the Register

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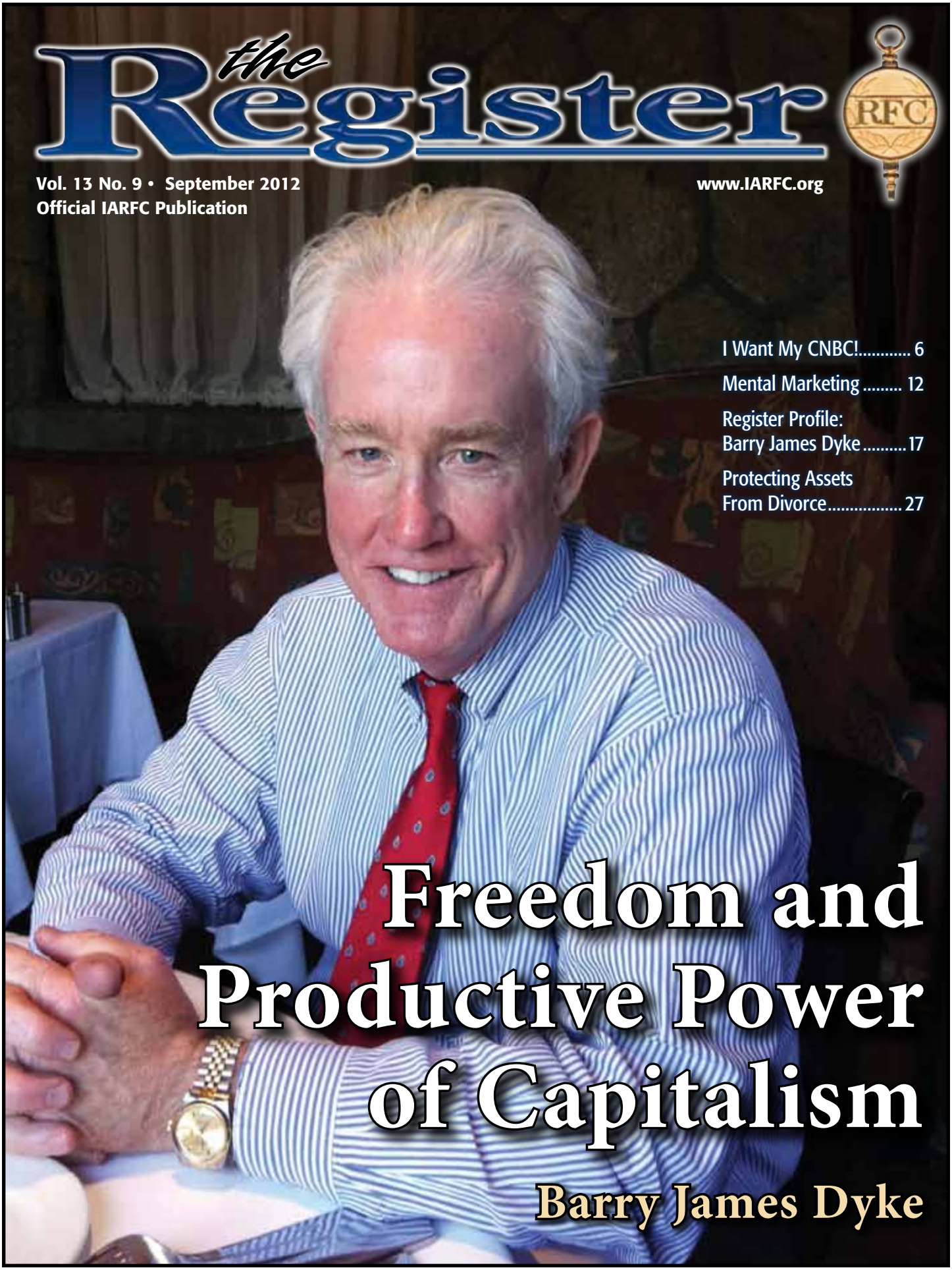

Freedom and Productive Power of Capitalism

Barry James Dyke

Financial Plan Competition

The IARFC is honored to have established the Financial Plan Competition. The competition is open to undergraduate students enrolled in a curriculum of personal financial planning or financial services.

IARFC Event

Financial Plan Competition

Financial Plan Competition participation is limited to undergraduate students in financial planning programs at US-based universities. There are about 2,000 students enrolled in just over 100 schools. Plans can be submitted by a single student, or two or three person teams. Every plan will be based on the case data provided by IARFC.

Sponsorship

The IARFC Plan Competition is partially supported by corporate and individual sponsorships. Participation as a sponsor for the IARFC Plan Competition is mutually beneficial in a number of ways and allows for various levels of interaction with the students.

Want to include your Alma Mater?

Phone: 800.532.9060

Email: Mark@IARFC.org

Benefits

- All announcements to the financial services media, IARFC members, financial planning educators and the advisor community will name and promote the sponsors.
- The sponsors will be identified in articles in the IARFC *Register* magazine. There will be articles about the Plan Competition, distributed worldwide.
- Sponsors will also be identified in edition of the *Register* publication to the *Journal of Personal Finance*, distributed to Registered Financial Consultants, faculty members, libraries and corporate officers. The sponsor brand will gain valuable exposure among all the participating students.
- The contact information for all participating students will be provided to the sponsors – for recruiting or image building.
- Sponsors may attend the CE@SEA™ cruise, and participate in the presentations to the two finalists. This provides opportunity to mingle with all the attendees and attend the CE sessions.
- All students submitting Plans will be well aware of the value placed on genuine plan writing by the sponsors.

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• IN THIS ISSUE •

On the cover:
Barry James Dyke

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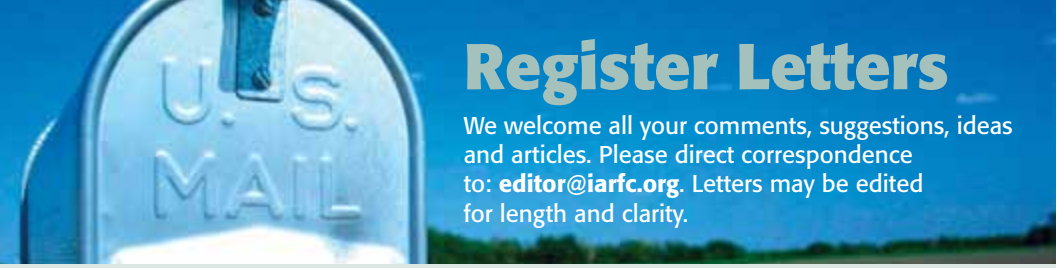

Register Letters

We welcome all your comments, suggestions, ideas and articles. Please direct correspondence to: **editor@iarfc.org**. Letters may be edited for length and clarity.

Article Commentary: "Let's Do The Math Using No-Load Annuities for Actively Traded Accounts"
***Register,* Vol. 13 Issue 7.**

As an advisor, it is not enough to be able to do the math, you also have to be able to make assumptions that are accurate and reasonable. In the first place I don't know a single company that would service an annuity of this size for $20 a month. What you have to realize is that these companies make their money off the management fees charged on the investments (yes even no-load funds have fees!) These fees can be anything from about .5% for a very efficient company like Vanguard to an industry average of around 2.4% (according to Vanguard.) So, everything else being equal, these fees paid over 40 years on this account are going to add up to some serious money.

Now, let's get back to this "everything else being equal concept." There is nothing really equal about this comparison, except maybe the starting dollar amount. The author is comparing an actively traded account, where for some reason he assumes it will have 100% turnover every year and there will be no long term gains, with a variable no-load annuity, most likely holding a basket of mutual funds. If I wanted to make an equal comparison I would take my $250k and purchase a few very low cost index funds or ETF's which would be very tax efficient. What little tax I did have to pay would be taken from a separate account until the actual date that the withdrawals started. This would essentially give the two accounts equal footing on the "annuitization date." I would hope you could see that in this case the taxable account with its long term gains will easily outpace the higher cost annuity plan, for which you are forced to pay taxes at your ordinary income tax rate.

In conclusion, once you do the math you will realize that 1 + 1 does not really equal 2 in the case of annuities. It is always less by the compounding affect of the higher fees. There is no magic investment or tax-deferral that gives the insurance company an advantage. In most cases the advantage is made to look good with unrealistic examples.

Dave Gilmer, RFC®
Olympia, WA

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New International Members

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Taiwan	42

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Kyle Kranzley, RFC®
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Register ROUND UP

IARFC Leaders and Financial Industry Experts were asked for their insight and advice on issues facing consultants in today's economy.

This month's Round Up question:
What new markets are on your radar and why are you considering them?

We are looking into the Federal Employee market very seriously. The number of government employees has grown significantly in recent years so from a pure numbers standpoint, it makes sense. Additionally, once familiar with the various benefit packages one can develop a true expertise in guiding families to meet their financial goals.

Ed Ledford, IARFC Treasurer, CLU, RFC®
Carmel, IN

In every community there are small-medium sized businesses. Some are challenged (doing poorly). Some are retaining their position (hanging on). Some are doing very well (growing and expanding).

As the US economy improves some will move upward. But for now, an RFC® must focus attention on the third category. They are easily identified – by articles in local papers, business tabloids, magazines and association and community leadership. In order to grow, most have borrowed money, and will need to borrow even more to continue expansion. These loans are often not covered by life insurance and the default provisions will destroy the business and threaten the jobs.

An RFC® is in a perfect position to identify, measure and solve these problems by offering supplemental collateral on a guaranteed basis. The compensation is excellent. If you will allocate one-half day per week to this market, you might double your income next year!

Edwin P. Morrow, IARFC CEO, CLU, ChFC, CEP, CFP®, RFC®
Middletown, OH

CALENDAR OF EVENTS

Business Owner Consulting Workshop
September 12, 2012
Smithtown, NY

IARFC Thailand
September 20-22, 2012
Loan Cancellation

IARFC Philippines 2012 Financial Advisors Forum & RFC Graduation
September 24-25, 2012
Macau

Business Owner Consulting Workshop
October 3, 2012
Harbor City, UT

Business Owner Consulting Workshop
October 25-26 2012
Indianapolis, IN

Business Owner Consulting Workshop
December 6, 2012
Tampa, FL

RME Sales & Marketing Super Cruise
January 17-21, 2013
Tampa, FL to Cozumel, Mexico

Business Owner Consulting Workshop
February 7, 2013
Tampa, FL

IARFC Board Meeting
February 22, 2013
Middletown, OH

Business Owner Consulting Workshop
March 22, 2013
Middletown, OH

IARFC CE@SEA™ Venice Italy to the Divine Mediterranean
May 25 – June 1, 2013

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From the Chairman's Desk…

As we look at the past year and our participation in the workshops hosted by the IARFC, we feel the need to stress the importance of not just attending workshops, conferences or CE, but actually putting the knowledge and information to work in your practice.

