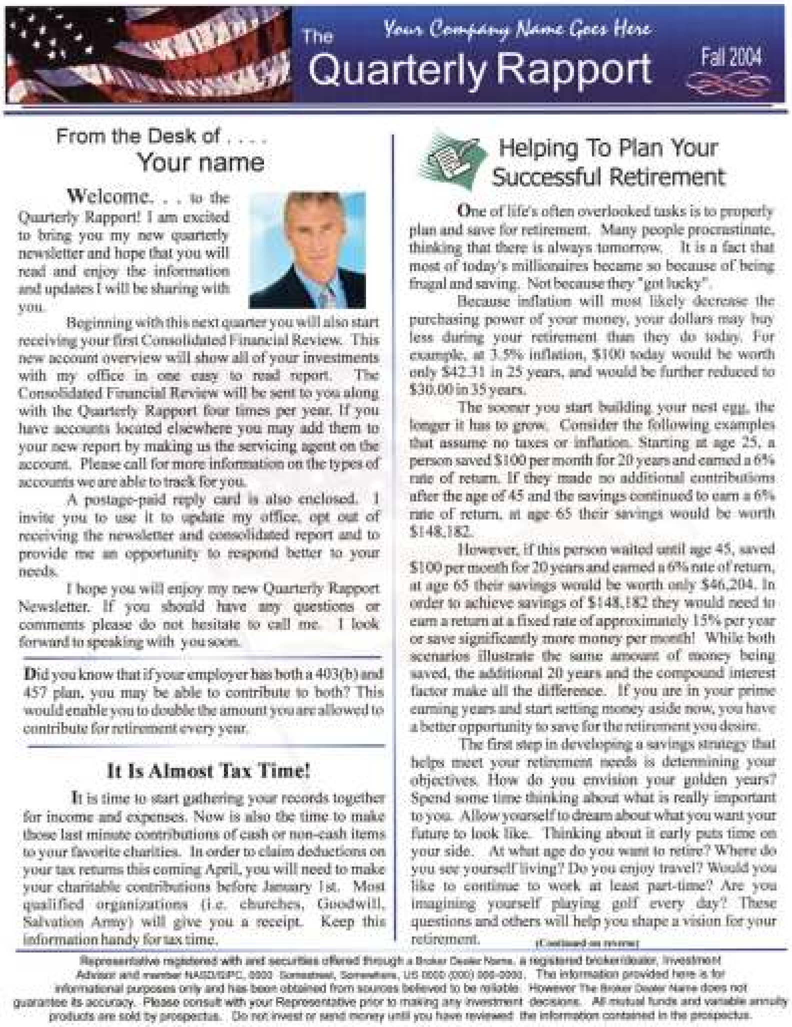
Quarterly Rapport Newsletter

Front of Newsletter



The Quarterly Rapport
Your Company Name Goes Here
Fall 2004

From the Desk of . . . .
Your name

Welcome. . . to the Quarterly Rapport! I am excited to bring you my new quarterly newsletter and hope that you will read and enjoy the information and updates I will be sharing with you.

Beginning with this next quarter you will also start receiving your first Consolidated Financial Review. This new account overview will show all of your investments with my office in one easy to read report. The Consolidated Financial Review will be sent to you along with the Quarterly Rapport four times per year. If you have accounts located elsewhere you may add them to your new report by making us the servicing agent on the account. Please call for more information on the types of accounts we are able to track for you.

A postage-paid reply card is also enclosed. I invite you to use it to update my office, opt out of receiving the newsletter and consolidated report and to provide me an opportunity to respond better to your needs.

I hope you will enjoy my new Quarterly Rapport Newsletter. If you should have any questions or comments please do not hesitate to call me. I look forward to speaking with you soon.

Did you know that if your employer has both a 403(b) and 457 plan, you may be able to contribute to both? This would enable you to double the amount you are allowed to contribute for retirement every year.

It Is Almost Tax Time!

It is time to start gathering your records together for income and expenses. Now is also the time to make those last minute contributions of cash or non-cash items to your favorite charities. In order to claim deductions on your tax returns this coming April, you will need to make your charitable contributions before January 1st. Most qualified organizations (i.e. churches, Goodwill, Salvation Army) will give you a receipt. Keep this information handy for tax time.

