

Hank Progar, MBA

# Safe Money News and Facts You Should Know!

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## Hank's Thoughts – Are You Thankful?

I hope you survived Halloween and are looking forward to the up and coming holiday season. I started writing this on Veterans Day, with Thanksgiving Day just around the corner ... but didn't finish until I got back. I am grateful for the brave men and women who served in the armed forces to preserve our heritage of freedom.

This is truly a time to count our blessings and be grateful for the original veterans who founded this country and gave their lives for the freedoms we enjoy today. Unfortunately, our society has deteriorated. There is too much hatred and fighting. Too much ingratitude and entitlement.

Gratitude is a great cleanser of many of these society diseases. We might reflect on our Founding Fathers who put value on unity, the flag and created 'One nation under God.'

In 1620 the Pilgrims left Plymouth, England seeking a new home where they could freely practice their faith and achieve the promise of prosperity and land ownership in the New World. They began by establishing a village in Plymouth, MA.



(Continued on page 2)

## How a Mega-Roth CAM IUL Works

When Jim and Janet both turned 65 they breathed a sigh of relief. They could get rid of their outrageously expensive Affordable Care Act health insurance policy and get a reasonably priced Medicare plan. They just sold the business they started 10 years ago. The financial storm of their kids' tuition was now a distant memory, and could now finally retire.

They delayed their retirement so they could give their kids the gift of a good education. They weren't able to contribute any money to their retirement IRA the last few years, but did achieve the goal of paying off their home. They are now debt free and ready to take on the new adventure of retirement, grandkids and leisure.

Even with all the up and down years and the expenses of life, they did manage to accumulate a whopping \$2,000,000 in round numbers. They thought to themselves they had received good advice from their financial advisor and CPA to invest heavily in their 401k in their early years and pay off their home before they retired.

That was before they began to take money out of their retirement account. They didn't want to cut their standard of living. In fact they wanted to increase it, since every day was a holiday. Jim and Janet finally realized their federal tax rate had more than doubled since those early years.

Wait a minute! Bill thought ... *"What happened to lower tax rates in retirement because my income is lower? I know my financial and tax advisors, the HR Dept. and the media told me the same thing. But, did it make sense to take a tax deduction at a low tax rate on the smaller amount we contributed ... and pay taxes at a much higher*

(Continued on page 3)

# More Interesting Facts *you* Should Know!

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

In 1621, Governor William Bradford organized the first Thanksgiving, where the Plymouth colonists and Wampanoag Indians shared an autumn harvest feast. It wasn't until 1863, in the midst of the Civil War, that President Abraham Lincoln proclaimed a national Thanksgiving Day to be held each November.

In spite of all the negative news many Americans can be thankful for an improved economy.

Our unemployment rate is at a 17-year low. Even though millions more Americans have jobs, incomes aren't keeping pace with the cost of living for the general population. According to PEW research Center studies, just 9% of Americans feel like they are getting ahead.

The stock market has more than caught up since the 2008 market crash. However, this aging bull market is definitely running out of steam. There are many obvious signs pointing to a gigantic bubble, fueled mostly by Government, corporate and personal debt.

Since this boom began in 2009, almost nobody has paid any attention to this massive increase in debt. The Federal Reserve helped create this situation by manipulating interest rates lower so that borrowing costs were affordable. Low interest rates are mostly responsible for stocks soaring.

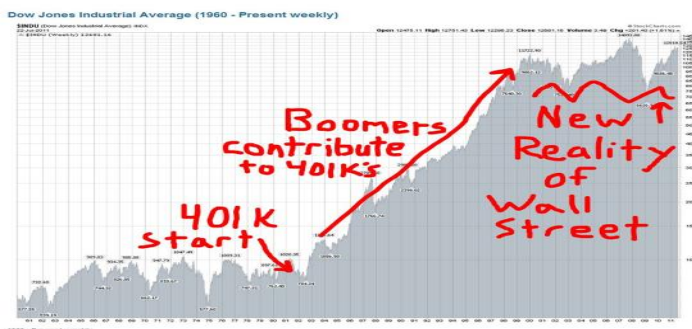
Now that debt levels have reached unsustainable levels, the Federal Reserve has begun to raise interest rates.

The Congressional Budget Office is projecting that Government interest payments will nearly double over the next few years. At the same time, consumer credit card defaults are moving higher.