For example, our Business Owner Consulting Workshop is a fast-track primer into educating the business owner client or prospect about topics such as business valuation, succession plans, and loan modifications. For those of you who increased your knowledge by attending the workshop, I challenge you to be walking the walk, not merely talking the talk. Here are some considerations:

Study all the material you receive. You brought home all the materials — a workbook, maybe a CD, articles and reading materials. Will it live on a shelf or will you study and reread the materials striving to put the new concepts to work? You need to discuss the new ideas, gain comfort and familiarity. Perhaps it is time to explore new topics with clients and prospects. As you continue to study, new perspectives could be revealed, the value of the workshop will be enhanced and slowly you will affect change.

Edit the content to fit your specific practice. Every practice is different, and the way that you implement the new knowledge gained will be different too. Can you adopt just part of what you have learned? Should you tailor or modify material for your practice?

Carefully review any updates. Many workshops, including the Business Owner Consulting from the IARFC, offer updates and additional material as the courses are enhanced and upgraded. Watch for those updates and evaluate if the new information changes your experience and knowledge.

Share your success. Pass back to the conference organizer and other attendees the ways that you have been able to employ the knowledge gained. You may find you profit as much from interaction with other attendees as from the organizer.

Spread the word. When you find something that works for you and is valuable, spread the word! Let others know. Knowledge is not a zero sum game — sharing will not diminish your gain! For those of you who are implementing IARFC Workshops and have found the material beneficial – recommend the workshop to others. For those of you not yet signed up for an IARFC workshop, what else are you doing that will significantly change your practice? Sign up today.

Offshore Attitudes

In my recent travels to Asia, presenting workshops, and courses. I have had an opportunity to hear how our economic and political events at home are being regarded by financial professionals offshore. These are thoughts and questions I hear from them.

What happened to Capitalism? The U.S. has been the most powerful developing nation and has encouraged many nations to embrace capitalism. But now the U.S. is abandoning the capitalistic free-market economies and turning to socialism. Why?

Can the U.S. lead the world to responsible economy? We see the disastrous conduct of countries with overspending and non-affordable entitlements, and we are frightened of the trends in our own country. Can the U.S. help? They say, can you set an example by reversing this trend?

War is expensive and devastating. We have had world peace for 6 decades spearheaded by the U.S. If you can't continue to enforce this — how will we prevent major conflicts that can swiftly spread?

They tell me U.S. Leadership is confusing. Why are some Americans so opposed to Obama, who seems like such an attractive fellow? We heard his speeches about "change" and he is very eloquent. Why are many American frightened by the possibility of his re-election?

Where can we find safety and modest growth for our clients? This is not clear, since there seems to be so much fraud and mismanagement in many countries — including the U.S.

I wish I was sure how to answer them…

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COACHES CORNER

The IARFC is pleased to provide contact information on persons who offer coaching, mentoring or tutoring services.

Some extend free time or a discount to IARFC members. This listing is not an endorsement or guarantee — as RFCs are qualified to judge who can help them in the areas where services are most important. This roster is alphabetical by last name.

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I Want My CNBC!

How to Meet the Media

Walk into any electronics store. Invariably you'll find a few middle-aged men huddled around a big-screen TV watching CNBC. Visit a newsstand or bookstore. Financial magazines, newspapers and books dominate the selections.

There is a plethora of financial websites, talk shows and publications — each regularly looking for knowledgeable individuals to provide readers/viewers/listeners with helpful information hopefully in a mildly entertaining manner. At the same time, it's never been more difficult to find the right place to say the kind of things that will position you as an expert. This in turn can raise your profile and if all goes well, bolster your bottom line over time.

While appearing in the media does not automatically make your phone ring "off the hook," a seasoned pro can help you navigate these sometimes tricky waters as a truly comprehensive media-relations plan can provide extraordinary benefits to how your business is perceived by clients, prospects, competitors, employees, partners and even yourself. There's not a firm on Wall St. that does not seek media relations counsel.

Finding Your Media Pro

Just as an individual needs to be selective when interviewing a financial advisor, you've got to be careful with whomever you select to represent you to reporters and editors. It's vital to have someone who thoroughly understands your business. A rep who has spent her career promoting the hospitality industry would probably not be a good fit for you. Someone who's worked with lawyers or financial consultants however may fit the bill. Ask at the Chamber of Commerce or speak with related professionals for a recommendation. Be sure they're not working for a direct or indirect competitor as this would present a conflict of interest.

But before interviewing professionals, determine your primary objective. What contribution can a comprehensive media-relations strategy make towards helping you achieve this goal? Stick with what you know and be prepared to stay with it for the long term. It could be counter-productive to offer yourself as an expert in one area only to change a year or two later.

When it's time to pick a media relations firm, consider that a relatively small practice could be well served by a firm of about the same size. Check references. Look at track records. Did they place clients in the right media outlets? Be forthcoming when describing your office, its goals and where a media relations strategy may fit. Be comfortable with the person who will be working on your account. If you're not ready for a long-term arrangement ask about individual projects. This can be a good way to get to know each other without a long-term commitment and many firms, especially smaller ones, are agreeable to this. Six months is a reasonable time frame.

Plan for the Long Term

It's generally best to plan for the long term when considering a media relations program. The first question to ask is: "What's my primary objective?" In other words, why do you want to see your name (or your firm's name) positively featured in the media? Your answer will determine how your media relations plan should be structured. You should refer to it from time to time to ensure that you're remaining true to your original objective.

Being called upon by a reporter or cable television producer lends credibility and exposure — valuable items which can be leveraged into business growth. Indirectly, there is often a great deal of value, mainly because this sort of exposure breeds client confidence that can be used to grow business.

10 Media Relations Commandments

1. Have a long-term media relations objective
2. Speak only on qualified subjects
3. Do not "spin" stories
4. Respect reporters' deadlines
5. Return reporters' phone calls
6. Do not "buy" favorable coverage
7. Prepare a media (information) kit
8. Do not belittle/criticize competitors
9. Do not review stories prior to publication
10. Respect the media relations process

I'll Do It Myself

This is one of the most common cries I hear when discussing media relations with CPAs. "I do it. My secretary does it. The intern does it. My wife (or husband) does it for me…"

My answer: "What do you say when a prospect says he or she can prepare their taxes better than you can?" You might say something like, "I recommend a professional." So do I, but the stubborn ones don't usually buy this argument, preferring to go it alone.

One or two occasionally do a good job, the rest often let any potential media relations benefits slip away. They generally haven't the time or expertise to properly manage a comprehensive campaign.

You Advertise — So What?

Never expect preferential editorial treatment because you advertise in the publication for which you're being interviewed. The editorial and advertising departments are regarded as "Church and State," one is not to influence the other. By asking for editorial coverage because you advertise (or might advertise) is insulting to the editorial staff members who are trying to provide unbiased reporting to their readers.

Avoid 'Spinning'

Thanks to Washington politicians, the word "spinning" has entered the common American vocabulary. Avoid this and anyone who regularly advises it as it often means being less than truthful or modifying a recollection of events to one's advantage. As we frequently lecture our children, the truth is almost always discovered. It's best to be the one providing the truth rather than the one running from it.

A responsible journalist will double and triple-check information before submitting her story and with good reason. Do the entire industry a favor. Stick to the facts. While it's the media relations representative's responsibility to get you in front of the press, realize that when dealing with a reporter, anything you say is "On the Record." Be sure it's correct.

Joseph Finora

Joseph Finora is a former Wall St. reporter, media-relations executive and the author of Media Relations and Creative Marketing Tips for Financial Professionals.

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www.josephfinora.com

Long Term Care Insurance vs. Critical Insurance

I can't tell you how many times advisors have asked us which product is more important for their clients, Long Term Care or Critical Insurance. Over the years I have heard many answers to this question and unfortunately, those answers are rarely appropriate. Considering all products are designed with a purpose, advisors must examine each product's purpose to find the appropriate answer. Since a responsible advisor understands the purpose for each product they represent, it only makes sense to take emotion out of the review process and examine both products objectively.

I believe that products should not be used for purposes other than what they were designed for and in a balanced approach to working with clients, products should complement each other when implemented properly. Proper implementation requires the gathering of information from your clients in order to make appropriate recommendations. The advisor is in the best position to help his or her client make good business decisions when they have received complete and accurate background information from their client.

That being said, advisors should never compare these two products. These products were both designed to protect assets…just during two entirely different stages of life. Long Term Care insurance is designed to protect assets during retirement by reimbursing expenses or indemnifying benefits for skilled, intermediate and custodial care in nursing homes, assisted living facilities and/or at home. There is no question, for people transitioning into or currently in the preservation stage of life, Long Term Care insurance is a better option to protect assets. A client in preservation stage should be more concerned about outliving their assets than replacing income or paying for medical bills. Due to having a fixed income, unlike a salary that can be interrupted, and having Medicare and some sort of supplement, Critical Insurance is just not as imperative for a person in retirement.

However, if your client is still in the accumulation stage of life, there is a chance they might need facility or home care benefits after survival of a critical illness. However, a tax free, lump sum of money would provide your client with significantly more options, when it is needed the most. Not only could the money be used for the same benefits the Long Term Care insurance provides, it could also be used for care in other countries (medical tourism), replacement of income for both spouses, etc. Long Term Care insurance does not provide your client with the same options simply because it wasn't designed to. During this stage of life, your clients need money they can control and use for numerous purposes.

Here is a recent claim example. My sister's friend is 30 years old. Around three months ago, she had a stroke and was in intensive care for over a month. There was a time where everyone thought she may not make it. Needless to say, she survived. Once she was out of the hospital, she was able to go home though she still needed care. However, because she was a stay–at–home mom, her husband hasd taken time from work to take care of her and their children. Had this client purchased Long Term Care insurance (with the typical 90 Day Elimination Period), this client would just now be eligible for reimbursement or indemnification benefits. Everything to this point has been out of pocket…while the amount of care she is now receiving at home is negligible.

These clients had an HSA plan with a deductible of around $5,000. They are currently seeking treatment from alternative medical practitioners and since Disability Insurance only replaces income for the working spouse, Long Term Care insurance benefits would have done nothing for these clients. Again, this is because the product wasn't designed to do anything in these instances. The good news is, this young woman and her family had purchased Critical Insurance a few years ago. She is now in the process of getting a claim paid. The money she gets from this policy will immediately go toward her deductible, uncovered medical expenses from alternative practitioners and to replacing a portion of her husband's lost income. In a worst case scenario, should the client have died from the stroke, her beneficiaries would have still received the full face amount as a death benefit. Long Term Care insurance would have only refunded unused premium.

The maximum age a client can get Critical Insurance on most policies is age 64. Again, the reason for this is because the product was designed for younger age groups. On the other hand, the maximum issue ages for LTCi is around age 79 for most carriers. Both products are Guaranteed Renewable, which means they can still go through rate increases on a class basis. That being said, the experience the industry is having with Long Term Care Insurance pricing today is quite different than Critical Insurance pricing. It is nearly impossible to price an unlimited benefit, with compound inflation, considering the persistency the carriers are experiencing. However, Critical Insurance is a defined benefit with an ending point that does not have an option for inflation protection.

