

Hank Progar, MBA

# Safe Money News and Facts You Should Know!

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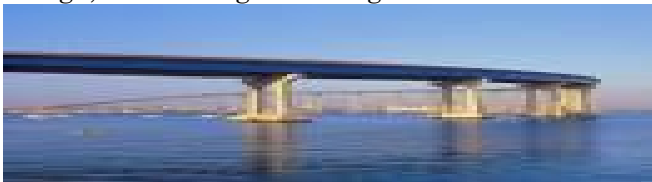
## Hank's Thoughts – Do You Have Guard Rails On Your Bridge?

Recently, as I was driving across the Sunshine



Skyway bridge heading to the Tampa airport, I thought about the guard rails on each side. It would be less expensive if they didn't build them. People travel back and forth every day without hitting the guard rails, but they feel better knowing they're there ... reducing the chance of a disastrous mistake because of fear.

I was on my way to San Diego. We spent about 30 years in So. California, enjoyed visiting San Diego and traveled across the famous Coronado bridge, connecting San Diego to Coronado island.



Both bridges provide clearance for large ships. Unlike the Tampa Skyway bridge, which is fairly straight with a very steep span, the San Diego Coronado bridge actually has more ship clearance, and makes about a 90 degree turn. Looks can be deceiving.

Guard rails on these and many other bridges do a good job keeping people safe who want to be protected. During a storm or heavy fog, these bridges are shut down to prevent cars from jumping the guard rails. The biggest problem is people who don't want protection and jump off the bridge.

*(Continued on page 2)*

## Learn About Equity Index Annuities

'Save for a rainy day' is a wise old saying and there are many ways you can prepare for the sunset of your life. Investing in an annuity is one way. An annuity is a long-term, interest-paying contract offered through an insurance company or financial institution. An equity indexed annuity is an annuity that earns interest that is linked to a stock or other equity index. Depending on how those stocks fare will determine what you gain. The equity index annuities, as in any kind of investments, should be kept untouched for a long period typically 10 years. This will ensure that you get the full benefit of having invested in an equity index annuity.

Equity index annuities are investments offered by insurance companies that come in many flavors. They actually allow you to benefit from stock market growth without the associated risks of losing your money. So, in an equity index annuity your principal is never lost, and even in the worst case scenario you may put some interest in your pocket. The flip side of this however is that even if the stocks that the equity index annuity is invested in gives high returns, you will not receive the full amount ... just a percentage. You may not get the maximum return in your equity index annuity vehicle, but you don't get any market losses.

This difference is the cost that the insurance company pays to provide you with a safety net throughout the term of the annuity.

The percentage of returns (i.e. the gain of the index) that your equity index annuity brings you is determined by the participation rate.

*(Continued on page 3)*

# More Interesting Facts *you* Should Know!

## Hank's Thoughts (Continued from page 1)

Translate this thinking to your long term / retirement savings and investments, and there are several financial guard rail options available to you.

If your money is in stocks and mutual funds, you don't have guard rails. You may feel comfortable navigating your bridge to financial security in good weather, but...

When the economic storms come, Wall Street or the Government doesn't close your bridge to protect you. There are a number of things your financial advisor and their money managers have no control over. You can be suddenly swept out to sea through no fault of your own.

Your financial advisor may tell you that probability is in your favor...that you have an 87% chance of making money. It doesn't matter what the probability is, if the consequences of failure are too severe.

You can't always predict what will happen, but you can protect against the unexpected. I specialize in protecting you from the consequences that are too severe ... in case you encounter the 13% probability situation.

You don't have to put guard rails everywhere ... just for the money you can't afford to lose.

## The Game Has Changed For Retirees and Pre-Retirees

For the 105 million Americans out there hoping to not work until their dying days, this situation is extremely dire. This even assumes your health holds up and your skills are still in demand.

As for the "lucky ones" who have already retired, it doesn't get much better.

Rising taxes are doing what they do best – eating up whatever you have squirreled away. The year I was born the highest tax bracket was 94% ... hard to believe, you got to keep 6%. From 2003 to 2014 we enjoyed a low 35% rate. Now it's up to about 40%. The average over the last 100 years is 61%.

Do you think there is a lot of room for taxes to increase -- especially with a \$19 Trillion National Debt?

Nearly 70% of investors lost money last year.

You know those "ultra low-risk" retirement plays you may be pouring your money into because your financial advisor told you they were safe? I'm talking about the top-rated funds that figure prominently in many IRAs and 401k plans. You know ... those "all weather" investments designed to withstand even the most turbulent markets.

Funds like Vanguard Target Retirement Income (VTINX), rated one of the best retirement income mutual funds by U.S. News & World Report lost about 2% over the past 12 months. And this is after a 5% increase over the last 3 months. If you started with a \$500,000 nest egg – not unreasonable for many retirees – you would have about \$10,000 less ... assuming you didn't need any of that money to live on.

