

The right time!

The right time to begin getting your financial ducks in a row is never. Something always comes up. People in America have what I refer to as checkbook syndrome. Everything that ends up in the checkbook is spent. Some is spent on necessities such as food, shelter, etc. (the air we breathe is currently free but I'm sure some entrepreneur will come up with a way to sell it to us soon) and the rest is spent on luxuries such as bigger, better and more things. Everyone wants a bargain. Some find so many bargains they need a larger home to store their bargains or rent storage space to house the bargains. Since there is no good time, just do it. After you've committed there will be a difference in your life for a few months, but then it becomes part of your very being and you'll forget you ever did it. Don't wait, time is your greatest ally with finances and the longer you wait, the more you lose on the accumulation and receiving end.

Beginning on page 2, Invasion

Be organized this tax season

In the past few weeks you should have been inundated with tax forms. Consider keeping a special folder for your forms and insert them into the folder as you receive them. There will probably be a few stragglers that did not get out by the January 31st deadline so keep an eye out for them and put them into the folder when they arrive. Organization makes tax time so much easier. I know it seems intimidating and complicated, but if you know where everything is it makes it that much easier to get through it. Just being organized will allow you to maximize your chances to get all the deductions you deserve. Your tax preparer will likely be asking you questions about what transpired over the past year. You don't need to become a tax expert – let the Accountants worry about that, just be organized. If you have tax related questions, call in now to discuss them rather than waiting until April 14th. If we don't have the answer we certainly know where to get it.



How much a gallon?

There are things we buy every day and other things we buy very infrequently. Take things we often buy in gallon containers and consider how much you pay for them – in various sizes. It often amazes me how packaging is an important component, likely one of the main components, in determining the price of an item, even a gallon of “stuff.” The first thing to come to my mind in gallon quantity is gasoline, home heating oil

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The biggest risk!

There are many forms of financial risk – currency risk, market risk, credit risk, company risk, industry risk, economic risk (don't forget crooked executive risk). And the list goes on and on. I'll submit to you that the biggest risk is inflation risk. What the dollar buys today it will not buy in five, ten, twenty or thirty years. It will continue to buy less and less each year. We don't feel this risk, so I refer to it as the stealth. Many people I see have said to me that they paid more for their last automobile than for their first home. That is inflation. The government has come up with an acronym to follow it – the CPI (Consumer Price Index.) Can the government do anything without an acronym? They're going to need a new acronym for politicians who vote themselves out of this world pay plans.

The bottom line is things keep getting more expensive. If you retire today and avoid cancer & heart disease there's a reasonably good chance that you may see your 90th birthday. If that's the case your income will need to triple to keep up with the increase in price of the things around you. If you have \$70,000 in retirement income today, you'll need \$210,000 in thirty years to buy what \$70,000 buys today. Although most people focus on account balances, the focus should be placed on annual after tax income. It is not about the account value, its all about the after-tax income you can spend and enjoy. Remember, 0% return is equal to 3.1% after tax. Inflation has averaged 3.1% from 1919 to today. Lower now and higher in times such as the late 70's. If you are not earning at least 3.1% after tax on your money you are actually losing money to inflation. Did they tell you that when you opened that bank account?

Simple & Consolidated

We stress simple here in the world of finance. It seems as though everywhere you turn people want

you to believe finance is so high tech and incredibly complicated you couldn't possibly understand it. That is just not true. We always try to put things in plain English so you can understand them and make conscious, responsible decisions that are right for you and your family.

The real issue in finance is trying to find what information is legitimate and what is smoke and mirrors. There are so many sources of information today that most folks don't know which one to trust, where to turn or whom to believe. You can always rely on us for consistent, accurate information for any of your concerns. If you are free Tuesday evenings from 6:00 – 7:00, tune in to the radio show for fun financial discussions. We don't have the slickest marketing materials or the fanciest pie charts, graphs and tables. The legal pad is often the tool of choice to explain things to you in an understandable format.

I want to know what type of learner you are so that I can communicate with you in a way that allows you to absorb the most information. Many firms try to dazzle the public with sizzle, flash and fast talk. We have an old fashioned approach where we care about you, listen to your concerns and help solve your problems. You don't get anything from being talked at or over, you need to be spoken to, listened to, cared for and advised.

So many of the people I see for the first time have assets spread all over the place. Five, ten or fifteen accounts all at different places causing a flood of paperwork every quarter. The financial industry has a special hidden agenda and that is to destroy all remaining rainforests on the planet. Consolidation doesn't mean having all of your eggs in one basket. Consolidation means just getting less paperwork and making the whole financial process easier to understand and more comfortable. When things are simple and consolidated most people feel comfortable and at ease with finances. All of the mystery and complication is gone and the little voice inside of you that worries about finances goes to sleep. If you or anyone you care for would like to put the little voice to sleep, call anytime.