A rule of thumb for advisors would be up to age 50, Critical Insurance and Disability Insurance are a more important focus for a client than Long Term Care Insurance should be. Between ages 50 and 55, there is a grey area due to clients beginning to transition into the preservation stage of life. I actually see combo Long Term Care and Critical Insurance sales in this age group. However, ages 60 and above should certainly be more focused on Long Term Care insurance than Critical Insurance. Just remember, both products have a place in protecting your client's assets…just don't forget that there is a purpose for both products and depending on the stage of life they are in, will depend on which product has the higher priority.

Donald A. Hansen

Don Hansen is a principal at The Ark Group, a National Insurance Brokerage and Planning Company based in Omaha, Nebraska. He and his company work with financial advisors across the country by providing them with powerful financial protection strategies uniquely structured to fit their client's specific need through proper case development, research and implementation.

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The Government's Well-Kept Secret

Wilma G. Anderson, RFC®

If you were to ask an elderly Veteran if they knew that they might be able to qualify for an additional pension from the VA to help pay for the cost of their long term care, they will probably tell you *"I'm not eligible because I wasn't injured in the War".* This is a common misconception which keeps many Vets from tapping into a benefit that they deserve.

Vets who are 65+, or disabled Vets, plus their spouses and/or their widows can qualify for large sums of money to help pay for long term care, but they have to apply for the funds. There are several Veteran pensions, but the pension designed to help elderly Veterans and Veterans' widows pay for costly home care, assisted living expenses, and/or nursing home costs is called the **Special Monthly Pension with Aid and Attendance**.

The Special Monthly Pension with Aid and Attendance is the government's best kept secret. I cannot tell you how many retired Veterans have told me that they called the Veterans Affairs Department and were told that this pension **does not** exist, or that they do not qualify. The pension really does exist, but learning how to qualify your family member for this benefit takes careful planning.

To qualify for this pension, Veterans must be disabled, or age 65, served 90 days of active service with at least 1 day served during a declared time of war for World War II and the Korean War. Six months of active duty is required if the Vet served during the Viet Nam War, and/or 2 years of active duty is required for serving during the Gulf War (which has never been declared over), plus the Vet must have been honorably discharged.

Why should you investigate this?

1. Of the over 23 million Vets in the U.S. who could qualify for this benefit, only approximately 153,000 Vets are now receiving the pension.

2. **Success is all in the paperwork.** The paperwork might feel pretty extensive for the Vet's application to be complete. Done right, the application could be approved and benefits would begin in about 90 days. (Here in Denver, if the application package is complete, the Vet can start receiving the pension within 3 ½ weeks) If the application is done incorrectly and the Veteran is declined for the pension, the Vet has to wait one year to re-apply for the benefit. Currently the average wait nationally is usually 6-8 months for approval, but the first check will be retroactive to the month the application arrived at the VA.

3. **Most Vets who have financial resources will be in one of 2 situations:** Pre-planning for the time their health will change, or Crisis planning when they need the benefit ***NOW*** due to the current costs they have for home care, medications, Assisted Living expenses, or nursing home costs.

No matter which situation a family member is in, financial qualification for the benefit is necessary. **And that's where you need the assistance of a Financial Advisor who can guide you through the process and help you with your current investment situation.**

To financially qualify for this Aid & Attendance Pension, the Vet may need to re-structure or re-title their personal assets first, and then complete an application to show the monthly, non-reimbursed, recurring health care expenses they have for their own care or for their spouse. There are special forms to fill out which will need to be completed and sent in with the application to indicate the monthly and annual expenses, along with a Doctor's report, and/or a facility report which itemizes the expenses charged to the Vet and their spouse, or to the Veteran's widow.

Many Vets have assets and financial resources which far exceed the limits the Veterans Administration allows. His or her assets can be re-positioned or re-structured to allow the Vet to financially qualify for the benefit. By having clear guidance from a Financial Advisor who specializes in this program, the Vet can qualify for a pension that they probably didn't even know existed. Just be sure to complete any re-structuring or re-positioning work with the assets BEFORE submitting the application for the Aid and Attendance pension, or there may be disqualification for the pension by not meeting the very strict financial requirements of the VA.

A word of caution! Do not let any agent complete the application to the Veterans Administration or charge you for their help. While this may be a service that sounds attractive, a January 3, 2007 directive from the Department of Veterans to all its regional offices and centers indicated that the actions associated with representation for a VA claimant who is applying for benefits is prohibited. Representation may include gathering information necessary to file a claim to file for benefits, preparing claim forms, submitting information to the VA, and communicating with the VA on a claimant's behalf. It's better to ask the agent for an outline or some specific information about what will be necessary to prepare for the application and also receive the necessary forms for you to process the claim with the VA. This will make the application process so much easier and it's a safer way to avoid any snafus with the VA and its employees.

Where can you get more information about the Aid & Attendance Pension for wartime Vets?

1. You can always contact the VSO (Veterans Service Officer) in your county about this benefit, or look on the VA website: www.VA.gov
2. Attend a talk or workshop about the benefit to find out more information and to ask some questions.

Whether your client is in a Crisis mode or in a Pre-planning mode for this pension benefit, they need the information to help them make a decision. By doing some planning now, the transition can be much easier when they actually need some financial assistance to help them pay for care later on. If your client is in a Crisis mode, their monthly expenses for care can quickly be draining their savings and investment accounts. **Be SURE you are** a qualified Financial Advisor who can help them with the Aid & Attendance benefits your Veteran clients, their spouses, and their widows so rightly deserve.

There are Vets who do not have many assets and will need this pension too. Some may not even have enough money to last a few more months. Finding out about the Aid & Attendance pension may be a real God-send.

Yes, the Aid & Attendance Pension benefit has been one of the government's best-kept secrets. Until Now. Don't wait any longer to learn about this benefit that your Veteran clients earned through their service in our military. It can help them to breathe a big sigh of relief financially and be prepared for the future when their health changes.

Wilma G. Anderson, RFC® has over thirty years of experience in healthcare benefits, financial products and personal services, Wilma shares her knowledge and insight with people and organizations all across the country.

She has developed specialized workshops for the public focused on the unknown Veterans Benefit called "The Special Aid & Attendance Pension" for war-time Veterans and their spouses. She has authored an E-book for insurance agents about Critical Illiness Coverage, and developed programs for Care Insurance Information & Sales. Her booklet for consumers about the different types of Annuity Investments sold out all 5 printings. If you're a consumer, Wilma will make any complicated situation easy to understand.

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Mental Marketing

How to Connect with the Boomer Mind

Odds are, everything you know about marketing is outdated. That's because the world of marketing has seen radical improvements in recent years. Psychology plays a much larger and more vital role. However, we see very little psychology in the financial industry marketing – at least at the street level.

So, with psychological marketing in mind, let's look at some effective ways you can capture more attention and engage people with your marketing. Since Boomers are the primary target market for advisors today, let's take a close look at this enormous group of people.

First, let's look at financial behavior:

"44% of Americans born between 1946 and 1965 are not confident that they'll have enough money to live comfortably in retirement. More than half (57%) say they lost money during the recent economic downturn and many who were affected (42%) say that's why they're delaying their retirement. It's easy to assume that Boomers are just selfish and they got themselves into financial trouble. But, isn't it possible that the financial industry has failed them by attempting to use outdated and inappropriate sales strategies on Boomers?"
Source: Associated Press-LifeGoesStrong.com poll

Armed with that information, the typical advisor would attempt to scare Boomer prospects into taking financial action. For example, Met Life relies on three points to nudge Boomer prospects into action: Fear, Uncertaintie and Doubt. We think that approach is a mistake and apt to backfire. Let's look at the main psychological mistakes:

Mistake #1. Fear. "If you don't take action right now, you're going to end up homeless!" That logic might have worked on Boomers' parents, but Boomers are polar opposites of their parents. In other words, advisors need to develop an appeal that is more appropriate for Boomers. There are two responses to fear:

- Boomers have a belief that it will all work out OK in the end. So, you will have a hard time convincing them that they need to change their lifestyles and beliefs.
- "Why bother?" This is a typical response when Boomers see the news telling them how ill-prepared they are to pay for retirement. Those numbers produce a serious state of confusion because Boomers don't know how to solve the problem.

Mistake #2. Information Overload. Advisors tend to give Boomers information — lots and lots of it. They flood the Boomer with information. Without personal help, Boomers have no way of sorting through all that data. The overload of information doesn't solve the problem, it adds to the confusion. So, while you should give information, restrict it to only the most relevant and objective information.

Mistake #3. Options Overload. Ever ask for directions, only to have the other person give you options instead of directions? "Oh, you could take the southern route and turn on the river road. Or you could take the northern route through Deer Park. Which one sounds good to you?"

In direct marketing, the rule is, "Too many choices will lose the sale." This is especially true with Boomers because they like choices. But there's a fine line between choices and overload. You must give them opportunities to make choices and insert guidance at the same time.

Any psychologist can tell you that to guide the person out of confusion, you need to give them a procedure to follow. However, what has the financial industry given instead? More options and choices that Boomers don't understand. "You could opt for an annuity or invest in the stock market. You could get guarantees, or possibly earn greater returns in equities. Oh, have you thought about a trust?"

Mistake #4. Impersonal Information. Boomers are self-directed. They need to make their own decisions, based on their own values and life experience. It's a generation focused on living their identity. Thus, you need to make sure the information you share with them is not generic. Boomers hate generic information. To them, it seems like an attempt to categorize them and lock them in a box. Now, you have irritation as well as confusion.

INFLUENCE & VALUES	
INFLUENCE	**VALUES**
Vietnam War, JFK, Bobby & MLK assassinations, Watergate	Live for today Distrust authority Seek difference
Sex, drugs and rock and roll	Self-gratification Self-expression Appreciation for alternative art forms
Being center stage and catered to	It's all about me Great self-worth
Space exploration, T.V., Disneyland	Anything's possible Place high value on creativity Devalue "in the box" thinking

Appeal to Boomer Values

Problem — what are the Boomer Values? See the table "Influence & Values." This is a subjective and informal look at how Boomers developed their values.

When you understand the influences that collided with Boomer lives, their values start to make more sense. Your job is to craft your communication with Boomers in light of those values.

In Conclusion. Too many options and too much advice tossed in the face of a generation accustomed to self-directed decision making is simply counter-productive. What does this mean to you? Simplify! Give only relevant information and a limited number of simple choices. Describe the products/solutions in language that illustrates how the Boomer will benefit — do not ever rely on the list the product features! And, appeal to their values.

Your IARFC Reward. If you are targeting Boomers, but are not a Boomer, you need to develop an understanding of their life experience. That way, you'll have points of reference you can share with them. I created a table comparing the WWII Generation's life experience and the Boomer Generation's life experience. If you'd like a copy of it, just copy this paragraph into an email and send it to me.

Source: some of the information in this article is taken from Michael's eBook: The Boomer Handbook.

Michael Lovas

Michael Lovas is the author of twelve books, mainly on Professional Credibility and Psychological Communication in the financial industry. He has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to write more business and inspire their clients to love them. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping advisors build credibility and relationships with thier chosen target.

