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Buzz", will provide you, in brevity, up-to-date information on Employee Benefits such as health & life insurance and 401K plans. To subscribe, [email us](#) and write Benefits Buzz in the subject.

## What Keeps You Up at Night?

- Retirement
- Estate Planning
- Life Events
- Family Security
- Eldercare
- Financial Basics

**"Statements without documentation are only**

Dear Terry,

## Money - It's All About the Benefits.



June 2017

## Saving for a Summer Vacation

**Taking vacations means planning.** The earlier, the better. In the 70's banks promoted "Vacation Club" and "Christmas Club" accounts (and actually paid a little interest). Those titles are long gone now, but that doesn't mean you shouldn't set up an account for yourself for these purposes.

**So where does the money for these "accounts" come from?** Well here are a few ideas.

1. Every time you pay with cash, save your change. Ones, coins, even fives if you can swing that.
2. Eat meals at home or take a brown bag lunch to work, and save the difference between that cost and the cost of eating at a restaurant.
3. Skip the morning coffee shop a couple times a week.
4. Only use your credit card for needed items - such as repairs or health care costs. Curb your "I want" habit.
5. Use credit cards that offer air miles.

opinions."



6. Have you received a gift of a gift card you'll never use? Sell it to someone else at a discount to its value and collect the cash for your savings fund. Check out Raise.com.

**Of course, like all other self improvement activities, these take discipline.** It is said that any new habit takes 21 days to become a routine. Why not use June as the month to put some of these or other money saving ideas into action. You may find it very gratifying.

## Innovative Thinking on a Very Popular Subject - Money

**1. The Baby Boomer generation has created the Grandparent Boom!** There are now more grandparents in the U.S. than ever before - some 70 million, according to the latest census. That is a twenty four percent increase since 2001. More than 33 percent of all adults over age 30 were grandparents in the 2014 census. This interesting change in demographics makes for interesting changes in all areas of our lives.



**2. Are you aware of these features common to all fixed annuities?**

- A. Your money is protected from market risk.
- B. Your money earns interest.
  - i. Fixed interest rate
  - ii. Index interest rate
  - iii. Combination of both fixed and index interest rates
  - iv. Any remaining value including enhanced value is paid to the beneficiaries.

**3. What does the Government Accounting Office say about annuities?** "The experts we spoke with also recommended that retirees enhance their guaranteed income by purchasing an annuity with some limited portion of their savings. The income needed from an annuity depends, in part, on the amount of living expenses not covered by other sources of guaranteed income such as Social Security or a Defined Benefit Pension Plan. For those who want a higher level of predictable income, an annuity can reduce the uncertainty that comes with managing a portfolio of investments and systematically drawing down income. The experts noted that retirees may have more difficulty managing a portfolio of investments as they age."

*[Source: Report to the Chairman, Special Committee on Aging, U.S. Senate 2011](#)*

**4. Social Security was never meant to be the sole source of income at retirement.** Statistics show it is the only source of income for about 40% of American retirees. You have many options and choices on when to take Social Security. It is

important to get it right. Many people spend as much time in retirement as they do in their working years. Seek-out a competent advisor who can guide you through this Social Security maze. It's all about timing!

**5. Unexpected weather events such as floods, tornadoes, and hurricanes are constantly in the news.** Are you prepared? If you have plenty of equity in your house you should consider securing a equity line of credit. Many banks allow a maximum of \$100,000 on this type of loan. The costs to acquire the loan are usually minimal. The financial institutions will loan you the money when you don't need it and no storms are brewing.

They won't loan you the money if you need it, violent storms are forecasted, or destruction has set-in. Cash could be very handy in these turbulent times. Make the money available when you don't need it. It will save you a lot of heartache down the road.

**6. Don't overlook the tax advantages of owning permanent life insurance with high cash value.**

- No penalties for taking the money prior to age 59 ½.
- No reportable 1099's forms.
- Distributions, if constructed properly, are not reportable income.
- No contribution limits. You are limited by the amount of insurance the insurance company might offer.
- No income limits. The more you make the more you sock away without government penalties
- No legislative. The laws do change but all existing policies in-force are usually grandfathered-in under the old law provisions.

**7. Inflation is your friend when making mortgage payments on a fixed rate loan.** The most valuable dollars you have are the ones in your pocket today. Everyday inflation erodes the purchasing power of those dollars. A mortgage payment of \$1,500 made in the 15th year of a 30-year loan will only cost \$833 in today's dollars assuming a 4% annual inflation rate.



**8. It is never too soon to start your longevity planning.** According to the Stanford Center on Longevity, individuals living today will exceed the average life expectancy of those in the 20th century by an additional 30 years. Are you aware of how much longer you could live? How do you plan on spending your extra time? And, most importantly, how are you planning to finance these additional years?

**9. Warren Buffett's rule number one on investing - Never lose money.** His number two rule - Never forget rule number one! Our rule - There is more to be gained by avoiding losses than picking apparent winners.

**10. I wonder if Uncle Sam has eaten at a restaurant lately?** I hope he doesn't spill any soup on his beard because it could be costly. Uncle Sam says the Social Security inflation only grew at .3% last year. Ouch! Pricing at restaurants especially steak houses, has skyrocketed the last couple of years and is much greater than .3% the government reports. Perhaps the old gent takes his lunch to work and saves half of it for dinner!

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First Benefits Group, Inc.

We are financial and insurance educators.

Our approach is unique and uncommon. We teach our clients how to be more efficient with their money. We can verify that being more efficient with your money is the safest method for building a solid foundation of protection and wealth.

There is more to be gained by avoiding losses than picking apparent winners.

We are experts in identifying threats to current and future lifestyles, and developing strategies to minimize or eliminate these threats.

To schedule a complimentary, no obligation appointment to discuss your personal circumstances, please call our office at 941.361.3057 x4.

Sincerely,

Terry O'Brien, Frances Lane, Gary Hickerson, BJ Mangrum

**FBG**  
**First Benefits Group, Inc.**  
*Pioneers in Financial and Healthcare Strategies*

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