NOTEWORTHY NEWS ! ! !



Time to sharpen your pencils, there were no correct calculations for the math on last months quiz.

Congratulations to Tony & Cecelia Cence on the birth of their grandson Matthew Henry.

Congratulations to Ziggy & Virginia Maciokas on the birth of their grandson Hunter.

Congratulations to the Garfield family. Sgt. John Garfield was part of the team that captured global tyrant Saddam Hussein. He has been in Iraq for a year and his wife is expecting a baby any day.

Congratulations to all of the men & women who work tirelessly every day in our armed services both here and abroad. Where would we be without them? They are all heroes!

Our condolences to Andy & Cathy Nygren on the passing of Andy's mom.

If anything special occurs in your life, good or bad, be sure to notify the office for advice and you'll be included in the noteworthy news section of the newsletter.



CALENDAR OF EVENTS

How To Preserve & Increase Your Wealth in These Turbulent Times. Learn how to become a wealth creator in everything you do and stop the erosion of your wealth that benefits the government and the financial institutions. April 1st & 8th from 6:00 – 8:30 pm. Wolcott High School 457 Boundline Road, Wolcott, CT 06716. Call 203-879-8423 to enroll in this class.

Investing 101 Unsure of how to invest your hard earned savings? Tired of your money languishing in a bank account? Learn how to develop a portfolio that rivals the pros and learn how diversification and asset allocation works.

- Thomaston High School February 23rd & March 1st 6:00 -8:30 call 860 283 3030 to enroll in the class
- Northwestern Regional High School March 15th & 22nd. 6:00 – 8:30. Call 860-379-8525 X 2630 to enroll.

Continued from page 1, by the gallon

and milk. What are the prices of these things? I regularly see gasoline selling for somewhere between \$1.50 and \$1.90 a gallon, depending on whether you need jet fuel or basic gasoline. As a kid we used to buy a very high octane gasoline called "Turbo Blue" for our old muscle cars and it sold for about \$3.00 a gallon in the 1980's.

Home heating oil is something that swings in price depending on how much you need it. When the summer is here and we don't need it much, the price is relatively low, somewhere near \$1.00. I've been told that lately some folks have paid as much as \$2.00 a gallon. Consider buying an oil contract where you pay a fixed price that cannot go up but if the price goes down during the winter chill (not likely) you'll be entitled to the lower price. It has been so cold around here lately that I feel warm when its 30 degrees. That is scary.

Milk is somewhere between \$2.00 and \$3.50 depending on where you buy it and whether or not you use a coupon. You'll typically pay more for convenience at Cumberland Farms or 7-11 and less at discount stores or warehouse stores.

Take a moment to consider how much you pay for some other things per gallon that may not come in gallon quantities. Oil for you car is about \$1.50 a quart or \$6.00 a gallon. A bottle of "spring water" is \$1.00 and that ends up being \$10.66 a gallon. My little girls love "drinkable yogurts" that they bend you over a barrel for. They sell them in four 3.1oz containers per carton for \$3.19. That makes them \$32.92 a gallon. (We now buy a large container of yogurt and blend it to make our own drinkable yogurt concoction for under \$2.00 a gallon-the girls love it) A 2 oz container of vanilla extract is \$1.79. That's \$114.56 a gallon. Dunkin Donuts Coffee is \$1.79 a cup and that translates to \$22.91 a gallon. A specialty 1/2oz of nail polish is \$10.00 at the salon. That is an amazing \$2560.00 a gallon. 1.7oz of perfume at Filenes is \$90.00. That's \$6776.00 a gallon. Think about the price of things before you buy them on a relative basis. You can buy many things for less than water. People complain about \$1.50 for gasoline and wait in line to pay \$22.91 a gallon for Dunkin Donuts Coffee.



MONEY QUIZ

- 1) What is the best money saving idea you use on a regular basis? It could be anything from clipping coupons to the best way you know of to buy something. Please share your successes with us and we'll reward the most innovative idea.

Email, fax, call or mail your answers to the office. The first correct answer will win a free dinner or a free massage, your choice.

Last month there was no winner but the answer was 5%. Many of you had the right idea that the lower rate of return on a tax favored basis is worth more, but nobody could do the math to prove it. Call for details.

What's in your wallet?