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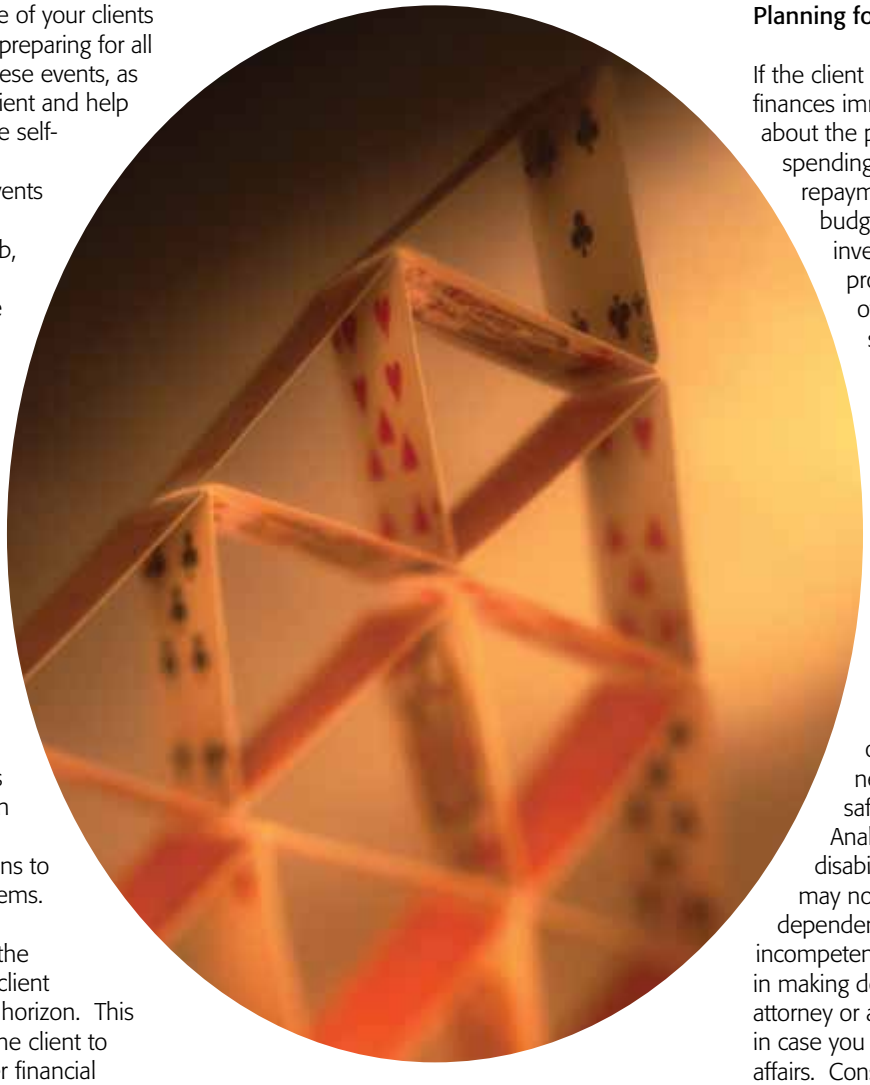
Planning For The Game Of Life

Experience tells me that some of your clients may not have thought about preparing for all facets of the game of life. These events, as they occur, will awaken the client and help him or her prepare toward the self-realization of their goals and objectives. Some of these events are pre-planned to a certain degree, i.e. taking your first job, getting married, starting a family, and some of them are unforeseen events, such as losing a job, getting divorced or becoming a widow. Many of these financial uncertainties become realities at some point during the client's lifetime. In fact, individuals typically experience at least eight special situations during their lifetime. The former tend to be welcome occurrences. The latter inflicts panic by the client. This article alerts the planner to both of these critical issues and shows how he or she can assist the client in diagnosing and applying recommendations to these situations and/or problems.



The planner will first identify the particular stage in which the client currently stands in life's time horizon. This self-awareness can prepare the client to possible changes in his or her financial planning. A certain degree of handholding with special attention paid to any emotional aspects may be necessary by the planner. Some issues will receive more weight than others. Some of these circumstances will dramatically alter the client's planning, while others will require minor modifications. Age may play a role in a particular life event. This is an important concept since the American population is getting older. Whether it's a single issue or multiple issues, the planner may wish to take the precautionary route and develop a comprehensive financial plan to help integrate all pieces of the puzzle.

A complete financial plan comprises all aspects of the client's financial position and helps create a financial "roadmap" to help the client organize his or her goals in a logical format and attempt to pave the way towards a sound course during the client's lifetime. Several integrated and coordinated financial planning strategies may be utilized toward fulfilling those needs and goals. Financial life strategies also involve making dollar tradeoffs. A sufficient level of spending and saving is necessary when planning the major events of one's lifetime. Making money trade-offs without a financial roadmap may leave the client out of gas and far short of the ultimate destination. With this in mind, it becomes necessary to examine whether the client's on track at a particular stage within his or her life cycle. In life cycle planning, you should focus not so much on age, but rather, on the events that have financial significance during one's life. To assist you in helping clients plan for the unknown, here are some of the important issues that may arise in life's great cycle of events.

Planning for the Seasons of Life

If the client is beginning a career, get finances immediately in order. Caution about the pitfalls of excessive credit card spending. Student loans should begin repayment. Have the client develop a budget. Surplus funds should be invested into a regular savings program. Savings should be 10% of gross income. The client should anticipate life contingencies by establishing an emergency fund, which should consist of six months worth of living expenses. Design an investment portfolio with properly diversified mutual funds. Don't skip out on needed health insurance and a renters insurance policy, if applicable.

If the client is single, he or she probably has no one to count on but themself. The client needs to create his or her own safety net for the long-term. Analyze insurances. Health and disability are primary. Life insurance may not be needed if there are no dependents. In case of illness or incompetence, a health care proxy will assist in making decisions and a durable power of attorney or a revocable living trust will help in case you are unable to run your own affairs. Consider choosing an institution, such as a bank or trust company to share the responsibility with a friend or relative. A will may become necessary, if for nothing else, to name a guardian for the client's children. Investment planning becomes more crucial because there is no one else to help pick up the loss of income. This poses a greater challenge for the single person.

If the client is getting married early on in life, he or she is in an enviable financial position. Much of the financial ground work begins to take shape. If both spouses are working, have them start a joint savings plan. This includes contributing to retirement accounts, flexible spending accounts and creating an investment portfolio. The approximate cost and date of onset can be estimated affording the client plenty of time to get ready. Since life is unpredictable, it is necessary to seek risk protection. Auto,

health and disability insurance should be purchased. The client should also change the following beneficiaries: pension plans, IRAs, annuities and living trusts.

If the client is buying a home, a significant amount of debt is incurred since the home is usually the biggest purchase an individual makes. Advise the client to spend time getting to know the neighborhood. Comparison shop for mortgage deals. Recommend that the client purchase homeowners insurance with replacement cost for both dwelling and contents and umbrella insurance to protect the homeowner in the event of future liability claims.

If the client is starting a family, life insurance needs to be purchased. The financial impact on the family and dependents of a wage earner who dies prematurely can be overwhelming. Advise the client to revise the will once a child is born and begin thinking about college funding. College costs have been increasing at a higher rate than inflation. Parents and college bound children need to learn about new possibilities for college funds and become acquainted with the financial aid process. For clients with young children, a savings program for college is crucial, even if the amount put away each year cannot actually meet projected college costs. For those clients with children closer to college age, the planner has to evaluate the client's current financial position in order to assess what resources, if any, might be used to fund college costs. When the children are young, counsel the client by estimating the amount of money needed to pay tuition bills and signifying dates when these bills will arrive.

If the client's kids have graduated college and are out of the house, the client's prime earning years are probably approaching. If the client has not already done so, saving for retirement should become a standard requirement and an automatic deduction from salary. Counsel the client to maximize contributions to 401(k) plans, 403(b) plans, Keogh plans and other types of deferred savings vehicles. Some people may elect to downgrade their house to a smaller residence. The client can permanently exclude $250,000 if single, or $500,000 if married. However, advise the client not to be too quick to sell. More and more children are moving in with their parents after graduating college.

The planner will probably focus on the several years before the client approaches retirement. Advise the client to continue with a similar investment strategy to the one you helped establish years before. Don't become too conservative. Don't completely pull out of equities and go into fixed income. Fixed income accounts don't perform as well as equities over the long hall, because of early retirement trends and increased longevity. Nowadays, it is possible that retirement could total one-third of a person's lifetime. Emphasize that preserving capital is more important than maximizing return. The client should consider formulating an estate plan and have an attorney review all legal documents to ensure that they are in accordance with his or her goals. Providing effectively for survivors means that the client must plan as if he or she were going to die tomorrow, however unlikely that may be.

Planning for Life's Uncertainties

If the client gets terminated from a job, extreme worry and preoccupation results. Clients cannot predict how long they will remain unemployed. The main problem will probably be how long the client can stretch unemployment income to pay living expenses during unemployment. This can be calculated through the use of a budget. Assume that the client will remain unemployed between six and nine months and have him or her apply for unemployment benefits. If a layoff is imminent, have the client seek a severance package and secure good references. Remind clients of the importance of continuing insurance coverage. To counter the immediate urge to sell off investments to foot the bills, develop a cash-flow analysis that provides a reasonable idea of how long existing funds will last. This approach will enable the client to be calm and orderly when contemplating necessary financial decisions. If the company offers either a lump sum or a continuum of salary, check the facts. Generally, a lump sum will be better but not always. But before the client decides, see if salary continuation will prolong benefits, such as health insurance and funding of a retirement plan. If so, salary continuation will be a better deal.

If the client is getting a divorce, the planner may be asked to participate on a team with other specialized professionals or even to help structure the divorce settlement which could have long-term ramifications. Find out about the current trends in the way divorce settlements are structured. Mediation may be a less expensive alternative. If the planner has good information, the split may lean more towards being fair and amicable under the circumstances. The planner will also start developing a new plan dealing with all the areas of financial planning. Income tax decisions may also be a factor. Dependency deductions can prove more beneficial to the spouse with the higher income. Insurance coverages may need to be updated to remove the ex-spouse as beneficiary. Credit must now be re-established by the spouse who had no previous credit history and an adjustment to his or her changed financial status may become a rude awakening.

If the client gets married after divorce, the question becomes how can he or she protect the kids from his or her first marriage? Look at both family resources and demands for each. Inquire about when the money will be spent. Take a long-term view. Once it is determined what things need to be paid for, the client should start investing in order to meet those goals. To satisfy estate planning needs, have the client set up a qualified terminal interest property (QTIP) trust for the benefit of the spouse. This gives the spouse access to all income for life, but upon death, the assets pass to the intended beneficiaries, usually the children from the prior marriage. If the children are close to the same age, give a portion of the estate to your children at death, with the rest going into a QTIP.

