



## Quick Links

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## What Keeps You Up at Night?

- Retirement
- Estate Planning
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- Financial Basics

**"Statements without documentation are only opinions."**

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

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



December 2018

### Holiday Inspirational Story

**Once upon a time, a king had a great highway built for the people who lived in his kingdom.** After it was completed, the king had a contest. The challenge was to see who could travel the highway the best to earn a box of gold.

**Everyone came.** Some of them had fine chariots, fine clothing and fancy food. Some wore their sturdiest shoes and ran along the highway on their feet to show their skill. All day when each traveler arrived at the end, he complained about a large pile of rocks and debris that had been left almost blocking the road at one point.

**At the end of the day, a lone traveler crossed the finish line and walked over to the king.**

He was tired and dirty but walked over to the king and handed him a small chest of gold. He said, "I stopped along the way to clear a pile of rocks and debris that was blocking the road. This chest of gold was under it all. Please have it returned to its rightful owner."

**The king replied, "You are the rightful owner."**

**"Oh no," said the traveler, "This is not mine. I've never known such money."**

"Oh yes," said the king, "you've earned this gold, for you won my contest. He who travels the road best is he who makes the road better for those who will follow."

**We hope you celebrate this holiday season by helping and giving to others.**

## Innovative Thinking on a Very Popular Subject - Money

**1. Long Term Care has a frightening statistic!** According to the US Department of Health and Human Services about 70% of the population age 65 or older will need Long Term Care at some point in their life. Long Term Care is for people with healthy life styles who plan on living a long time.

### **2. Annual National Median Costs for Long Term Care:**

- Homemaker Services:1 \$48,048
- Home Health Aide:1 \$50,336
- Adult Day Health Care:2 \$18,720
- Assisted Living Facility:3 \$48,000
- Semi-Private Room in a Nursing Home:4 \$89,297
- Private Room in a Nursing Home:4 \$100,375

*Source; Genworth Financial*

**3. 2018 is coming to a close.** This is a good time to review your estate planning documents. It is important to avoid threats with our money. We suggest you work with a competent estate planning attorney to execute at least the following basic estate planning documents:

- Last Will and Testament
- Designation of Health Care Surrogate
- Durable Power of Attorney
- Living Will
- HIPAA - individuals authorized to receive information on your medical care

**4. Innovative methods for growing assets should include managing liabilities.** It is just as important to manage your liabilities as it is to find products that produce high rates of return. What kind of risk do you take when you decrease liabilities? What does that focus have on rate of return on existing assets? What risk do you take when you decrease liabilities? Get with an advisor who understands the importance of managing liabilities and can pinpoint areas where you can improve your efficiencies. It will be worth the effort!

**5. What are some of the ways to manage liabilities?** For most Americans the biggest liability is taxes. Many people nearing retirement have socked away money in IRA's and 401K's etc. It is important to take a look at your marginal tax rate when you took the deduction for the contribution. This needs to be compared with your current and near-term marginal tax rate. You may be in a lower tax bracket during distribution. This would be a good time to withdraw monies from your investment accounts and take advantage of the

spread between the deduction tax rate and withdrawal tax rate. This increases your rate of return and your existing assets without any risk!

## 6. Six things you should know about managing liabilities:

- You are transferring wealth to a third party. Once the transfer is made the money is lost forever.
- They are hidden. You have to dig to find them.
- They can be a huge obstacle in creating wealth.
- They hinder cash flow.
- Most advisors do not know they exist and do not deal with them.
- They can be corrected or avoided.

Get with an advisor who understands that managing liabilities is a big part of their consulting practice.

## 7. When is a Will a Sufficient Estate Planning

**Strategy?** "Marion died in 1979 in Orange County, California. His estate totaled approximately \$6.8 million at the time of his death. Marion's attorney had prepared a Will and not a trust for him. His Will was 24 pages long. Unfortunately for Marion's family, Marion's Will had to go through the probate process in Orange County." It took eighteen years to settle the estate. Marion was a.k.a John Wayne. This could have been avoided if John Wayne had a living trust to avoid the probate process.



Source: *Estate Planning Made Simple*, James F. Roberts

**8. Have the average annual income per capita and the average amount Americans spend on holidays kept pace with each other?** Here's a comparison from 1940 through 2015:

### 1940

- > Holiday spending per capita: \$205.26
- > Personal income per capita: \$7,621.53

### 2015

- > Holiday spending per capita: \$1,965.37
- > Personal income per capita: \$43,909.15

While our average annual percentage increase in Personal Income has risen only 6%/year, our average annual percentage increase in Holiday Spending is up 10%/year.

Source: *24/7 Wall Street Report*, By Thomas C. Frohlich December 12, 2016

## 9. Did you know?

- Every 67 seconds someone in the United States develops Alzheimer's disease.\*\*\*

- Alzheimer's is the 6th leading cause of death in the U.S.\*\*
- 7 in 10 people with Alzheimer's and other dementias live at home.\*
- \$216 billion/year in non-paid care is provided by family members.\*
- 1 in 3 caregivers of people with Alzheimer's provide care for 5 years or more.\*
- The average life expectancy for someone with Alzheimer's disease is 8-10 years.\*\*

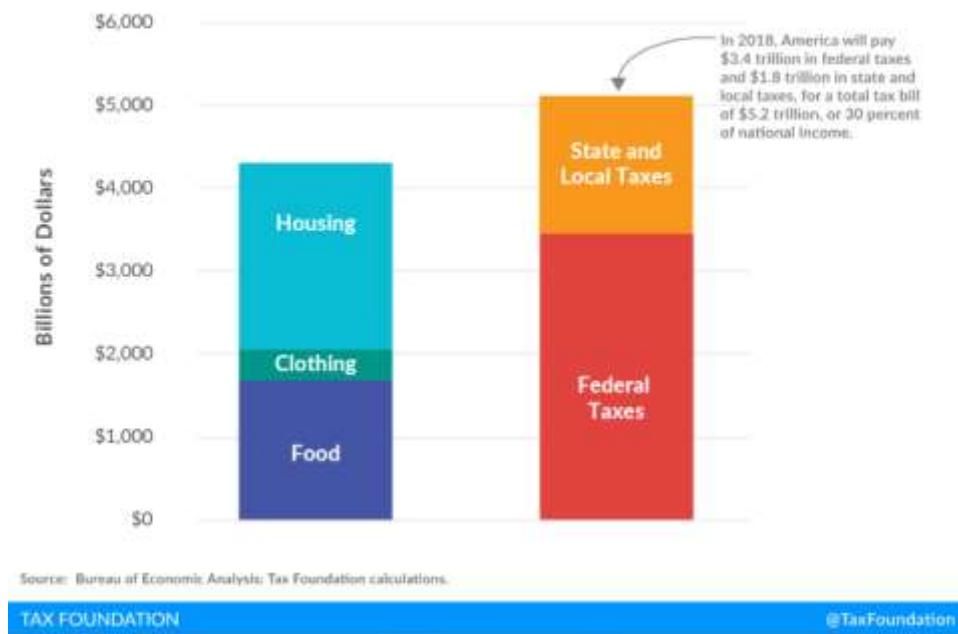
\* Early onset Alzheimer's applies to individuals diagnosed with the disease pre-age 65.

\*\*Alzheimer's Association, 2013 Alzheimer's disease facts and figures.

\*\*\*Alzheimer's Foundation, About Alzheimer's

## 10. How much will you spend on taxes this year?

### America Will Spend More on Taxes in 2018 than It Will on Food, Clothing, and Housing Combined



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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,

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