Helping To Plan Your Successful Retirement

One of life's often overlooked tasks is to properly plan and save for retirement. Many people procrastinate, thinking that there is always tomorrow. It is a fact that most of today's millionaires became so because of being frugal and saving. Not because they "got lucky".

Because inflation will most likely decrease the purchasing power of your money, your dollars may buy less during your retirement than they do today. For example, at 3.5% inflation, $100 today would be worth only $42.31 in 25 years, and would be further reduced to $30.00 in 35 years.

The sooner you start building your nest egg, the longer it has to grow. Consider the following examples that assume no taxes or inflation. Starting at age 25, a person saved $100 per month for 20 years and earned a 6% rate of return. If they made no additional contributions after the age of 45 and the savings continued to earn a 6% rate of return, at age 65 their savings would be worth $148,182.

However, if this person waited until age 45, saved $100 per month for 20 years and earned a 6% rate of return, at age 65 their savings would be worth only $46,204. In order to achieve savings of $148,182 they would need to earn a return at a fixed rate of approximately 15% per year or save significantly more money per month! While both scenarios illustrate the same amount of money being saved, the additional 20 years and the compound interest factor make all the difference. If you are in your prime earning years and start setting money aside now, you have a better opportunity to save for the retirement you desire.

The first step in developing a savings strategy that helps meet your retirement needs is determining your objectives. How do you envision your golden years? Spend some time thinking about what is really important to you. Allow yourself to dream about what you want your future to look like. Thinking about it early puts time on your side. At what age do you want to retire? Where do you see yourself living? Do you enjoy travel? Would you like to continue to work at least part-time? Are you imagining yourself playing golf every day? These questions and others will help you shape a vision for your retirement.

(Continued on reverse)

How do you stay in front of your clients? Our customizable newsletter service may be the key to your success.
Timely and customizable content allows you to control what your clients receive.
The Quarterly Rapport Newsletter can be utilized by itself or in conjuction with our Consolidated Financial Review.

- ✐Postage-Paid Reply Cards & Envelopes
- ✐Notify clients of New Information
- ✐Customize Your Mailing
- ✐Personalize with Your Content

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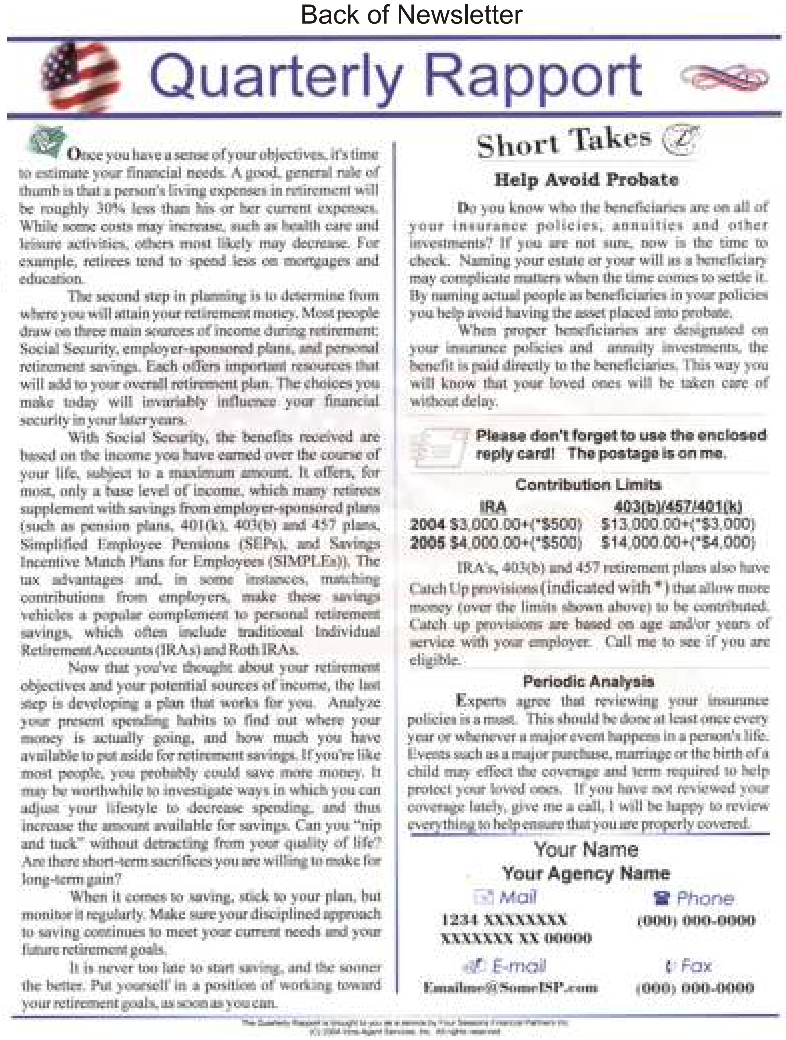

