



Your Blue Rock Advisors Newsletter

July 2010

Special points of interest:

- Gross Domestic Income?
- Money Saving Tips
- Financial

Terminology 101

We hope you are
enjoying your
summer!



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Follow the Money

In the last issue we talked about taxes as an inevitability. That article focused on steps to minimize the impact of taxes on your investment returns. This time we're going to talk about taxes as an economic indicator.

Usually we don't have anything good to say about taxes; but, there is one hidden positive thing. If you're paying taxes, it should mean that you're making or made money. That is why we can look at tax receipts as indication of how well (or not so well we're doing). The good ol' US Treasury De-

partment offers some data in this area.

Most people remember GDP (or Gross Domestic Product) from ECON



101. Just in case you've forgotten, GDP sums the value of all goods and services sold to final users and hopefully, it's going up over last year. If it hasn't, it's an indication that our

economy is shrinking or contracting.

GDP is a widely used indicator and usually a good pulse on the economy; however, there is another that is often overlooked. This is GDI or Gross Domestic Income. The Bureau of Economic Analysis also reports GDI. One way to follow the income side is following the tax receipts collected by the US Treasury Department. These can be from individuals and corporations. As of this month, receipts from federal income-tax withholdings are up about 5% from a year ago.

Financial Terminology 101: Capital Gains

A capital gain is an increase in the value of an investment (such as a stock or real property) over the purchase price. This type of gain is not realized until the asset is sold. The opposite of this is a capital loss meaning the value has decreased from the purchase price.





**“The Decisions
You Make
Today
Determine the
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Tomorrow”**



Follow the Money *(Continued from First Page)*

A bigger increase has been seen in corporate tax payments. On June 15th, companies made tax payments reflecting a 9.2% increase over last year.

Our initial reports on corporate earnings have also been strong for the second quarter overall. While it is still early, Alcoa, Morgan Stanley, In-

tel, Wells Fargo and JPMorgan have reported strong results for the quarter meeting or exceeding expectations.

While we have lagging areas of the economy in housing and jobs, looking at income on the individual and corporate level points to reasons for optimism about our economic recovery.



Source: “Income Flows and Tax Receipts Offer a More Upbeat View of the US Economy,” Alliance Bernstein US Perspectives White Paper — July 16, 2010.

Money Saving Tip of the Month: **REBATES**

Ever wonder why rebates are so popular with manufacturers and retailers? The biggest reason is that they are often never submitted for reimbursement.

Our money saving tip for this month is to be sure and send away for and follow up on rebates.



Right after your purchase, send the form in and give yourself a reminder to follow up with the money if your rebate check has not been received.

About Blue Rock Advisors

When it comes to planning one’s financial future, people need help. We believe that everyone deserves to have a financial plan, not just those who can afford a financial advisor. We believe the basis for your financial plan should reflect the kind of person you are. One thing to bear in mind: the best financial plans aren’t about having a lot of money, they’re about being as smart as you can be with how ever much money you have.

Blue Rock Advisors is an independent financial planning firm based in Winston-Salem, NC. To find out more, visit us on the web or call:

<http://www.mybluerockadvisors.com>

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