After the death of a spouse, the client's financial plan may need revisiting. Advise the client to take it slow. Gather important documents, such as the death certificate and insurance policies. An attorney should be contacted and filing for will probate and changing of titles and ownership will need to be performed. Resources must be identified to settle the estate. If the decedent had life insurance, a choice must be made by the beneficiary as to the disposition of the proceeds. Lump-sum settlements, fixed payments and annuities are three ways to receive these payments. Advise the client not to quickly buy an annuity with any insurance death benefits. Consider taking a lump sum and parking it in treasuries or cash for six months until the client gets through the hurdle. Credit must be reviewed to ensure that the survivor does not borrow more than he or she should. The planner should assess the composition of assets, such as investment portfolios, as well as the capability of surviving family members to manage these investments. Stability of income may be requested by the client. However, don't get too conservative with the remaining investments. The period of widowhood could last as long as 40 years. Ownership designations on invested assets and disposition of closely-held business interests must also be evaluated as well as whether to utilize the marital deduction, any unused unified credit or disclaim the property. A federal estate tax return may need to be

filed if the estate has over $1,000,000 of assets. State tax laws vary. See a CPA or other qualified tax professional.

The income tax filing status will change to widow or widower. However, in the current year, the surviving spouse may still file a tax return as married filing jointly and can claim a dependency exemption for the decedent. Furthermore, if the surviving spouse has children that qualify as dependents, the survivor's home is their principal residence, and the survivor provides over half the cost of maintaining the children's household and has not remarried, then the surviving spouse will be allowed to file a joint return as a surviving spouse for two years after the date of death. Retirement projections will have to be revised to account for the changed circumstances.

The most important part of any financial plan involves constant monitoring of life events. It's easy to get off track. Your role as an advisor is to help the client stay the course.

Jeffrey H. Rattiner, CPA, CFP, MBA, RFC®

Jeffrey H. Rattiner, CPA, CFP®, MBA, RFC® has been a fixture in the personal financial planning profession for over 25 years. As a leading educator, author, practitioner, and industry organization executive, he has experienced financial planning from a perspective most of us have never seen up close. He worked at three of the major membership and licensing organizations for our profession and runs a small tax and financial planning practice. Jeff keeps himself very busy. He has written many books, edited industry trade journals and newsletters, been featured as a columnist in various trade publications, and has been a featured speaker for many years on a host of very important topics in our profession.

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Barry James Dyke

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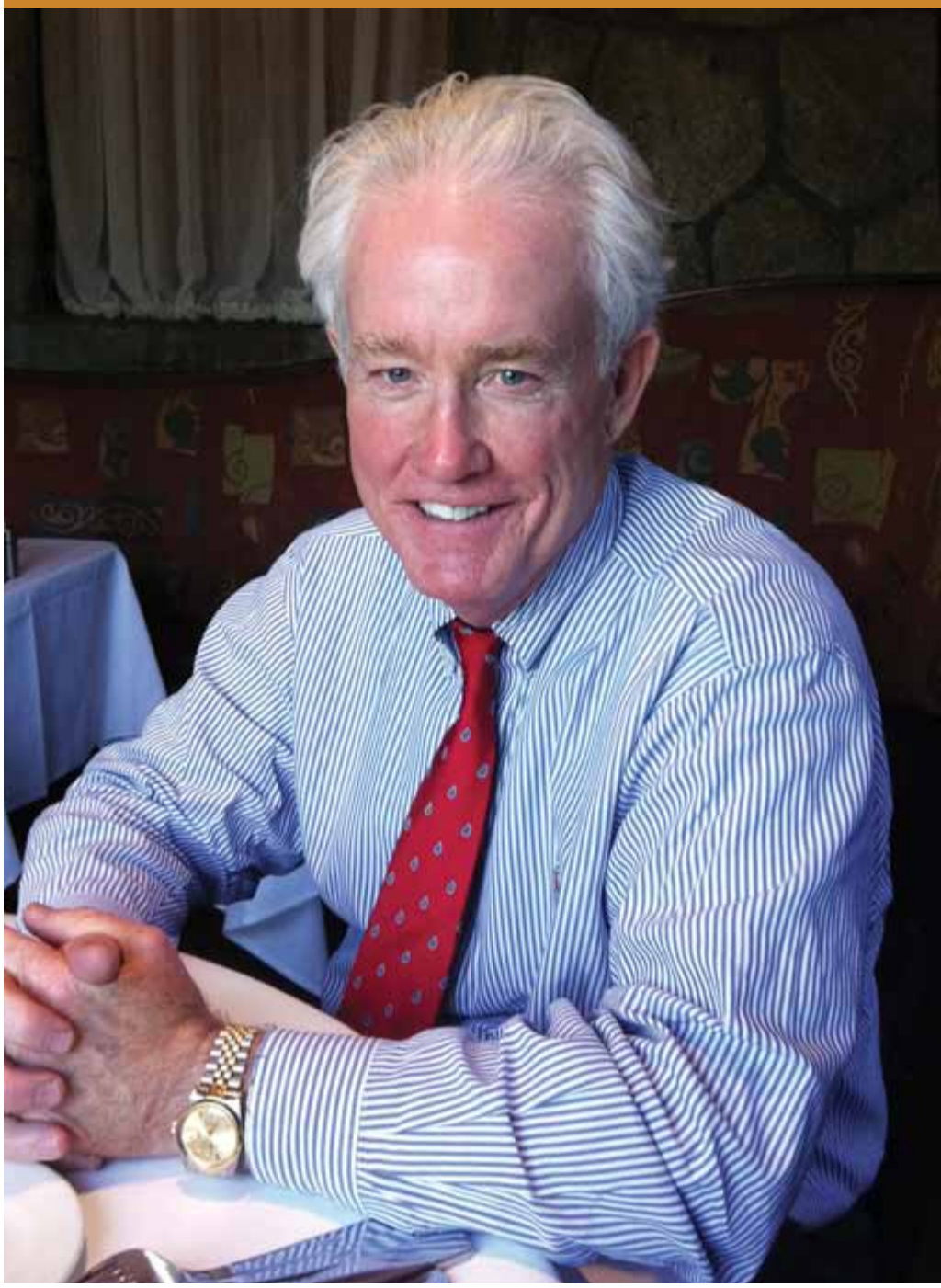

Barry James Dyke, RFC®
President of Castle Asset Management, LLC of Hampton, New Hampshire. He has practiced financial planning for more than twenty five years, founded a pension consulting business, a third-party administration firm, a health & welfare consultancy and a registered investment advisor.

The *Register* invited Barry to the roster of IARFC Member Profiles. Here is what he told us.

How did you first enter financial services?

I first entered the financial service business in 1982 after working in the high tech aerospace and communications industry.

What was your educational background?

My college education was based in political science, but I had always been a self-starter, having my first lawn mowing business at 14. I was fortunate to have summer jobs were I was exposed to a number of self made entrepreneurs.

What were your early job duties?

In financial services, the start was brutal. The main duties were building a clientele and that was difficult. It was very humbling to be travelling on a national basis to sell aerospace and tech companies, to selling families and businesses life insurance and other financial products.

Were you successful at first?

Yes, I was, I became the rookie of the year with a major carrier, but it was very painful. I was getting a bunch of rewards but it was a weird existence, selling people insurance at night when I was used to working during the days.

What or who influenced you the most?

This is when I began my journey in looking to those who went before me. I started reading a great deal of biographies, particularly the likes of Joe Gandolfo and the insurance greats like Ben Feldman. But what I began to see is that any man or any woman in any endeavor had to dedicate their life work to something greater than themselves, which of course, even today, is the exact opposite of what American society teaches us. Those folks, the pioneers, and this is still true today, are more concerned

Americans wake up to what is really going on, America is broke, and many of the financial superstructures within America are buckling under unsustainable conditions. I document in The ***Pirates of Manhattan II*** *for example that virtually all of the state pension plans are on a collision course.*

about improving some product or service for the benefit of their fellows, their customers. Even Steve Jobs, founder of Apple, said he was not in the business "to get a yacht." Yes he got wealthy, but the wealth is a by-product of their success, not the end game. Today, regrettably, for Wall St. and corporate America, it is more about the money, which of course, is bringing about America's decline.

What were your major obstacles?

Of course, the biggest problem anyone faces in the financial service business is rejection in getting new clients, and there is just so much to do when it comes to marketing oneself, learning how various products work and so on. Regrettably today I find doing the right thing for clients is more difficult than ever. Americans have drifted so far away from the fundamentals that I wonder if it can ever be corrected. Major obstacles in the past were teaching consumers, business clients and others the benefits of guaranteed products and so on, but in America we are a society that still wants something for nothing, particularly in the investment area. It has never worked, will never work, but the myth that the stock market is efficient continues, and the American media and our government are supporting this illusion. The media gets huge advertising revenue from banks and asset managers and banks, and our Congress gets huge lobbying dollars from the asset managers and banks. Yet this arrangement precipitated a major financial collapse that privatized profits for banks and socialized losses for the American taxpayer.

Tell us about your current practice:

My current practice is very interesting to say the least. Today a large portion of my time is devoted to writing, giving talks around the country, being a guest on talk radio, doing selective work which supports revenue streams, book sales, speaking gigs, high end financial and estate planning cases. I have been blessed with some great engagements that help support my writing efforts.

How do you market now for acquire new clients?

Luckily, that is not much of a problem for me, several times a month I receive inquiries from around the country and from existing clients. I have to get more selective though, as much as I love staying in the planning game, I have to say no in a polite way unless people are willing to retain me for a fee.

What are your major frustrations?

My major frustrations are that the American public, on a whole, is really so uninformed about how finance really works, and the powers that be really are not that interested in informing Americans. A major problem for me in ***The Pirates of Manhattan*** and the recently released sequel, ***The Pirates of Manhattan II: Highway to Serfdom,*** is that the American media completely ignores my research. They cannot deny my research because it is all based on facts, but they can deny me airtime, which regrettably is what rules America. I have documented my findings about the casino nature of investing in America to Bloomberg, NPR, News Corp, *Money Magazine*—you name it, and they refuse to publish the research.

Tell us about your business continuation plan?

My business continuation plan at current is non-existent because as you know we are in a relationship business, and those relationships are virtually impossible to sell unless there is a tangible large book of assets to be transferred, say a large group health block or a large block of assets under management. But at some point it would be nice to pass my efforts onto someone. I have spent my life building contacts throughout the country and I have a major following for my books with some of the largest financial companies and planning organizations in America. How you monetize that, is difficult, though.

What feature or benefit of the IARFC has been of greatest value?

For me the greatest benefit of the IARFC has been the benefit of the ability to open doors to meet other advisors, successful ones, because to this day I am absolutely fascinated as to how other advisors become successful, and the IARFC has a number of them. I am really there to help them, and hopefully we can help one another.

What do you see for the Association in the future?

There is definitely a need for an independent voice, because regrettably, most of the noise you hear in finance still supports the banks, the asset managers, the private equity guys — all parties who helped bring about the financial crisis. There is definitely a need for independent organizations which are not owned by financial service companies.

What should financial advisors be doing to give back to the community?

They should be helping Americans wake up to what is really going on America is broke, and many of the financial superstructures within America are buckling under

Advisors need to help their clients be more self reliant, whether it be teaching people the difference in saving versus investing, or giving them a more realistic view of the costs of college.

unsustainable conditions. I document in ***The Pirates of Manhattan II*** for example that virtually all of the state pension plans are on a collision course. This is also true with corporate plans, and companies like General Motors are an absolute mess. GM has a market capitalization of about $35 billion, with worldwide pension liabilities of $135 billion. This is insane. The states pension liabilities are much worse with $2 to $3 trillion in shortfalls. Advisors need to help their clients be more self reliant, whether it be teaching people the difference in saving versus investing, or giving them a more realistic view of the costs of college.

