

Savings Stats

The average American is saving a staggering 2.2% of their income. To be comfortable in the future, well protected and prepared in case of emergency or disaster you need to be saving 15 - 20% of your gross income. This isn't going to happen overnight, but the good news is that this can be accomplished without changing your current lifestyle. Most people procrastinate getting their financial house in order because they believe that in order to save, their current lifestyle has to be miserable. By changing the way you handle your finances and your mindset, you'll be amazed how easily this transformation can happen. Would you prefer to be in control of your future or would you rather the Government and financial institutions determine your fate? If you'd like to begin getting your financial house in order or kick it up a notch, call the office and we'll get you going.



Habits - Good & Bad

What is the main difference between success and failure? I submit that habits and attitude play a vital role in anything and everything we do. Most of us are on "auto-pilot" when it comes to many things we do

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Lottery & the State

There are a plethora of lottery type games in the world today. I don't "play" any of them but some quick research shows me there are many more games than I thought. Here is a quick sampling: Lotto, Classic Lotto (what's the difference?), Powerball, Cash 5, Middyay 3 & 4, Play 3 & 4, and Scratch games. Too many! If you were to inspect the accounting records for the State or Government body sponsoring the "games" it may interest you to see what category these "games" fall under. Voluntary Income Tax is the category. I don't know about you, but I pay too much mandatory income tax so the chance of me volunteering my hard earned money to the Government is zero. It is sad to me that games are marketed so well and aggressively to the public. Take the same resources and market financial education to the public and likely save on Government assistance programs for those who are unprepared for emergency and need to be bailed out by the system.



Acronyms "R" us

What does the (k) in 401(k) stand for? In the last few years as many have lost money in investments, I jokingly say it stands for Kaput. In reality, it is just part of the IRS tax code defining a certain breed of retirement plan. Since most things the IRS and the Government do involve acronyms, I feel there may be a secret branch of these Government bodies that nobody

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each day. If you look at many of your daily routines they are habitual and it's hard to break them. I've heard it takes 30 days for a person to break a habit. When it comes to finances and many other parts of your life you have either built good or bad habits. You have the choice of either deliberately creating good habits or creating bad habits by default. The difference between financial success or failure is a product of your mental attitude and your habits. We help people by transforming old destructive habits into new, profitable ones. In America, anyone can choose how to live and what path to take. In choosing that path, be careful whom you take advice from. The path that is heavily worn is traveled by most of the population but most people are not financially successful so don't listen to them.



Who Needs Your Social Security Number ?

When I was in college, my social security number was my identity, without it, I didn't exist. My name didn't matter, I was a know it all kid with a number. With 25,000 students at the college, most people don't know who you are. In the military it is very much the same, everything revolves around your social security number.

Before entering college, I hadn't the faintest idea what my social security number was but memorized it quickly after realizing its importance. In 2004 society places a tremendous amount of importance on that number, perhaps more than in the 80's. With identity theft being the issue it is I recommend you protect that number from the grips of brilliant criminal minds. (Many criminals are so smart I often wonder why they don't focus on a legitimate business, in which they'd likely be very successful.)

After our country was attacked on September 11, 2001 the Government passed new laws requiring financial institutions to check the identity of those doing business making financial transactions. This is why we now need copies of ID such as driver's licenses, passports and state ID cards prior to allowing anyone

to "move money."

Any type of financial institution has the legitimate right to ask for your social security number. Social Security Administration (obviously), Motor Vehicle, Employers, IRS, Mortgage Companies, Bank's, Brokerages, Insurance Companies (investment product's, not insurance coverage - anything involving taxes) You do need to provide that number or you'll be denied the opportunity to make financial transactions. Financial institutions are now part of the nations police force in finding criminal's moving money. As you probably know, I despise paperwork but for this purpose I welcome it, hoping that 9/11 will never be repeated anywhere in the world.

There are many businesses that ask for your social security number, but don't need it. They include colleges (had I known I still would have given it, but the choice is yours) physicians, utility companies, service businesses, schools and mail order businesses. When you pay by credit card, they do not need your social security number to process the charge. Some businesses will demand it because "its policy." You can choose not to do business with them if they are going to enforce such a policy.