I keep a list of everything that is in my wallet, except the cash, which is constantly rotating in and out. If you ever lose or misplace your wallet you'll wish you had such a list. I cannot believe the list is so long. The obvious things live in most wallets – driver's license, photo id, library card, etc. My wallet has many residents, so many that I feel obligated to evict some of them, but on occasion I'll need them so I accept defeat. Just about every supermarket in America causes us to have a special "card" to enjoy what they call savings. (yeah, right.) I've got a card for the gym, three credit cards-Discover, MasterCard & Visa. I don't keep any specialty store cards but I've seen some people that had so many, when laid end to end are taller than I am. Then there is the magnetic key to my office, a spare key to my car and pictures of my family. The pictures are the only part I care about, the rest of it is a necessary evil. Consider making such a list for yourself. A copy of everything in your wallet works well too. If you would like our template, call anytime.

Municipal Pension Minutia

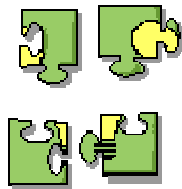
The state and local governments are getting pretty slick at enticing our civil servants to take pensions early, based on emotion. As a general rule, you never want to make financial decisions with emotion. You want to operate only in the realm of logic and reason. What the new employer trend is to take a particular topic and heat it up emotionally to take the focus off of the real issue.

Most recently many employers have used this negotiation tactic to drive people to make emotional decisions that are actually in the best interests of the employer, not the employee. When you go to make such decisions, try and protect your interests along with your families. If you don't feel 100% comfortable in the decision making process please call the office and consult us prior to signing on the dotted line. We've seen several people who have come to see us after making such a decision, an unfortunately irrevocable decision. At that point in time there is nothing that can be done to change it so for that individual the point is moot. Others can still be helped and educated so they are not duped into making the same mistake. If anyone you know and care for is in this type of situation have them call us so we can help them sort it out and protect their interests.

We'll often get the question as to what should be done with pensions when it comes to cash out or annual payments. The answer lies in the numbers and your risk tolerance. Once we have the numbers we can calculate what method is more beneficial for you based on how you would like to invest the money. Some feel warm and fuzzy inside if they are just getting a monthly payment on a guaranteed basis. You can get that payment on your own or through the pension plan. Other people feel they are better served if they can control the principal and when they are done, leave it to their heirs or a charity. You'll likely get a better lifetime income stream if you choose to control the cash. Whatever you choose, be sure your decision is an educated one.

Inspirational Quotes

- Champions are afraid of losing, everyone else if afraid of winning, Billie Jean King
- A college degree may open doors, but for those who are truly motivated, they can open their own doors, Leslie Kesterson
- Avoid the crowd, do your own thinking independently. Be the chess player, not the chess piece, Ralph Charell
- If you want something, don't wish for it, work for it, life is too short to wait, Stephen Hines
- If you are waiting for someone to believe in you, you'll be waiting forever, you must believe in yourself, Cher



To Your Good Health

As long as we have our health, everything is great. Once we lose our health, nothing matters. We insure against losing our health, something I hope none of us use. Be sure to spend some time each and every day to keep yourself in the best health possible. With our busy schedules we often decide there is no time to exercise. The reality is that we just haven't prioritized it. I cannot think of anything that should have a higher priority than our health! Without it we can do nothing. It is all about attitude and regular exercise will go a long way towards keeping you and your loved ones happy as time unfolds. I want to see my portfolio grow, not my waist so I regularly play basketball. What are you doing on a regular basis to keep healthy? If you do nothing to stay healthy its time to change your bad habits and start sweating to the oldies, hopefully 3-4 times weekly.

If anyone you care about would benefit from receiving this newsletter, tell us who they are and they will be included on our mailing list. I'm sure they'll appreciate you thinking about them and having their best interests at heart.

Name _____

Address _____

City _____ State _____ Zip Code _____

Name _____

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Please think of us whenever you or someone you care for needs the following:

- Stock option analysis, diversification
- Pensions - qualified and non qualified
- Family Protection Strategies
- Life Insurance
- Investments & Investment Advice
- Business Protection & Succession
- Retirement Plans
- College Funding
- Tax Savings Strategies
- College Financial Aid Strategies
- Required Minimum Distributions
- Debt & Cash Flow Management
- Employment contract negotiations
- Settlement option analysis
- Financial Advice - hourly or annual retainer
- Fee based investment management
- In depth portfolio analysis
- Estate & Income Tax Planning
- Distribution of Assets – IRA, 401(k), etc.
- Retirement Income–Guaranteed or variable
- Disability Income Insurance
- Widow/Widower Assistance
- Nursing Home Asset Protection Strategies
- Long Term Care Insurance & Issues
- Key employee retention strategies
- 401(k) & Retirement Plan Rollovers
- Philanthropic gifting & charitable planning
- Trust, inheritance and foundation planning

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