What will be the impact of technology on financial advisors?

One of the only ways to reduce costs is through technology. I have spent hundreds of thousands on technology, but we still need to be more high touch than high tech. Meeting face to face is best, telephone second, email, the web, a distant third. Technology is important, but face to face listening is more important. Remember, God gave you two ears and one mouth, which means you need to listen twice as much as talking.

What do you advise an RFC to concentrate on?

The fundamentals of planning, insurances, saving, investing in yourself, etc.

What's looming on the horizon for our profession?

More competition for the independent. The same people who brought you the financial crisis want to take over every nook and cranny of the asset management business. The major New York banks are now heavyweights in the 401(k) business. It will be much tougher to compete with these guys, the guys who brought you over-leverage, supersized compensation, derivatives, subprime mortgages, student loans, usury credit cards and failed IPOs such as Facebook. They want to get rid of the independent folks in the IARFC, and from all appearances, are making tremendous progress.

What do you wish you had done, early in your career?

Learned more about banking, particularly about the Federal Reserve System and the interconnected codependency between our governments, banking, Wall Street and the Federal Reserve System. It is so important to learn the truth about these things if you really want to be of service to your clients. When I learned the truth about things such as fractional reserve banking, I learned how I could be of more value to others.

What have you done to create a reputation in your professional practice?

I guess my advice to fellow advisors is to believe in yourself first and never be afraid to speak the truth. Eventually the truth wins. This is not easy though. It has been very difficult, and this is why my faith in God is very important to me. We need, at the very least, to have an intellectual revolution of sorts, because our current thinking is going nowhere. But by believing in what you do, through research, faith and conviction you can be powerful. Despite having numerous doors figuratively slammed on me, I have been acknowledged by The *Huffington Post*, *Al Jazeera*, The *New York Times*, The *National Underwriter*, Yahoo, *San Francisco Chronicle* and many more. I am featured in a new television documentary "Who Rules America" by Globalvision, Inc. My work has been endorsed by a number of the country's top economists. I must be doing something right.

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Simple Financial Strategies

For Your Clients

Wealth Creation has been the goal of many people throughout history and since the recent global financial meltdown, this goal is even more important today.

"Buying a home, saving for retirement or for children's education or even effectively managing the family budget requires more financial sophistication than ever before. Financially literate consumers make the financial marketplace work better, and they are better informed citizens as well," Ben S. Bernanke, Chairman, Federal Reserve System.

Amongst my clientele I have found that the wealthiest have adhered to timeless, disciplined and sustainable principles of wealth creation. I am happy to share some of these with you:

Set a goal

Lewis Carroll once said, *"If you don't know where you are going, any road will get you there."* This applies today as much as it did in the 19th century when he wrote Alice in Wonderland. The first step towards successful wealth creation is to have a definitive financial plan. One needs to ask himself – where am I today financially? Where would I like to be in five years, ten years? Will I have enough funds at retirement to maintain my standard of living; will my retirement be my golden years or my yearning years? What do I need to do to get there? Successful individuals choose and follow a well thought out course of action towards realizing their long-term financial goals. As with most things in life, without financial goals and strategies for meeting them, we drift along and leave our future to chance. The end result is the same: failure to reach financial independence.

Seek the advice of a professional

When someone becomes sick, he immediately heads to the doctor's office. The doctor diagnoses his ailment and prescribes the appropriate course of treatment. Why shouldn't the same apply to one's financial health? Now more than ever, it is important to have a financial advisor who is duly qualified and experienced in order to help diagnose problems in your budget, taxation, risk mitigation, savings rate, investment strategy and portfolio structure. This small investment in one's financial health today will pay big dividends tomorrow. A good financial advisor can help you identify your financial goals and prescribe relevant strategies to achieving them.

Get proper life insurance coverage

It is estimated that one in five households don't have life insurance. Life insurance is a cost effective way of protecting your business, your spouse and your children. This allows you to have peace of mind that your family will be financially secure in your absence. Even though the exact amount will be dependent on your specific situation, a simple method for estimating your minimum need would be to purchase enough to cover ten times your earnings. For example if your annual income is $35,000, your life insurance policy should be at least $350,000.

Get proper general insurance coverage

There are other risks – for example fire, theft, flood – that people face with respect to their physical assets. The best way to mitigate these risks is to have proper general insurance coverage. This allows a person to quickly regain the use of these assets while not risk reducing their net worth because of unexpected disasters.

Pay yourself first

Many of us ensure that our bills and other financial commitments are taken care of in a timely manner but neglect the fundamental principle of paying ourselves. If one is to create wealth it is critical to pay yourself first. During our working life, if we estimate 35 years, with an average annual income of $60,000 a person would have earned $2.1 million. With no financial direction and plan, there are many persons now entering into retirement with no real savings to tide them through the golden years. Also people are living much longer and so their savings are being stretched to the limit. If this person were to save an average of 10%, he would have with 0% interest saved over $210,000.

Create a will

It has been a misnomer that wills are only for the rich, but this is not the case. You may have assets of sentimental value, such as family heirlooms and personal items. Your will dictates how your assets will be distributed after you have departed. A will can even dictate who should take custody of your children in case of your untimely departure. Many successful persons have utilized wills to ensure that their wealth last for generations and that their legacy is preserved for as long as possible.

Control your debt

The credit crisis has brought to the forefront the danger of over-leveraging. There are many people today who are facing financial ruin simply because they borrowed more than was financially prudent. It is important that one's debt to asset ratio not exceed 30%. For example if one has assets of $100,000, he should not borrow more than

$30,000. This level of borrowing is healthy enough for him to leverage his position, without it becoming dangerous to his financial health. It is also a great strategy to renegotiate debts in times of low interest rates, in order to reduce the financial strain on a person's cash flow.

Have a long term care solution

One can do a great job at saving, investing, but can still be at great financial risk if there is no long-term health care plan. People are living much longer and health care is becoming increasing expensive. It is important to have a great health care plan to ensure that in case of major medical issues, one does not have to utilize his life savings to pay for it.

I trust that the above simple financial strategies have provided you with some valuable advice to assist you with your overall financial goals and plans, and wish you continued wealth and prosperity.

Visit: www.IARFC.org/ConsumerArticles for this and more helpful consumer friendly articles, you may reprint with IARFC Register permission.

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Preparing For The Perfect Storm

The best-selling book by Sebastian Junger and the popular movie starring George Clooney describe the devastating results when all the aspects of the nature — sea — wind, rain, currents and storm combine. Every change in the elements increases the damage done by others. The perfect storm would be predictable if a climatologist had all the history and complete information of where and when each new blow would strike, but such knowledge is not reliably available in advance. Hindsight is far more accurate with weather — and economics.

Your clients (plus you and your family) are living in a **Pre Perfect Storm** era!

Even now, you can see the first of the elements — perhaps like an unusual tide, strong winds or dark clouds. Those of which the public are aware include the stock market declines of 2008, the real estate crisis of 2010, the LIBOR (London Interbank Offered Rate) fiasco, plus the widespread bank money laundering charges and bank losses from unsuccessful hedging activities.

Adding fury to our economic storm is the flagrant financial mis-management of many national governments that have allowed their situation to deteriorate by encouraging over spending and undersaving. This includes Greece, Portugal, Ireland and Spain plus sadly, the United States. As these waves race for the shore, they will add more pressure on other European countries. More sovereign debt will come into question and the impact will even be felt in France, England and Germany — the financial stalwarts of Europe.

Government regulators in the U.S. and elsewhere have been either wildly incompetent, hoping they can personally retire before all is revealed, or they have been privately enriched to countenance abuse of the public's trust. All over the world, there have been Ponzi schemers and those who wager other people's money on derivatives and hedge funds. When they bet right, the "advisors" receive giant bonuses. When they place their institution's chips on the wrong color, the collapse can be sudden and serious as more elements are added to the growing confluence of effects.

Do you trust regulators? Has FINRA protected investors from Madoff, Stanford and over a hundred other Ponzi practitioners? Has any action been taken against Jon Corzine for "misplacing" $2 billion — part of the $40 billion failure of MF Global? Note: Corzine must have been distracted while spending his $8.5 million salary.

The mortgage debacle is not over. Further decline will place more properties under water. The HARM and HARP loans now offered by the U.S. Government through their stalwart lending pals Fannie Mae and Freddie Mac are offered as a "turn-around for disaster" to distressed homeowners. It is like telling the casual swimmer to paddle out to the sand bar and ignore the growing riptide currents or the circling fins in the water. There will be more loan defaults and the U.S. Government will try to hide them so as not to "upset" the public.

After all the damage caused by mortgages issued far in excess of property values, the U.S. Government is still promoting this financial profligacy. A HARP loan, (funded by Fannie Mae or Freddie Mac) can be issued at 150% of the property value — plus ***no appraisal is required***. Obviously, there will be another housing crunch.

What does HARP stand for? The government would tell you it is "Home Affordable Refinance Program." Perhaps we should name it the:

Housing Absurd Repeat Plan!

Loans in excess of property value, not relating lending suitability to the borrower's income and failure to make an adequate property and neighborhood appraisal **FAILED BEFORE**. And they will **FAIL AGAIN!** Why would a consumer keep paying on a loan that is 150% of the value of their property?

But these are ripples. The serious waves are building and due for inevitable arrival.

Government Inefficiencies. If we have a five day work week, do we need six day postal delivery? If we won World War II in 1945 and Korea in 1952, why do we still have military bases, equipment, civilian employees, combat military and their families now occupying over 700 offshore locations?

Lifestyle Entitlements. The media, governments led by legislators, presidents and regulators, have encouraged the public to believe they are entitled to many aspects of daily living — food, shelter, medical treatment, education and to be paid for not working. Furthermore, congress and the president believe these entitlements should be extended to illegal entrants and their families.

Corporate Entitlements. Large farmers are paid to not farm — less it reduce the price of food. Of course, this encourages unnecessary importing of food, which exacerbates the trade balances and drains federal financial reserves. Eco-passionates are encouraged to build windmills and solar panel farms that produce electricity at twice to ten times the cost of traditional energy. Therefore, nuclear and coal-fired plants are not improved and their number is shrinking. We will learn the impact of that wisdom when electrical outages grow more common, such as events in India.

Medical Entitlements. For all the centuries before one hundred years ago, there was no medical insurance. If you were sick or injured, you shopped for the best and cheapest treatment and you expected to pay. But group medical plans ballooned the purchasing of medical services — stimulating physicians and researchers and a host of organizations to dramatically improve

medical treatment. Want proof? Compare the life expectancy of various countries in 1900 with that of today. All of us have had family members surviving medical incidents that heretofore would have been fatal! However, with that better care have come unintended consequences.