So, we're in a situation where we're sitting around the lowest levels of unemployment in an incredibly long time with stubbornly weak-wage growth, and we have a huge amount of debt. It's like all the dominoes have been set up and we're waiting for someone to come along to knock the first one over.

We live in a world of financial noise. The stock market is cyclical as it rises on greed and falls on fear. The financial tide rises and all ships are lifted. But you never know who is swimming naked until the tide goes out. Ask me how I know?

I was all in when the 2000 dotcom crash started. I didn't see it coming! After all, Wall Street had been exploding since the 401k took off in 1980. Because



of lack of true-knowledge and some greed, I lost more than 50% of my retirement IRA ... money I couldn't afford to lose.

Baby Boomers thought this wall of money would keep growing, like a rocket ship going to the moon. This resulted in some major financial investment and lifestyle changes, which forced me to diversify.

Most financial advisors are good people, but are simply puppets for their company's analysts. The analysts are motivated by their own greed for huge bonuses. The big yachts in the marina belong to the investment managers, not their clients.

Your financial advisor has no control over the market, and probably no control over the funds the company buys for you ... yet paints you a grand picture of how much money you will have in retirement and how wonderful it will be if you stick with them.

*(Continued on page 4)*

# This news is all about you...

## Monthly Quiz

- 1 - What is the main ingredient of a matelote dish?
- 2 - In which European capital was Gustav Klimt born?  
Pastels, Amsterdam, Rome, or Vienna
- 3 - Bob Hope Airport is in which US state?

*(Answers found on page 4)*

## Thoughts of the Month

*"I can't change the direction of the wind, but I can adjust my sails to always reach my destination." - Jimmy Dean*

*"We must let go of the life we have planned, so as to accept the one that is waiting for us."  
-Joseph Campbell*

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

## Did You Know?

- A crocodile can't stick out it's tongue
- Rubber bands last longer when kept in the fridge
- Women blink twice as much as men
- Ostriches don't bury their heads in sand

## **How a Mega-Roth CAM IUL Works (Continued from p1)**

*rate on the larger accumulation amount?"*

Although, most financial advisors recommended they withdraw 4% from their retirement, which was considerably less than what they wanted in order to have fun and travel, they became concerned they might run out of money if the market would crash in the next 5 years.

Bill and Janet were finally open to discuss strategies that would diversify their tax and market risk. One of the strategies was a "Mega-Roth CAM IUL.", which they never heard of.

This approach takes advantage of IRS 7702 tax regulations in a life insurance policy. If structured and managed properly, it behaves like a Roth IRA, without all the limitations of how much you can contribute and when you can take money out. Your contribution is not limited to income from a job or business. You can even contribute money from passive income or withdrawals from your IRA.

Your money grows tax deferred like any IRA and you can access your money tax-free like a Roth IRA.

So if taxes double in the future, like many economic experts predict, because of the national debt and rising Medicare, Medicaid, and Social Security costs, you can relax and not have reduce your standard of living further.

Like many, Jim said *"I don't need any life insurance."* This plan is not designed like a typical life insurance policy, where you spend the least amount of money to get the most amount of death benefit for your loved ones.

This plan is designed just the opposite. You want to contribute the most amount of money that IRS allows, to maintain your tax privileges, for the least amount of death benefit.

The death benefit is available during the early years, however the plan is designed to convert this to a living benefit by liquidizing the death benefit as you make withdrawals during your life time.

The indexed universal life (IUL) makes money when the market gains and protects your money from loss when the market drops. You are building a Cash Accumulation Machine (CAM), where your accumulation account, which receives market growth credits, is not reduced when you take money out. Your death benefit is reduced while you are living. Any unused death benefit serves as a legacy for your heirs.

**Would a Mega-Roth CAM IUL be a good fit for you?**



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



### Hank's Thoughts (Continued from page 2)

More and more people are realizing how thankful they are to have recovered their losses with some profit, and are moving some of their money to safe ground so they don't repeat the magnitude of losses experienced in previous market declines.

For example, if you move 50% of your retirement funds into a vehicle where you can't lose your principal and the market declines 50% like in the 2008 stock market crash, you only lose 25% of your portfolio ... a more manageable situation.

Your financial advisor may have already presented you with something similar by placing 40 to 60% of your funds in bonds, having you feel like you have a safe diversified portfolio. The problem with this is that the value of your bonds decline when interest rates rise.

Call me to discuss options that might be a good fit for you, so you can have a Happy Thanksgiving in 2018.

### Answers to Quiz

1. Fish
2. Vienna
3. California

### 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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