



The Truth About How Your Money Really Works

Quick Links

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Greetings!

June 2016

June 14, 2016 is Flag Day

- Wealth Strategies
- Investment Advisory
- Insurance Planning
- Business & Estate Planning



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June 14, 1777 is the date the United States adopted the American Flag by resolution of the Second Continental Congress. Established in 1949 by President Harry S. Truman, the week of June 14 is designated as "National Flag Week." (June 12-June 18 in 2016).

During National Flag Week, the president will issue a proclamation urging U.S. citizens to fly the American flag for the duration of that week. The flag should also be displayed on all government buildings. Some organizations hold parades and events in celebration of America's national flag and everything it represents.

The flag is a symbol of what is great about America. The flag represents democracy and the right to free speech which includes the ability to innovate. The outcome of World War II would have been much different without American ingenuity, resources, and innovation.

Innovative Thinking requires us to look at situations in different ways and opposite directions.

This newsletter is our attempt it to capture this innovative thinking when dealing with your money and financial future.

Enjoy!

Out of the Box Thinking on a Very Popular Subject - Money

What Keeps You Up at Night?

- Money for Retirement
- Paying for College
- Family Security
- Losing your Income
- Life Events
- Leaving a Legacy
- Business Succession
- Retaining Key Employees

1. Watch Your Checkbook! The little rascals are at it again - Con Artists. Someone scoops information on your check and they go on-line and order checks using your numbers. They might put their name and address on the checks. Most people do not reconcile their bank accounts. The checks have already cleared the account by the time the fraud is discovered.

2. Prince didn't act very "princely" with his estate plan. It appears he died intestate (without a Will). The state of Minnesota will decide the future of his estate. This could have been avoided with sound estate planning.

3. Listed are five basic Estate Planning documents. We recommend you work with a competent estate planning attorney to prepare these documents. It is important to have these in place before an unexpected event happens.

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

4. Do you consider yourself wealthy? The IRS reported in 2013 that the top 10% of wage earners in America had a household adjusted gross income of at least \$127,695.

This portion of the population also paid about 70% of the federal income taxes collected.

Many people do not consider this to be a lot of income, but according to government standards, it is uncommonly high. Are you taking an uncommon approach to your money if you are in this bracket?



**SOMETIMES
IT MAKES SENSE TO APPROACH
"CUSTOMARY BELIEFS"
FROM A DIFFERENT ANGLE**

5. Thinking about taking Social Security early? "Ultimately, Social Security isn't just another source of retirement income. It's more like an insurance policy designed to help you maintain your standard of living in retirement and protect you against the risk of running out of money if you live a long, long time. I'd be wary of eroding the value of that protection for a strategy that's likely to pay off only if you happen to die relatively early and/or your optimistic investing strategy comes off without a hitch. - (CNN Money)"

6. Eric Arnold is not a household name. He is the first casualty of Mt. Everest in 2016. He made it to the summit and died on the way down from high altitude sickness. In a Dutch television interview earlier this year he said conquering Everest was a childhood dream. He commented in the interview "two thirds of the accidents happen on the way down. If you get euphoric and think I have reached my goal, the most dangerous part is still

ahead of you." The lesson? This statement holds true with our money. The risky part is living on your money (the way down the mountain) once you retire. We simply have to avoid losses. We do not have enough time to recoup. We need to keep our oxygen tanks full.

7. Do you know the 5 most important questions to ask before you decide to stop working?

- Will my money last as long as I do?
- What are the major threats to my money, and what can I do to eliminate or minimize these threats?
- What can I do to improve the efficiency of my money without incurring additional risk?
- When should I take Social Security benefits?
- What do I need to know about Medicare and Long Term Care Protection?

By knowing the answers to these questions you can plan by design, not default.

8. Mortgage Interest Rates continue to remain at record low percentage rates. A 30-year fixed rate loan was recently quoted at 3.57%, and 2.81% for a 15-year fixed rate. The actual cost to borrow, assuming you are in a marginal tax bracket of 25% and qualify for an interest deduction, is 2.68% and 2.11%. That could give you access to very cheap money for a long time.

9. June is Annuity Awareness Month. You may have heard a lot of information on fixed annuities, whether through the news, online, or from people you know. Listed are a series of questions you should ask your advisor about purchasing a fixed annuity.

- How safe is the fixed annuity?
- Are there any hidden charges?
- Is a fixed annuity an investment?
- How can I access my money if I need it for an unexpected event?
- Is the fixed annuity tax efficient?
- What happens with the money in the account if I should die?

10. A picture is worth a 1000 words.



**THIS BROADCAST IS BEING
INTERRUPTED
TO BRING YOU A SPECIAL
ANNOUNCEMENT.
YOUR FAMILY INCOME
IS BEING STOPPED
AS A RESULT OF AN UNEXPECTED EVENT.
STAY TUNED FOR MORE UPDATES!**

Source: First Benefits Group 2016

Sincerely,

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