Medical costs have escalated. When I was born, the Evanston (Illinois) hospital charged a room rate of $10 for my mother and only $1 for me as a healthy infant. She was encouraged to stay several extra days since her blood pressure was unstable. Adjusted for inflation, that $10 room rate charge would today be $86 at 3%. $175 at 4% and $1390 at 7%. What is the cost of a private hospital room in your community? Medical cost escalations exceeding general inflation are likely to continue and the threat of socialized medicine (Obamacare) has only spiraled the costs, currently up about 12% in the past two years. When will it end? Persons all over the world have been told, "You are a person of value and our great economy should be able to save your life again and again, despite the costs."

People are living longer. As the medical community develops treatment for disease, degeneration and accident — lives are extended. Repeatedly people are escaping death. However, each time, the impact of complexity and inflation drives the costs higher. So the longer we live, the more expensive the treatment. Our lives and mobility are enhanced — and the costs keep escalating.

Longer lives mean longer retirements. Many years ago, the age of 65 was selected for late retirement. Persons were planning on midrange retirement of 62 and early retirement of 55. Some countries, like the Philippines and Greece have been encouraging retirement at 55 in order to create more jobs for young persons entering the work force.

In 1900, the life expectancy for a new child was 48 male, 51 female. Today (according to U.S. Census) it is 76 and 81. However, by the time today's infants reach their seventies, the expectation will be even greater. Remember a life expectancy is the point at which 50% of the persons have expired, and 50% will continue to live much longer. Current life expectancy for a 65 year old in the U.S. is 17.3 (age 82) for males and 19.9 (age 85) for females.

Jobs have Life Expectancies. Today no one manufactures buggy whips and horse drawn carriages. Many persons are engaged in occupations that did not even exist 30 years ago. Cell phones did not enter the consumer market until 1991 and now there are almost 6 billion units. Will the cell phone of 2030 be similar — or will it be an inside the body implant? You think that's ridiculous? The first internal units were installed in 2007 and research continues by the U.S. Military.

The point however, is that as career working lifetimes are extended from 40 years to 60 years, the rate of change in technology continues. Technical and even academic education will become outdated and inadequate. Many occupations will have a far shorter life expectancy than the workers!

Is economic disaster assured? I'd like to be confident that the answer is "No". But we are definitely headed in the wrong direction. There is an international failure of leadership! Governments at federal, state and local levels, quazi–governmental institutions, like the Federal Reserve and Fannie Mae are leading us into financial disaster. They are augmented by the giant "too big to fail" investment and commercial banks.

Where are the solutions? Governments and institutions must change direction – radically. We need to end the era of entitlement and adopt financial prudence at all levels. Can we do this? "Yes". Will we do this? "Maybe".

Individual Responsibility must be exercised. This means not buying commodities or duplicates that are not needed. It also means saving your money, looking for bargains, and paying cash. Individuals must be encouraged to do this — and so must governments.

Back to the *Perfect Storm.* The boat encounters an enormous wave, flips over and sinks. The final scenes are a funeral service. But then, that was only a movie.

Ed Morrow, CLU, ChFC, CFP®, RFC®

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Helping Clients Trust A Trust Attorney

Christopher Hill, RFC®

Whether you hold yourself out as a financial advisor, financial planner, or insurance agent, at some point you will need to discuss the impacts of the products and services you offer on your clients estate planning – both directly and indirectly.

In other words, it is inevitable that estate planning will become a part of the services we provide for two important reasons:

1. Proper estate planning is a key ingredient to an overall financial or retirement plan.
2. Wills and Trusts require a great deal of coordination and integration with many pieces of a financial or retirement plan.

Although most financial professionals are not qualified nor licensed to give legal advice, this does not preclude us from knowing some of the basics with regards to estate planning. In fact, every financial professional can reap huge benefits from not only knowing how to explain and assist with estate planning, but also by establishing strategic alliances with a qualified and seasoned Estate Planning Attorney (Trust Attorney).

In my case, I have been very fortunate to maintain solid working relationships throughout my career with several seasoned Trust Attorneys. One in particular is Bryan Bishop, President of Living Trust Attorney, Ltd. in Fairfax, Virginia. Bishop has lectured for the Fairfax County Adult Education Learning Center for over 15 years, entitled; "Wills, Trusts, and More". Here are just a few of the interesting points I took away from Mr. Bishop's extremely educational Workshop:

- Over **70%** of Americans die without leaving behind a Last Will.
- Out of the 30% that do leave behind a Will: About 50% are created by the deceased person, About 50% are not created by a Trust Attorney
- **90%** of existing estate plans have damaging effects and/or shortcomings.
- Only **10%** of Americans have a Durable Power of Attorney, a Last Will, and Advance Medical Directives.
- Most people think if you have a Will you avoid probate, which is false.
- The titling of assets and beneficiary designation supersedes a Will or Trust.
- Probate is in the state of domicile. If a deceased owned homes in three states, there are three separate probates
- Life Insurance is subject to estate/death tax.
- Two key reasons many estate plans fail are joint ownerships and comingling inheritances.

Given such an important matter as estate planning, hiring a Trust Attorney you can trust is a critical step. Attorney Bryan Bishop was also kind enough to share the following:

Steps to Creating a Solid Estate Plan

1. **Questionnaire** – Spending 1-2 hours completing a substantial questionnaire (say, 5-15 pages) is an excellent first step to ending-up with an estate plan that is a bull's-eye relative to your particular facts, circumstances, and desires.

Beware any suggestion that you need just show-up for a Q&A session. The documents that issue from your initial appointment will control your wealth and health, so do not be content to offer off-the-cuff answers at your initial appointment.

2. **Initial Appointment** – Expect that an initial appointment should last 1.5 to 3 hours, the greater part of which should be spent with the attorney who would create your plan. Initial appointments lasting an hour or less – with most of that time often spent with persons other than said attorney – are common (particularly in the case of a "free initial appointment", which will typically last 30-45 minutes).

A longer initial appointment is crucial because most prospective clients will not divulge some objectives that are very important to them until and unless they have warmed-up to the person interviewing them – and that "temperature" usually is not reached until the second hour with the same interviewer (which often leads to the need for a third hour to suggest planning which also addresses the objectives only divulged in the second hour).

3. **Written Fee Agreement** – Insist on this! Crucial matters it should detail include:

- a target date when you will return to sign
- a promise to provide review drafts at least a week before the signing date
- who is responsible for providing witnesses
- what (if any) further documentation is needed from you
- the total price (which should be fixed, not hourly)
- the components of this price
- the terms by which you will retire this price control for what happens if you call off the engagement
- what products and services you will receive for the price
- who is responsible for the recordation of deeds (if the engagement involves deeds)
- a discussion of the confidentiality you are owed pursuant to the client-attorney privilege.

4. **Review Drafts** – This is an absolutely critical step to achieving quality results! Nonetheless, many people who work with planners only see their estate-planning documents for the first time when they return for the signing appointment. Insist upon receipt of your review drafts 1-2 weeks ahead of your

signing appointment! Exercise yourself to get through them carefully.

Get your mark-up of the review drafts back to your planner sufficiently far in advance of your signing appointment so that:

- you and your planner can discuss your marked-up review drafts several days before your signing appointment
- your planner has at least a full business day to incorporate the upshot of this review process into your final documents.

5. **Side-By-Side Comparison Of Review Drafts To Final Drafts**

Change-Implementation Confirmation: Most people who have created estate plans in the past report that they arrived at the signing appointment just 15-30 minutes before they began signing their final documents. You should allow more time: say, an hour if you have chosen a will-based plan, and two hours if you have chosen a living-trust-based plan.

You should expect that you will spend most of this time elbow-to-elbow with your attorney or his/her paralegal comparing every page you marked-up in the review drafts to the correlative pages of your final documents, thus affording you a strong sense of assurance that the changes which issued from the review process were in fact incorporated into your final documents.

Do not be uncomfortable if your planner, based upon his interaction with you during this time before the signing begins, makes several tweaks to the final language for the purpose of aiming your plan even closer to the aforesaid bull's-eye. Precisely because it is not an easy thing to achieve a meeting-of-the-minds on something as complicated as your wishes upon incapacity or death, this collaborative time before you sign is a golden opportunity to enhance the quality of your documents and peace of mind.

Education on Funding Your Living Trust: If you chose to base your estate plan upon a living trust, then your planner should devote some of the roughly two hours you spend at his/her offices prior to beginning to execute your estate plan educating you — preferably using several media — about how (and how crucial it is) to follow-on after the signing appointment with the funding of your living trust.

NOTE: *To the extent you do not properly retitle your assets to your living trust or make it the death beneficiary (where appropriate) of endorsable instruments (such as life insurance and tax-deferred assets), you have wasted your money!*

6. **Supervised Document-Execution Appointment** — *Insist* that this occur at your planner's offices and with your planner's involvement (although it is completely regular and acceptable that a paralegal would actually preside during the signing). Resist the temptation to ask that your finals be mailed to you, so that you can execute them at your convenience.

On-Line Legal-Document-Production-and-Delivery Sites: In this regard, and especially as to estate-planning documents, many on-line sites: ask you too few questions (including one site which breezily informs you — once you select "estate-planning services" — "this will only take about 15 minutes"); collect a bargain fee via credit card; and within a week mail you a pouch of documents (the legal execution of which you must accomplish).

These documents are beyond disasters-in-the-making; they are disasters, and more happen every day. If you decide to use the services of such sites, then use some of your "savings" to pay an estate-planning attorney to review those documents with you before you execute them *and* to pay for his/her paralegal to oversee your execution of them.

7. **Delivery Of Originals And "Helping Documents"** — If you exit your planner's offices with only your original documents, then you exit headed for trouble. (And if you exit with multiple originals, then you could be headed for even more trouble. Do inquire into this.)

Even if you chose to execute an estate plan based upon a "simple will", you should have developed with your planner a clear safekeeping plan for your original documents and received from your planner some education about how to live the rest of your life maintaining the integrity of the plan of distribution in your will. (You need education in order not to defeat your plan with ill-advised — albeit usually inadvertent — joint tenancies, pay-on-death endorsements (PODs), transfer-on-death endorsements (TODs), and gifts.).

This is *especially* important if you executed a living–trust-based plan, your planner should have provided you not only with education but also with "helping documents" such as: ghost-written funding letters directed to the fiduciaries managing your assets and insurance policies; and an "owner's manual" of some sort.

An owner's manual would have unsigned copies of your documents and additional information and instructions. This gives you both an easy way to refresh yourself as to the contents of your estate plan, and a convenient single place to serve as the "Rosetta stone" of all information which the successors appointed in your documents will need to administer your plan.

The fee agreement which you signed should also give you access (preferably at no additional charge) to your planner for his/her "smoothing" assistance when the inevitable bumps in the funding road arise.

8. **Face-To-Face Coverage Of A "Review And To-Do List"** — A thorough estate-planning engagement will last one-to-two months. An experienced planner with whom you are working personally will spot many issues during this time. Ask your planner at the beginning of your engagement to collect these issues in a list which he/she will re-visit with you during Step 5.

This can add tremendous value, mainly because you will have finally gotten your head much farther around the contents of your plan by the time of the signing appointment than when the issues on your planner's list first arose. This is especially valuable as to any greater clarity you then achieve relative to funding your living trust, as such clarity will obviate funding errors and also the time required to correct them (assuming they are discovered).

