

Safe Money News and Facts You Should Know!

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Hank's Thoughts – Is 2% Average Annual Market Growth Worth the Risk and Stress?

Wow, where has time gone! January is almost over. It's been many months since I've published a Safe Money newsletter. I continue to keep in touch with as many as possible with education news briefs via email. My New Year resolution is to do better with snail mail communication. I would love to speak to each person reading this.

After helping my clients, their family and friends untangle the confusion that comes with Medicare season, Kay and I slowed down and had the most enjoyable and relaxing Christmas season in years, just visiting with family and friends along the Ocala to Naples I-75 corridor ... enjoying the simple life, lights and music.

I provide a lot of financial education ... not sales pitches. Based on my experience and (my own learning, training, etc.), I don't believe it's possible to teach anything. *There is only learning.* Most people I speak with are too busy dealing with life today to take the time to learn about something new that can make their future better. Heaven forbid, make a change. They are looking for a microwave magic wand that will give them the high returns Wall Street and the media preach with no risk.

What I mean is... until you are emotionally prepared to learn, nothing about your cognitive position will change. And this is doubly true when it comes to learning new behaviors, especially when those behaviors are tied to something that is as emotionally charged as money.

So why bother writing things like this?

(Continued on page 2)

7 Simple Steps to Happiness and Success!

Are you feeling stuck on the roadmap of life? Have you longed for greater success and happiness, but haven't yet hooked the brass ring?

Albert Schweitzer once wrote, "*Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.*"

Here are seven steps you can take today to achieve more happiness and success in your life:

- 1. Believe In Yourself.** Identify your natural talents and abilities. Do what you enjoy and what you do best. Truly successful and happy people find joy in their working lives. Invest your time in what you do best. Focus on your strengths and not your weaknesses.
- 2. Develop a Vision.** First, define your path and start working your plan. Write down a vision for yourself and your life. Be specific. What do you want to accomplish? What do you want your life to look like in 5 years, 10 years?
- 3. Develop Good Habits.** Happy and successful people choose good habits. If you're watching too much TV, chronically late, or eating poorly, make a commitment to change your bad habits into habits consistent with your goals.
- 4. Show Gratitude.** The happiest people are also the most grateful people. Count your blessings frequently and you'll quickly start seeing a change in yourself and the world around you.
- 5. Take A Chance.** Seize opportunities! Success and happiness do not come to those who sit and wait for it to be brought to them.
- 6. Give to Others.** Studies reveal that the happiest people are also the most generous. Do, say, or give something nice to another and see how your own life improves.
- 7. Take Responsibility.** You hold the key to your future. Take responsibility for your actions. Choose the work you like to do, and do it well. Ultimately, you are the master of your fate. You choose your own future by the decisions you make and the actions you take.

More Interesting Facts *you* Should Know!

Hank's Thoughts (Continued from page 1)

Because sooner or later (hopefully sooner), some of you will make the decision to take the time to learn new ideas to benefit from our new economy. I get a lot of "thank yous" from those that do. At some point in the future... maybe after you've looked back over 10 years of investing only to find you haven't made anything (or worse, you've lost money)... maybe after you've suffered your third catastrophic loss in six months... you'll realize your actions aren't rational.

You'll discover what you've been doing isn't giving you the results you desire. At that point, you'll want to learn how to do better. That's when you might contact me. We'll have an educational discussion. We'll build some trust and rapport. You'll read some educational material. We'll have private telephone webinars where we can discuss trend data and strategies most people on main street have not heard ... because it's not profitable for bankers and Wall Street financial advisors to tell you.

Most of my time is spent helping those who contact me via the radio or internet ... concerned the stock market will crash like in 2008 ... or worse because of our distorted economic environment. Something catches their attention and an emotional impulse tells them they should do something different ... which overcomes any fear or reluctance of picking up the phone and calling me. It's called timing.

Unfortunately, I talk to some who have lost a lot ... tell me they have changed and want to start again re-building their future ... this time more conservatively ... no loses...only gains. They must have read the "tortoise and the hare" story and discovered the tortoise slowly and steadily won the race.

I can't help you with a quick fix. If you felt inspired to sell everything and invest in the S&P Jan 1st 2013 and sell it all Jan 1st 2015,

you would have made over 40% in just two years. However, if you had that same impulse Jan 1st 2007 and sold 2 years later Jan 1st 2009, you would have lost over 60% of your investment. Both would be a major lifestyle change based on a 2 year decision.

I have been extra busy helping people diversify their retirement / "next stage in life" portfolio, and gain peace of mind by eliminating the risk of ever losing money in the stock market again. In most cases they have the potential of exceeding the average annual gain of the markets over the last 15 years...without all the worry and hand-wringing.

In some cases we were able to create a tax free cash flow for life. Suppose our taxes would more than double according to projections by the US Congressional Budget Office? ***How would that impact your future lifestyle?***

Taking a longer term look at the S&P, which all of us must do with our retirement funds, the average annual returns aren't plus and minus 20 to 30% per year like in the above examples. For example, if you purchased the S&P 500 index Jan 1st 2000 and sold it Jan 1st 2016 you would have made 34.58% in 16 years ... only 2.16% average annual return. ***Is it worth all the risk and stress, when you can do better with no risk?***

What will the next 16 years look like? With world wide stock market volatility, \$20 trillion national debt, heavy corporate and consumer debt, some economists see a financial catastrophe like 1929. A few are optimistic that President Trump will take us to a \$50,000 DOW. *Somewhere in between?*

The important questions to ask yourself are:

1. *How would you feel and how would it affect you and your family if you lost about 50% of your money like in 2008 and 2000 in the next market crash?*
2. *Would you be more angry with yourself if you missed out on 10% in gains, or be more upset if you saw losses of 30,50 or even 70 percent of your investments?*

Call me at (888) 820-SAVE and let's talk.