California, New York and Arizona are leading the way in protecting consumer's rights in using, storing and publishing social security numbers. Hopefully, as time unfolds identity theft will be reeled in and there will be more substantial penalties for this terrible act.

The way things are mailed to you have recently changed. Notice your next Social Security statement, it only has the last four digits of your number, not the whole number. If you keep your records look back a few years and you'll see the whole number. Many other pieces of mail such as investment statements, pay stubs, financial institution paperwork now completely exclude the number or only show a few of the initial or ending digits. Keep safe track of this number and be sure you protect and guard it. Don't give it out unless absolutely necessary and be very careful of where you type it in online.

Noteworthy News !!!



Time to sharpen your pencil, there were no correct answers to last months Quiz. Many guesses have been coming in, but unfortunately not a single correct answer. Hopefully there will be more success this month. June's quiz answer is 20%. May's quiz answer is uncopyrightable.

Congratulations to Gene Torrence on his recent promotion to Chief of Police in Thomaston.

Congratulations to Kathy Pepin and Steve Roussel on their marriage on July 3rd.

Congratulations to Adam Grace & Paula Perreault on their marriage on June 5th.

Congratulations to Pat Munill on her recent retirement from the Town of Thomaston.

Congratulations to Al Shuckra on his recent retirement.

Congratulations to Dennis & Susan LaPerriere on the birth of their granddaughter, Taylor Rose on June 22nd.

Congratulations to John & Marcie Gordon on the birth of their grandson, Desmond Gordon on May 27th.

Congratulations to Ziggy & Virginia Maciokas on building their new home in Palm Coast, FL.

Our condolences to Jim & Beth Campbell and family on the passing of Jim's brother.

Our condolences to Alice Dornemann and her family on the passing of her mother.

Our condolences to Joan Schultz and her family on the passing of her mother.

Our condolences to Carolyn Cartland and her family on the passing of her father.

A Final Thought

“To laugh often and love much; to win the respect of intelligent persons and the affection of children, to earn the approbation of honest critics; to appreciate beauty; to give of one's self, to leave the world a bit better, whether by a healthy child, a garden patch or a redeemed social condition; to have played and laughed with enthusiasm and sung with exultation; to know even one life has breathed easier because you have lived – this is to have succeeded.” – Ralph Waldo Emerson

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realizes exists, which is the department of Acronyms. A law, bill or any other type of legislation needs to get through the department of acronyms before it can be made official. This is part of the mystery in finance. People don't know what all of these issues stand for. The computer industry has taken note of this trend as everything related to computers is based on acronyms too. I advocate simplifying the whole process and getting rid of all of the confusion. If there are things you don't understand, feel free to use us as a resource to clear up the waters so you have a crystal clear understanding of the issues and can make conscious, responsible decisions for your future and the future of those you care about.



Social Security Was ?

Introduced in 1935 and had the following rules:

- Participation would be voluntary
- Participants would only have to pay 1% of their first \$1400.00 in annual wages (\$14.00)
- Contributions would be tax – deductible
- Contributions would go into a “trust fund” that could not be used for general Government operations
- Annuity retirement payments would never be taxable as ordinary income

And Now Here is what it is.....

- Participation is mandatory
- Participants pay 6.2% (12.4% if self employed) of wages up to \$87,900.00 (\$10899.60) Plus Medicare 1.45% (2.9% if self employed, no cap)
- Contributions are not deductible (50% deductible if self employed)
- Trust fund still exists but is raided from time to time as elected officials see fit
- 85% of retirement income is taxable to most retirees



Money Quiz

What is the most (on a % basis) you could lose to tax(es) on an asset you leave to a child assuming you are a Connecticut resident the day you die?

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.

T-Boned, We're Not Talking About Steak !