9. **"No Additional Charge" Assistance With Funding** — If you decide to base your plan upon a living trust, then insist upon a provision in the fee agreement which you sign with your planner which entitles you to "no additional charge" assistance with funding your trust.

For most people, a living trust is the far superior legal instrument upon which to base their estate plans. Living trusts are fundamentally different from traditional wills in that living-trust clients need to do more than merely safekeep their original documents (which has forever been the only follow-through urged upon clients who base their plans upon traditional-wills). That is, a living-trust client should follow-through to fund — to fully fund — his/her trust within several weeks after executing it.

Living-trust clients **without** access to no-charge assistance have trusts which are underfunded to a significantly greater degree than those clients **with** such access.

It is not inappropriate — given the seriousness and prevalence of the problem of underfunded living trusts — to repeat the above caveat: *to the extent you do not properly retitle your assets to your living trust or make it the death beneficiary (where appropriate) of endorsable instruments (such as life insurance and tax-deferred assets), you have wasted your money!*

10. **Safekeeping Originals** — There is no perfect strategy for safekeeping the originals of the several documents comprising your estate plan. The three traditional strategies (namely, placing said originals: in the "important papers" drawer at home, in the strongbox at the bank, or in the possession of the fiduciary you named to succeed you) all have serious drawbacks.

The steps that matter in developing an effective safekeeping plan are:

- devising a plan which balances security with accessibility
- implementing that plan
- making sure that your fiduciary — when it is time to access your originals — will know the precise location of your originals and how to gain access to that location.

In light of all the foregoing, one excellent safekeeping strategy is to double-seal your originals inside large plastic food-storage bags and then to place them in the hanging basket of a top-opening deep freezer in your basement.

11. **Obtaining Insurance Policies That Liquidate "Bad Facts"** — Suppose that you obtain an estate plan which possesses quality to the uttermost. Suppose further that, despite your prudence as to estate planning, your future holds such "bad facts" (against which facts you own either no insurance or inadequate insurance) that consume most or all of your wealth. On such facts, your excellent estate plan would avail you *little or nothing*!

Therefore, in addition to obtaining a quality estate plan to control your wealth upon your incapacity and death, you should also obtain prudent insurances to protect your wealth while you live:

- life
- major medical
- long-term care
- disability
- umbrella liability

Self-employed persons, professionals and business owners need additional insurance coverage.

12. **Keeping Your Living Trust Fully Funded** — Step 9 describes the very important *initial funding* of a living trust. But the crucial points at which a living trust must be fully funded are at incapacity and death.

Do not let your living trust slip to "out of sight, out of mind" status — that is the fatal status of so many traditional wills. Rather, see to its *continuing funding* throughout your life.

We Can Never Stop Learning or Adding Value

Sure, financial professionals are usually not compensated for discussing or assisting with the implementation of Last Wills or Trusts. However, it is important to remember that we should always be trying to:

- ✓ Become better-educated on estate planning so as to ensure the "other areas of work" we have done for our clients are coordinated and integrated properly
- ✓ Constantly learn and educate ourselves on the various matters that either directly or indirectly affect our clients and their families
- ✓ Seek opportunities to become a more valuable and multi-faceted resource.

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Protecting Assets From Divorce

Roccy DeFrancesco

Have you ever had a friend or relative come into an inheritance and then hear the horror story about how that friend or relative lost half of it to an ex-spouse in a divorce? It happens more than you would think.

Considering that 50% or more of the marriages in the U.S. end in divorce and considering that divorces can be financially devastating, I think it's important for advisors to have a working knowledge of the tools available to protect assets in the event a client gets divorced.

Imagine the scenario where one of your best clients is married and had his last living parent pass away leaving him with $2,000,000 (real estate and stocks). The client put the money in his marital bank account or put the real estate in his and his wife's name and then went on with his life as normal. Then one year later the client's wife decides to divorce him.

What is the departing non-client spouse entitled to?

The answer is it depends on the state. But if you have been married for more than 10 years, the chances are significant that the departing spouse is going to get half of everything the client inherited from his last remaining parent. If that does not make your client (and you) sick to his stomach, nothing will.

How do you Protect Inherited Assets in a Divorce?

Unfortunately, the options are limited. The planning needs to come from a client's parents. Many times parents will leave a fairly liquid estate (usually in the form of a death benefit from a life policy). Real estate and personal belongings are also given, but many times the estate is made up of a nice size life insurance policy. Either way, the main way to protect from losing inherited assets in a divorce is through the use of an **irrevocable trust**.

It is the parents who set up the irrevocable trust so that, when they die, the assets are all poured into it. The children will typically be the beneficiary of that trust and during their lifetime the language of the trust will allow the trustee (usually a bank or trusted family advisor or friend) to dip into the trust for many different purposes (almost for whatever they feel like as long as it is in the best interest of the beneficiary).

The trust document could be written so that, if the client ever gets divorced, none of the assets of the trust will go to the ex-spouse in the divorce or after. This is the most extreme language that could be used.

Many times a portion of the assets will be given outright to a beneficiary on a schedule no matter if someone is divorced or not. For example, there might be language to give an heir 25% of the assets at age 60, then 65, then 70, and, finally, at 75. The thinking behind this is that, if someone is still married at those ages, the chances of getting divorced (assuming you have been married for a while) are much less likely.

The trustee would still, typically, have the ability at early ages to dip into the trust for purchases of items or outright cash distributions; but those would be at the discretion of the trustee as per the language of the trust.

What about Prenuptial Agreements?

Many clients with significant wealth will use a prenuptial agreement to dictate exactly what each spouse is entitled to in the event of a divorce. Most of the time prenuptial agreements are used in second marriage situations where one of the spouses has already amassed a significant estate and where one spouse has almost no estate. The spouse with significant wealth going into the second marriage typically desires to preserve the majority of the estate for his/her children from a prior marriage, and a prenuptial agreement is a nice way to accomplish that goal.

Prenuptial agreements are not an easy topic to discuss with a potential spouse; and because of the touchy nature of the subject, many times wealthy clients who really should have prenuptials do not. Hindsight is always 20-20; and if you have clients who are concerned that a spouse will be awarded more than what they think is fair in a divorce matter, they should seriously think about a prenuptial agreement prior to marriage (especially in the case of a second marriage).

For clients who are currently married and wish they had a prenuptial agreement, they can see if their spouse will sign a postnuptial agreement, which will work the same as a prenuptial agreement. They are nearly impossible to get signed and most of the time the argument is that they were signed under duress and shouldn't be enforceable.

Bottom Line — if you touting that you give "complete" financial planning/retirement planning advice, you need to know how to properly counsel your clients (or the parents of your clients) to properly use irrevocable trusts to protect generational wealth from being subject to division in a divorce.

Roccy M. DeFrancesco, Jr., JD, CWPP™, CAPP™, CMP™, is the Founder of The Wealth Preservation Institute, and the Co-Founder of the Asset Protection Society. Roccy is the Author of *Bad Advisors: How to Identify Them; How to Avoid Them©, Retiring Without Risk©, The Home Equity Management Guidebook©, The Doctor's Wealth Preservation Guide©, The Home Equity Acceleration Plan (H.E.A.P.)©*, and the Editor of: *Wealth Preservation Planning: A "Team" Approach©*, by The National Society of Accountants.

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When you nominate these professionals and they join the association, the IARFC will send you **$50!**

That's it. You do the easy part — provide us with their contact information. We do the hard part — we follow through with them to show the benefits and advantages provided by the association. We show them the different ways they can join and then, when they do join, we send you cash.

There is no limit to the number of individuals you may nominate. You could easily be reimbursed far beyond your membership dues. No waiting till the end of the year — as soon as your referral signs up, we send you a check for $50.

Please nominate one or two financial professionals who may be interested in the honor and benefit of acquiring the RFC® or RFA® designation. By providing prospective member names, you are granting your permission to mention your name as our source, and you will be eligible for the reward.

Mail, fax or phone in referrals to:

IARFC
Attn: Membership Services
P.O. Box 506
Middletown, OH 45042 USA

P: 800 532 9060 — Ask for Amy
E: info@IARFC.org
W: www.IARFC.org

Fax to: 513 424 5752

Spotlight On IARFC Benefits:

CE REQUIREMENTS

Amy Primeau, Domestic Membership Chair

Several times a week, we get questions about the CE requirement for the IARFC. As we enter the last quarter of 2012, it is a good time to refresh your memory about the requirements.

The IARFC requires each active member to complete 40 units of CE per year. A unit is defined as 50 minutes of attendance or application. This is the academic standard, and most programs are formatted to this structure. We know 40 units is more than most states require for licensing, and even more than required for other professional designations. The Association believes this is necessary so that you can provide the best service for your clients.

The CE recording period is one calendar year. The 2012 CE recording period is January 1, 2012-December 31, 2012. Each year upon renewal, you are asked to certify that you have completed the 40 units in the preceding calendar year. Frequently, members call us to tell us they haven't completed their 40 units yet. If you are submitting your 2012 renewal; then we are asking you to confirm that you completed 40 units in 2011.

The CE record keeping is very easy. We created the 'Professional Continuing Education Record Keeping Requirements' form for you to use. This is sent to each member approximately one month after your renewal has been received. This form is also available on our website at www.IARFC.org/CERecordKeeping. Finally, you can always request a copy. The CE Record Keeping form not only lists the 12 different ways to obtain credit; it serves as a place to log your CE. You are required to maintain records for two calendar years, beyond the year in question. For example, since members renewing for 2012 are being asked to confirm completion of 2011 CE; you should have records in your office for 2009, 2010, and 2011.

Prior approval by the IARFC is not necessary. If you aren't sure if the event counts towards your CE, ask yourself this question, "Does this subject assist me in serving my clients, in running my practice in an ethical and effective manner, or in acquiring new clients within a professional environment?" If the answer is "Yes", then you can count the event. The only non-acceptable topics are organizational meetings or specific sales sessions offered by an insurance or investment company that review product details, placement procedures, operational supervision, or performance.

As a Financial Advisor, you are already doing a lot of CE. You are completing CE for any state insurance licenses, securities licenses, Broker/Dealers, and any other designations. The good news is you can count ALL of that towards your 40 units for the IARFC. You can also count the educational components of industry meetings (such as MDRT or NAIFA). Do you read business-related books? You can claim up to five units for this, with a maximum of 15 per recording period. These are just a couple of the ways to obtain CE credit. For the complete list, please review the 'Professional Continuing Education Record Keeping Requirements' form.

The majority of our members are doing more than 40 units per year, just to stay current in the industry. We conduct a random CE Audit. Those who are unable to provide evidence that they completed 40 hours in the preceding calendar year face revocation of their membership.

With only a few months remaining in 2012 it is time to review your CE for the year to see if you are on track to meet the requirements. If you aren't, there's still time to get the CE completed!

IARFC Member Services:
Amy@IARFC.org or call 800 532 9060 x307

CE@SEA™

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Next Dates: Oct. 3 , Salt Lake City, UT ▪ Oct. 25-26, Indianapolis, IN, ▪ Dec. 6, Tampa, FL.

7 IARFC approved CE credits for workshop attendance
15 additional with post workshop study and exam completion

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