Quarterly Rapport

Once you have a sense of your objectives, it's time to estimate your financial needs. A good, general rule of thumb is that a person's living expenses in retirement will be roughly 30% less than his or her current expenses. While some costs may increase, such as health care and leisure activities, others most likely may decrease. For example, retirees tend to spend less on mortgages and education.

The second step in planning is to determine from where you will attain your retirement money. Most people draw on three main sources of income during retirement: Social Security, employer-sponsored plans, and personal retirement savings. Each offers important resources that will add to your overall retirement plan. The choices you make today will invariably influence your financial security in your later years.

With Social Security, the benefits received are based on the income you have earned over the course of your life, subject to a maximum amount. It offers, for most, only a base level of income, which many retirees supplement with savings from employer-sponsored plans (such as pension plans, 401(k), 403(b) and 457 plans, Simplified Employee Pensions (SEPs), and Savings Incentive Match Plans for Employees (SIMPLEs)). The tax advantages and, in some instances, matching contributions from employers, make these savings vehicles a popular complement to personal retirement savings, which often include traditional Individual Retirement Accounts (IRAs) and Roth IRAs.

Now that you've thought about your retirement objectives and your potential sources of income, the last step is developing a plan that works for you. Analyze your present spending habits to find out where your money is actually going, and how much you have available to put aside for retirement savings. If you're like most people, you probably could save more money. It may be worthwhile to investigate ways in which you can adjust your lifestyle to decrease spending, and thus increase the amount available for savings. Can you "nip and tuck" without detracting from your quality of life? Are there short-term sacrifices you are willing to make for long-term gain?

When it comes to saving, stick to your plan, but monitor it regularly. Make sure your disciplined approach to saving continues to meet your current needs and your future retirement goals.

It is never too late to start saving, and the sooner the better. Put yourself in a position of working toward your retirement goals, as soon as you can.

Short Takes

Help Avoid Probate

Do you know who the beneficiaries are on all of your insurance policies, annuities and other investments? If you are not sure, now is the time to check. Naming your estate or your will as a beneficiary may complicate matters when the time comes to settle it. By naming actual people as beneficiaries in your policies you help avoid having the asset placed into probate.

When proper beneficiaries are designated on your insurance policies and annuity investments, the benefit is paid directly to the beneficiaries. This way you will know that your loved ones will be taken care of without delay.

Please don't forget to use the enclosed reply card! The postage is on me.

Contribution Limits

	IRA	403(b)/457/401(k)
2004	$3,000.00+(*$500)	$13,000.00+(*$3,000)
2005	$4,000.00+(*$500)	$14,000.00+(*$4,000)

IRA's, 403(b) and 457 retirement plans also have Catch Up provisions (indicated with *) that allow more money (over the limits shown above) to be contributed. Catch up provisions are based on age and/or years of service with your employer. Call me to see if you are eligible.

Periodic Analysis

Experts agree that reviewing your insurance policies is a must. This should be done at least once every year or whenever a major event happens in a person's life. Events such as a major purchase, marriage or the birth of a child may effect the coverage and term required to help protect your loved ones. If you have not reviewed your coverage lately, give me a call, I will be happy to review everything to help ensure that you are properly covered.

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Our staff can provide content, compliance, printing and mailing services. Personalize each newsletter as much or as little as you

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