My car has been repaired from the accident and I'm happy to say it is perfect. It looks virtually brand new (it's a 1995 model year) and goes perfectly straight down the road without any rattles, squeaks, shakes or wiggles. There is absolutely no wind noise at high speed (65 isn't high speed – I've got the same problem Sammy Hagar has, I certainly cannot drive 55) and all of the parts open and close without a sticking, hitching or grinding. The body panels are as smooth as glass and you would never know substantial body work and panel replacement had occurred. I'm truly picky and have a fair amount of auto body knowledge as I painted cars during my college years to help earn my way through school. This is amazing craftsmanship that you don't see much anymore. I was always under the impression once a car was hit pretty hard it was junk and couldn't be retuned to like new condition. The quality of this job has changed my mind on this subject. It's great to see there are still craftsmen in the world rather than factories just churning out volume.

Living Reality TV!

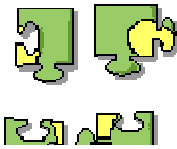
The newest television rage is reality shows. As I share this with you, Betsy (Cupcake) is watching the Last Comic Standing. Although I find this show comical, many of these shows are dreadful. Drama sells in America, even at the expense of people's character, reputation and integrity. This new phenomenon is one we are all living but it takes a whole lot more than sixty minutes to unfold and it is not for America to watch - the reality of our financial lives. Why does such minutia sell in our society? Get a group of people together, inject intense emotion and Voilá, you've got a hit series. The same thing happens in our financial world. Did you ever notice that in the world of finance, we all compare ourselves to other people – the drama. Am I doing the right thing if my neighbor, cousin, brother, parent, friend is doing something different? It doesn't matter what others are doing, just be sure you've got your financial house in order and are progressing towards your individual goals. Each person is unique, has different objectives, different resources, etc. It is impossible to have a generic formula for financial success. There is no race here; it's not the Financial Indy 500, it's just life. Comedy and entertainment is when people make financial decisions based on a magazine article or a casual conversation at a cocktail party. Comedy is when the "guru's" in the media write generic financial prescriptions without knowing a thing about the patient. Nobody can help you unless they know about you and have a good understanding of where you are, your values and where you want to go. You can really harm yourself financially by allowing others to influence you. What if you were sick and went to see your doctor? You have a headache and tell the doc that she can only look at your head. She cannot look below your neck or take blood pressure, pulse, weight, x-rays, etc. She'd tell you to get out, she cannot help you without seeing the big picture, taking measurements and perhaps some tests. The same is true of your finances. Try not to look at things in a vacuum, look at the big picture and create a true financial plan that addresses your whole life, all of your assets and issues. People tend to accumulate assets over the decades and address one issue at a time. That process is a recipe for potential financial disaster.

Starting Over

It's been a tough couple of months and too many of the people we help have been called by a higher power. It hurts me deeply to see how difficult it is to pick up the pieces and start over when a loved one passes on. It is an honor to help people by giving financial advice, but truly breathtaking when one's world falls apart and people need help like never before. We all think it won't happen to us, but it does. Millions pass away every year. There is a great deal of preparation, work and commitment that goes into making sure our loved ones are well protected in the event something happens to us, but it is a process that cannot be taken lightly. We have a process in place to help widows and widowers rebuild and move on after such a catastrophe. We use a gentle, caring approach to help move past that trauma to begin the next phase of life. Take the time to protect your loved ones and be sure the details are in place. Your insurance, beneficiaries and legal documents should be up to date and accurate. If you are procrastinating on these issues as many do, set a date to get it done and address the insurance issues while you are healthy. Insurance is something you can only get when you don't need it, if you need it you cannot get it. Be sure to protect pensions and social security with Life Insurance, they are often neglected. Only 15% of widows and widowers are financially secure, I want to be sure you are in that category.

Inspirational Quotes

- If you want your child to keep their feet on the ground, put some responsibility on their shoulders, Abigail Van Buren
- Children need love, especially when the don't deserve it, Harold Hulbert
- One machine can do the work of fifty ordinary men, no machine can do the work of one extraordinary man, Elbert Hubbard
- The mediocre teacher tells, the good teacher explains, the superior teacher demonstrates. The great teacher inspires, William Arthur Ward



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 _____

Address _____

City _____ State _____ Zip Code _____

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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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