This news is all about you...

Monthly Quiz

1. Who did The Orioles back for much of the 1950s? Duane Eddy, Jaw Hawkins, Sonny Till, Jack Scott
2. Which British politician introduced the expression 'Terminological Inexactitude', a euphemism for a lie or untruth?
3. Loganberries are a cross between a Raspberry and a: Blackberry, Elderberry, Gooseberry, or Blueberry?

(Answers found on page 4)

Thoughts for the Month

"Goodness is the only investment which never fails."
Henry David Thoreau

"Few things are harder to put up with than a good example."
Mark Twain

"The greatest lesson in life is to know that even fools are right sometimes."
Sir Winston Churchill

Did You Know?

- **hippopotamuses have killed more people in Africa than any other animal**
- **an elephant's ears are used to regulate body temperature**
- **the Arctic Ocean is the smallest in the world**

Managing Your Tax Bill – A Potential Benefit of the Roth IRA

A Roth IRA account can help you to manage your income taxes in a variety of ways. This article explores a number of these tax-savings benefits.

First, qualified distributions from a Roth IRA are paid free of federal income taxes. Reducing your federal income taxes in retirement can potentially free up a greater portion of your retirement income for your living expenses, as well as other discretionary spending such as travel or leisure activities. This preferred tax treatment also extends to the distributions that are paid to your beneficiaries as well.

Additionally, a Roth IRA comes with no minimum distribution requirements. Unlike a traditional IRA, a Roth IRA can give you greater control over withdrawals from your retirement savings. You can direct exactly when you want to take money out of a Roth IRA and how much you want to withdraw. In fact, you may never have to take a distribution from a Roth IRA, if you have alternate sources for your retirement income needs.

A Roth IRA can also lower the taxes you pay on your Social Security benefits. Because money you take out of a Roth IRA does not count as income when you figure the taxable portion of your Social Security income. However, withdrawals from a traditional IRA count as income, and can potentially increase the portion of your Social Security benefits that are subject to federal income taxes.

There are a few additional things to consider. To receive the future tax-free treatment on distributions, you must have reached the age of 59½. Additionally, you are required to satisfy a 5-year holding period requirement that is imposed upon each contribution of assets to the Roth account. Even though the withdrawals for Roth accounts can come out tax-free to you at retirement (and to your beneficiaries), your contributions to the account are paid with after-tax money. Granted qualified withdrawals come out free of federal income taxes, state income taxes may apply depending upon the tax rules of the state where you reside.

As previously mentioned, you are required to pay federal income taxes on amounts converted from a traditional IRA to a Roth account. However, the federal tax rules do allow you to spread out your conversion over multiple years through partial account conversions. This can help you to spread out your income taxes on the conversion over multiple years.

The Roth IRA can be an effective wealth-building tool and can also be a tax-efficient strategy for retirees

Please call me at (888) 820-SAVE for more information

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Helping You Think About Your Money ... And Make Smart Choices To Protect Your Hard Earned Assets.

Pizza



"Our diet pizza is the same as our regular pizza except I sit down and help you eat it."

Annuities Can Repair Your Nest Egg

Concerned about a stock market's collapse, many retirees and pre-retirees are turning to annuities to provide guaranteed income for life. Sales on immediate and deferred annuities contracts issued by insurance companies that convert a lump-sum payment into a guaranteed stream of cash flow have soared in the last few years.

Part of the attraction is that some annuities offer better returns than bank certificates of deposit (CDs) or short-term government bonds, and many annuities have life time income that pays up to 7%.

Before buying an annuity you should investigate the financial strength of the insurance company that guarantees your annuity.

Check the health of the annuity issuer with three major independent rating agencies: A.M. Best (www.ambest.com), Moody's (www.moody.com) and Standard & Poor's (www.standardandpoors.com). Each rating firm has its own grading scale and research methods.

Call me at (888) 820-SAVE and let's talk.

Answers to Quiz

1. **Sonny Till**
2. **Winston Churchill**
3. **Blackberry**

Thank You for Your Referrals

There's no question I have the BEST customers on the entire planet.

I want to thank those who have enough confidence in me to recommend my services to help their family and friends.

Although we focus on protecting and optimizing your retirement cash flow, I want to give a special THANK YOU to those who have recommended me to help your family and friends with their Medicare options.

There are 10,000 Baby Boomers turning 65 every day who are more confused about Medicare than their retirement plan. Because of its importance in your overall retirement picture, we want to help them cut through the smoke and make the right choices to protect the nest egg they have already earned!

I'm happy to assist you or anyone in your circle of family and friends with education and getting enrolled in the financial or Medicare plan that's optimum for them. Just have them call me.

Thank you soooo much!

Disclosure - Information provided in this article does not constitute legal, taxation, or investment advice. Please check with a qualified tax advisor when making financial decisions.

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