

Who's on Track For Retirement Success?

Only about two in ten American's are on track for retirement. That is defined as having 75% or better of their pre-retirement income. As you know, I like to aim for 100% of pre-retirement income because in retirement, every day is Saturday and unless you plan on sitting home watching television, you will likely consume more money. You'll also have 40 - 80 hours free each week that were previously devoted to working. Why are people failing miserably? Failure here doesn't discriminate! - the physicians do the same thing factory workers do. People are not saving enough money and their real investment returns are consistently sub par. Lifestyles have become the focus, not saving for tomorrow. We try to help people get to their tomorrows by not changing their lifestyle today and improving their outcomes for tomorrow. This is a mentality you need to develop to become a financially successful person. There is no magic pill, potion or cocktail that will get you there. Don't take your

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Protection Elements

The protection portion of any financial plan is the foundation or framework. Think about building a home - the first thing you do is buy a building lot (an overpriced one today) and then you clear it. Make a nice open space for your new home and then what do you do? You dig a big hole. That hole will be the foundation of your new home. The foundation is always, without exception, made from a very hard material such as concrete, granite, rock, marble, etc. The foundation may not be pretty, but it is effective and strong. If a storm comes through your home will still be there. When you create a financial plan the foundation must be strong and stable, it cannot be made out of "risky" things.

The foundation of a financial plan is safe, secure investments and insurance. Without these critical building blocks, you'd be building a home in the mud. There is a proverb that states:

"A wise man builds his home on a rock and fool builds his home on the sand."

Part of my responsibility is to be sure your financial foundation is strong and can weather the storm. The insurance aspects of a financial plan that need to be addressed include protecting your income - the most important asset. This is done with a combination of disability insurance and life insurance. These insurances are not "needed" insurances -

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hints from the diet industry on how to succeed financially. Today's senior generation lived through the depression, were scared to death, and they tend to have excellent saving and spending habits. Today's baby boomers, generation X and generation Y members are painfully off track and we're working hard to help them. I remember many families living in three family homes as a child. This doesn't seem to happen anymore - what's happening to all of those homes. I will submit to you that a three family home is a financially brilliant way to start off. It seems as though everyone needs to build themselves a castle with a lot of square footage and a hefty property tax bill. In the driveway of that home typically sits far too much value in automobiles (guilty as charged - my one financial vice), more isn't better, especially when it comes to homes and depreciating assets. Remember a home is not an investment, it is a lifestyle decision - one that will likely yield you between -2% & +2% return over time after all costs are factored in if you own home(s) for multiple decades.



Markets, Emotions, Elections & Scales

There is an amazing similarity between equity markets and the election time we find ourselves in right now. In the short term, the markets are very emotional places, as are the voting booths (assuming Florida officials can figure out how to successfully operate such a sophisticated mechanism). Right now the candidates are doing their best job to sway your vote - an issue that is very, very emotional. They try to tug at our emotions to win votes and then if elected, do what they will do. What they do after election is factual, not emotional based. Now think of the equity markets, a very sophisticated auction system.

In the short term the markets react to emotional news. It has a dramatic impact in the short term, as people are willing to pay higher or lower prices based on what's happening today. If the news is good people typically will bid higher with an overly optimistic view. When news is terrible people will often sell their holdings, creating more supply and lowering prices. When measured over years and decades, the actual results come out as facts and markets act more like a scale. When you step on it you weigh what you weigh. Most of us would like to see a smaller number on the scale, myself included. Invest with logic and intelligence, not emotion.



We've Made a Trade

Our team here has changed - we've lost one teammate and gained another. After a mutual agreement to move on, Kari has accepted a new position at an accounting firm in Torrington. She'll only be 15 minutes from home and won't have to make the grueling one - hour commute to Farmington. She & Rick have plans of starting a family in the near future - I wish them the best of luck and hope all goes well with their endeavors. It was great having her for over 3 years; she'll be missed by everyone - especially the equestrians we help.

Please join me in welcoming our newest team member, Sarah Morton to the organization. She'll be starting November 8th and you'll all get the chance to visit with and speak to her. I'm very excited about her joining as she brings a wealth of energy, excitement and talent to our organization. She has a degree in Psychology and Math - a perfect combination for what we do here. I'm elated about our newest team member and I'm sure you'll be too as you experience what she can do. The old phone number (Kari's) will get you to Sarah's desk but there will be a new email address that we'll share with you shortly.

Noteworthy News! ! !



Our condolences to Mike & Gail Melanson on the passing of Mike's son Brian. This terrible event took a 27 year old from the family and left 7 - year - old Colby without a dad. If you or anyone you love would like to help young Colby, we've got a special fund set up here at the office. Please call for details.

Our condolences to Linda Wayman and her family on the passing of her mother. A mother is irreplaceable - our prayers will be with the family.

A special thanks to Florence Warner for forwarding great books, pamphlets, notes and quotes to my attention - some of the ideas these documents contain make wonderful additions to this newsletter.

Our prayers go out to everyone at war in our world - especially the children living in the countries where war is raging. I hope a day comes soon when human beings can get along and not fight to kill one another - for any reason.

Coming Events

Call the office to register:

Successful Investing Without a Harvard Degree, November 2nd & 9th at Northwestern Connecticut Community College.