Recall from charts in previous issues showing factual actual average annual gains for the three major indexes. Averaging the DOW, S&P and the Nasdaq provided you less than 2% per year since the beginning of this century. If you had a \$100,000 account on Jan 1, 2000 and made no additional contributions or withdrawals, it would have only grown to \$124,330 in 15 years.

*"What will it take for stocks to go up again?"* asks a seemingly desperate CNN Money report earlier this year.

Good question. Unfortunately, there is no simple answer, just endless possibilities.

Billionaires like George Soros are betting against the market since they think it is poised to drop. Do the billionaires know something we don't?

Is it time for some financial guard rails ... a safety net for your financial bridge to freedom and security ... and make your retirement plan great again?

***None of us have a crystal ball, but does it make sense to risk losing 30%...40%...50% of the money you're counting on for "Essential Expenses", like food and shelter, when there are safe solutions which have the potential of 100%...300%...500% more growth based on the last 16 years of the stock market?***

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

# This news is all about you...

## Monthly Quiz

1. Which element is named after the Greek word for water-forming?
2. Tynwald Day is celebrated on which island in July?
3. Which US singer released a year 2000 album entitled "Music"?

*(Answers found on page 4)*

## Thoughts for the Month

The man who does not read good books has no advantage over the man who can't read them.

- **Mark Twain**

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

I have about concluded that wealth is a state of mind, and that anyone can acquire a wealthy state of mind by thinking rich thoughts. - **Andrew Young**

## Did You Know?

- Koalas sleep around 18 hours a day
- The first Burger King was opened in Miami Florida in 1954
- All insects have 6 legs
- The croissant was invented in Austria
- In eastern Africa you can buy beer brewed from bananas

## Learn About Equity Index Annuities (Continued from page 1)

This participation rate varies based on market volatility. The typical participation rate offered for most equity index annuities is between 70 to 90 percent ... usually expressed as a "cap." This is all spelled out upfront in a contract. There is more to read than when buying stocks/mutual funds, which have no guarantees ... just speculation on what your advisor thinks/hopes the market will do. The time is worth it to have a conservative and prudent investment.

Equity indexed annuities became quite popular during previous bullish runs in the market. Insurance companies saw them as an excellent means of combining the security of a guaranteed return with the boom of the stock market. All equity index annuities offer a minimum interest rate over the life of the contract. Its value does not fall below the original principle plus accrued interest derived from market gains.

However, to achieve maximum benefit of your equity index annuity, you shouldn't withdraw money before the term ends. You do have withdrawal options, and in some cases defined penalties. But like most investments, this works best over a long term. Your equity index annuity will make more when the index recovers from a crash. As we know the stock market is volatile and this needs to be kept in mind when investing.

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

## Consider Inflation When Planning For Retirement

In recent years, the inflation rate has hovered in the 2% to 3% range, but in 1980 it was 11.9%.

Take a look at the chart below to see how inflation can erode your buying power over time.

**What you need to replace a dollar:**

Inflation Rate	After 10 years	After 20 years	After 30 years
2%	\$1.22	\$1.49	\$1.81
3%	\$1.34	\$1.81	\$2.43
4%	\$1.48	-\$2.19	-\$3.24
5%	\$1.63	\$2.65	\$4.32
6%	\$1.79	\$3.21	\$5.74
7%	\$1.97	\$3.87	\$7.61
8%	\$2.16	\$4.66	\$10.06
9%	\$2.37	\$5.60	\$13.26

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

**Investments and  
Financial Services**



"I have 30,000 fish saved for my retirement. I'd like to roll them over into something that doesn't stink to high heaven!"

**7 Secrets of Success - How many of these  
7 secrets of success do you practice?**

- 1. How you think is everything.** Remember to "think positive" at every opportunity. Visualize success, not failure. Avoid negative environments and people.
- 2. Decide on your dreams and goals.** Be specific about your goals. For example, say "I am taking a cooking class next month," rather than "I would like to take a cooking class sometime." Create a plan to reach your goals, and stick to it.
- 3. Take action.** Goals alone have no meaning; you need to take action to make them real. Don't let fear hold you back. "Just do it!"
- 4. Never stop learning.** Take classes, go back to school, read books, join a discussion group. If you are interested in a subject, make time to learn about it. Keep acquiring new skills.
- 5. Be persistent and work hard.** You've probably heard the expression, "success is a marathon, not a sprint." Keep your eye on the goal, and keep working toward it. Don't give up.
- 6. Focus your time and money.** When you believe in something, put your attention and energy there. Don't let people or things distract you.
- 7. Be honest and dependable; take responsibility for what you do.** Never cheat or lie. When you make a promise, keep it. When you mess up, admit it.

**Answers to Quiz**

1. Hydrogen
2. Isle of Man
3. Madonna

**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 from stress plan, 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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