3-year period ending September 30, 2025



HAVE YOU TRIED MAKING ANY DECISIONS USING THE 0.01% RULE?

Nick Maggiulli wrote about the 0.01% Rule in his book: "The Wealth Ladder." The concept is simple, and it's something we can all apply when we're spending a lot of mental energy on relatively small spending decisions. (Of course, there's a caveat as to how many times we may want to use that rule. Please see below.)

As noted in the Wall Street Journal[3]: "The world of personal finance is already replete with numerical "rules" for how to spend. The 50/30/20 rule suggests proportions of needs, wants and savings for a monthly budget."

"The 4% rule tells retirees how much they can safely withdraw from their savings each year.

"The 0.01% rule isn't part of a long-term plan, but rather a yardstick to pull out in moments of indecision." Adds Maggiulli, "It's a sanity check on your spend."

In brief, the 0.01% rule states "that if you are torn about making a purchase, you don't need to stress about it if the amount of money at stake is 0.01% or less of your net worth. Someone with $500,000 in wealth could spend $50 worry-free…"

While using the 0.01% rule to make one-off decisions might actually be useful (e.g., Should I pay for extra legroom for a long flight? Should I treat myself to tickets to see a show?), a problem might occur when someone uses that rule on a constant basis. Using the 0.1% rule a few times a week is unlikely to change your financial trajectory, while applying the rule a few times a day might. For someone with a net worth of $500,000, spending an extra $50 once or twice per week is unlikely to have a negative long-term impact. Conversely, small additions to spending may even add to how much you enjoy life.

The 0.01% rule is probably best applied to people who have more significant means but who still agonize over small spending decisions. Someone with a net worth of $5 million, for example, may balk at the added cost for an upgraded hotel stay. Applying the 0.01% rule in that instance would translate to an additional one-time spend of up to $500, perhaps sufficient to pay for a hotel upgrade, or an additional legroom seat, or Doordash fees.

If you've worked a lifetime to get to where you are and you're comfortable with your financial situation, the 0.01% rule will likely allow you to enjoy some extra perks, with little or no guilt. If the math works for you the next time you're in a quandary about spending a few extra dollars, don't waste time arguing with YES. Take the win and move on.

HAVE YOU TRIED MAKING ANY DECISIONS USING THE 0.01% RULE? (CONT'D)

NOTE: If you want to calculate your personal 0.01% rule, please use the correct multiplier. Take your net worth, which may or may not include your home, and multiply it by 0.0001, not 0.01. Thus, a net worth of $2,000,000 x .0001 equals $200, which is 1/100 of 1% of $2,000,000. Please take note if you use the wrong multiplier: $2,000,000 x .01 equals $20,000, which is 1% of $2,000,000. Even with $2,000,000, spending an extra $20,000 a few times per week will definitely impact your financial plan!

(The reason why this is referred to as the 0.01% rule is because we commonly write percentages as whole numbers, such as 10%. Thus, 1/100 of 10% is often written as .01. But if you were to open your 65-year-old elementary school textbook, it's likely you would see 10% written as 00.10. We would refer you to your grandchild's math textbook, but things have changed so much we can't even get past the Table of Contents.)

S.F. EHRLICH ASSOCIATES, INC.

S.F. Ehrlich Associates, Inc. has been providing financial advice on a fee-only, independent basis for over 25 years.

Managing Your Money is compiled entirely by Stanley F. Ehrlich and John Zeltmann.

Questions or comments are always welcome (and encouraged!).

Did we mention? If you have a friend or family member who you think might benefit from a discussion with us about financial planning and asset management, please pass along our phone number and email address. Long-term growth is not only crucial to portfolios, it's also critical to a business.

If you have a friend, co-worker, or relative who's in need of financial advice due to a pending or actual job loss, please give them our contact information. We're always glad to speak **pro bono** with people who need a hand.

CLIENTS: Please remember to contact S.F. Ehrlich if: a) there are any changes in your financial situation or investment objectives, b) you wish to impose, add or modify any reasonable restrictions to our investment management services, or c) you've changed your permanent residence.

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[1] "Top 10 companies by decade," Slide 10, Guide to Retirement, J.P. Morgan. Q3 2025.
[2] Crill, PhD, Wes. "Sometimes It Helps to Pay Less Attention." Dimensional, 23 Oct. 2025.
[3] Pinsker, Joe. "On the Fence About a Decision on Spending? Try the 0.01% Rule." The Wall Street Journal, 13 Sept. 2025.

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