Tired of having your hard earned savings languish in a bank account or get decimated from the stock market? Learn how to avoid emotional decisions that always lead to failure with investments. Understand the basic investment vehicles, their advantages and disadvantages, taxation and use. Develop an investment strategy that will take you to where you want to go. Earn a reasonable rate of return without putting your capital at too much risk. Classes are taught in "Plain English" and you won't need advanced degrees to understand the material.

they're ones you should want. The law says you don't need any; the question is how much do you want? Do you want to have an income if you cannot work? Do you want your kids to grow up and go to college and your spouse to retire if a bus takes you out? Now that your income will continue without interruption whether you are here or not, let's turn to asset protection. Health insurance is financially recommended, where as dental and optical are optional. Auto, homeowners and liability protection are a good idea. The law says you need auto and home but don't need liability - I'd get all three if it were me. Depending on your trade, business or practice there is professional liability that is truly necessary as is property liability if you own investment real estate or the real estate your business lives in. Now as you age and hopefully develop a nest egg you'll need to think about Long Term Care (LTC) insurance to protect all that you've accumulated from being swiped out of your hands by a nursing home or a care facility. Along those same lines is an estate plan that will guarantee what you've worked your lifetime to accumulate stays with your lineage and doesn't get decimated by Uncle Sam & Co - the default beneficiaries.



Ockham's Razor

This is an idea that, in trying to understand something, getting unnecessary information out of the way is the fastest way to the truth or to the best explanation. In the world of finance, this is especially true. What I try to help people with every day is getting to the financial truth. This involves dealing the psychological emotional side of the equation - a big factor. My goal in helping each of you is to put into simple language and help implement the specific process you'll need to help improve your outcomes in your financial world.



Money Quiz

We had lots of hard work last month, but no correct answers. The actual movements of the market, based on who won the election are the following: If the incumbent party won the S&P 500 index rose 14.7% but if the incumbent party lost the markets gained 0.5% on average. This is the average since 1948. The market clearly doesn't like change - but then again, some things never change.

This month's challenge is to tell me what percentage of total U.S. Wealth is controlled by the top 1% of the population. 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.

Some Things Never Change

Take a look at the following headlines from major newspapers across our country:

"For Gasoline, Little is Certain But High Prices"

"Interest Rate Fears Weigh Down Stocks"

"Companies Go Abroad, And Jobs Go Along"

"U.S. Dollar Declines Due to Policital, Economic Jitters"

These headlines were found in the Los Angeles Times, the New York Times & the Wall Street Journal. These are crazy times but the amazing part about these headlines are that they are reprints from 1974. Yes, read it again - 1974. They are 30 years old and even then, the same fears that we have today. Don't let the media run your life and don't make emotional decisions - things never really change.

Winter Sets In !

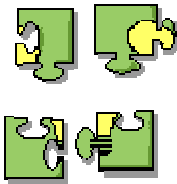
The cold is coming and it is imperative that we conserve as much as possible. Do all of the things possible so you can save on energy costs. Here are a list of tips that will help you conserve.

- Be sure your home is well insulated - walls, attics, floors, crawlspaces. Air leaks cost you a bundle.
- Windows - if they're older than you, it may be time to replace them. If they leak badly there is a plastic "cover" that can be installed over the colder months.
- Plumbing penetrations into your living area - expandable foam does wonders here
- Have your furnace "tuned up" to be at maximum efficiency.
- Fireplaces - if you use them consider an insert and if you don't be sure to close the flue and insulate the chimney. Don't forget to remove the insulation if you happen to want to use the chimney
- Caulk & weather-strip all joints, seams and seals to prevent air from escaping.
- Be sure your insulation isn't crushed or packed down - it should be "puffy" and have air flowing within it. (Not Styrofoam)
- Electronic thermostats can control temperatures so you're not heating an empty home. Also turn the temperature down when you're sleeping
- If you're replacing appliances be sure to watch the energy guide to see if they are indeed efficient units.
- As your light bulbs burn out replace them with efficient fluorescent units.

What's That Under Your Wing?

Inspirational Quotes

- Parents need to fill a child's bucket of self esteem so high that the rest of the world can't poke enough holes in it to drain it dry, Alvin Price
- You are the only person on earth who can use your ability, author unknown
- There is no such thing as a non-working mother, Hester Mundis
- Happiness is like a butterfly. The more you chase it, the more it will elude you. But if you turn your attention to other things, it comes softly and sits on your shoulder, author unknown



It's a new advisor in the mix, growing, learning and implementing. It's been a busy month with new people so not only is Sarah Morton joining the firm - I've agreed to take a new advisor under my wing. The new advisor I describe to you is Melissa "Mel" Cavanaugh and she'll be here helping you and learning my process. The process I use in helping each of you isn't something you can learn in school, it needs to come from business experience. There is a shortage of quality financial advisors in the world and I'll be happy to do what I can to add to that number. There is not only a shortage, but the female market is grossly underrepresented so hopefully she'll learn quickly, knock the cover off the ball and help offset that shortage. She goes by Mel but don't confuse her with Mel from the diner on the old TV show "Mel's Diner." Talking to her is as much fun as watching a comedy on television and she's really a great addition to our team. She's a very exciting high energy person that is looking forward to growing her knowledge of the business and helping each of you. Be sure to give her a warm welcome if she ends up on the other end of the telephone if you call here or we call you.

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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A Live Financial Radio Call In Talk Show

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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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