

# Financial Training Summary for 1099 Real Estate Professionals

## 1. Summary of Key Points from Adam (Accountant)

1. You are a business - as a 1099 contractor, treat yourself like a sole proprietor.
2. Use a separate bank account and credit card to track business expenses.
3. Maintain a basic profit & loss statement in Excel or QuickBooks.
4. Deduct common business expenses: travel, meals (50%), marketing, phone, rent, home office, etc.
5. Commonly missed deductions: utilities, phone, misclassified meals, retirement contributions.
6. LLCs don't save tax unless you elect S-Corp status (worth considering around \$125K net income).
7. Pay quarterly taxes: either 110% of prior year or 90% of current year to avoid penalties.
8. As a real estate pro, you can deduct passive losses (like depreciation) against active income.
9. Use depreciation to reduce taxable income on real estate investments or renovations.
10. Track all income and deductions monthly and reconcile with your statements.

## 2. Summary of Key Points from Bill (Financial Planner)

1. Start saving for retirement immediately - the earlier, the better due to compound interest.
2. Aim to save 10-12% of gross income consistently.
3. Start with a Roth IRA (up to \$7,000/year if under 50); ideal for lower income levels.
4. Use providers like Vanguard, Fidelity, Schwab, or E-Trade to open your account.
5. Automate contributions every time you're paid, even if sporadically.
6. Once income rises, consider SEP IRA or Solo 401(k) to save more tax-efficiently.
7. Invest in diversified ETFs (not individual stocks) to build long-term wealth.
8. Stay invested - compounding requires time in the market.
9. You likely don't need a financial advisor until you're saving ~\$25K-\$50K or have complexity.
10. A good fiduciary advisor can provide ROI through strategy, support, and smarter decisions.

## 3. Combined Action Plan for 1099 Professionals

1. Open a separate business bank account and credit card.
2. Track income and expenses monthly; use a simple spreadsheet or QuickBooks.
3. Deduct all legitimate business expenses including home office, internet, marketing, and travel.
4. Make quarterly estimated tax payments - aim to save 30% of income for taxes.
5. Open a Roth IRA and contribute up to \$7,000 per year (if under age 50).
6. Automate contributions based on your income cadence; start even with small amounts.
7. Invest using ETFs for diversification; avoid individual stock picking.
8. Let investments grow long-term - avoid pulling money early unless it qualifies for an exception.
9. Consider SEP IRA or Solo 401(k) when you exceed Roth limits or earn more.
10. Hire a CPA for proactive planning when income hits \$75K+ and an advisor at \$25K+ in savings.