Insurance Planning Group
125 Strafford Avenue, Suite 320, Wayne, PA 19087
Richard D. Scott, CLU 610-254-0499 rscott@ipginc.org
Robert T. Poletti, Jr. 610-254-0380 rpoletti@ipginc.org

Volume, Issue

December 2010

CLIENT NEWSLETTER

"There is no power on earth that can neutralize the influence of a high, simple and useful life."
Booker T. Washington

"Hold a picture of yourself long and steady enough in your mind's eye, and you will be drawn toward it."
Napoleon Hill

Inside This Issue:

Scottish New Year

As 2011 rolls in, Auld Lang Syne will fill the air at many a gathering. This traditional tune, from a poem written by Scottish poet Robert Burns, bids the old year farewell and welcomes in the new Auld Lang Syne links Scotland to much of the world on New Year's Eve. But Scotland has many other traditions that make Scottish festivities unique. Hogmanay is the name that Scots give to the last day of the year and their celebration of the New Year. In cities, towns and villages, there are torch processions and the setting off of fireworks.

In rural areas, bonfires, that are said to burn up the old year, take the place of fireworks. In some places, barrels of tar are rolled through the streets and set on fire to destroy the old year. In many homes "first footing" is still observed. The Scots believe it to be good luck for the first foot over the threshold, as the New Year begins, to be that of a dark-haired man bearing a gift such as shortcake, coal or whiskey. Such visits are often arranged. Foods popular during this time of celebration include cheese, bread, steak pie, shortbread, currant loaf, oatcakes and scones, all to be accompanied by wine, cordials and other spirits. Local areas of Scotland have developed their own Hogmanay rituals. An example is the Stonehaven Fireball Festival. Thousands flock to this North Sea fishing port, where on New Year's Eve approximately 60 participants in kilts whirl 5- to 15-pound flaming balls around their heads. They march to the harbor, accompanied by drummers and pipers, where they fling the flaming balls into the sea. Historically, this was done to drive out evil spirits and bring good luck to the fishing fleet. Now it also welcomes the New Year.

SOCIAL SECURITY: What's Social About It… And Who's Getting The Security??

One issue that drives us particularly crazy is the subject of Social Security…and its ability to provide security for us and our descendents. As you may or may not know, the governments own accountants keep changing how long Social Security can last…but always agree that it's on a path for total bankruptcy some time in the near future. So, with that said, let's ask some more questions about Social Security!

First of all, the whole idea of Social Security came about when the government felt the need to "protect" people from growing older and having little or nothing to "retire" on. Back in the 30's, in the political heat of the depression, the leaders in Washington felt they had to do something to make it feasible for people to have a "retirement" that was dignified…so people can enjoy life after working so hard for so many years.

One could debate the issue of whether or not "society" owes anyone anything, especially a time not to work because you have reached a certain arbitrary age. Some people would say that hard working people "deserve" a retirement to look forward to, to enjoy, and to be "secure". That our government's job is to make sure we are "taken care of" when we hit certain milestones in our lives.

Other people have an entirely different viewpoint. They say that the government owes nothing to no one. That we're all responsible for our own destiny and fate. That if we don't save up for our retirement, and then we don't have a "secure" one…it's not anyone's problem but our own. That "society" shouldn't bear the burden of anyone's "right" to a secure retirement. That no such "right" exists, and no one "deserves" anything they don't get on their own.

Continued from page 1

Now, we're not saying we take any viewpoint like either of those on this issue. Because in reality, it doesn't matter. The government did what it wanted to back on August 14, 1935 when they instituted Social Security…and they keep doing what they want to do.

The big questions we have relate to if Social Security is so critical for us as a society…why has it been so mismanaged?? Why haven't we been allowed to invest some of our own money as we see fit, as so many other countries allow their citizens to do?

Here's what some people think: The swoon and now explosion in stock prices since the economic crash of 2008, is proof that allowing workers the freedom to choose Personal Retirement Accounts in place of the longstanding Social Security framework could be a bad idea. Or at least that's what desperate defenders of the status quo insist. What is missing from this discussion is a full understanding of just how much greater market investment returns could be compared with what the redistributive Social Security promises, let alone what it can afford to pay.

Consider the following information assembled by the International Center for Law and Economics in Washington, D.C.

Let's assume John Q. Taxpayer, a single, moderate-income worker, is retiring today. For argument's sake, let's imagine that instead of paying into Social Security his whole life-long, John had been allowed to place his payments into a Personal Retirement Account when he first entered the work force way back in 1959 at the tender age of 22. In his first job, John was earning just $4651 a year, not bad for 1959.

"I wrote assembly instructions for Children's toys. What did you do?"

Now, suppose our hard-working Mr. Taxpayer received the average increase in wages each year that was actually experienced by workers over the last 51 years. He then paid into his Personal Retirement Account each year the exact amount of Social Security taxes actually paid by him and his employers that instead went to finance his present retirement benefits. Being a bit cocky, John brashly invested all this money entirely in stocks each year and earned the average return on large-cap stocks that was actually earned for each of the last 51 years, as reported by Ibbotson and Associates.

In the real world, John Q. Taxpayer's Personal Retirement Account would have peaked at a whopping $825,936 back in 2008. Since then the drop in the market would have brought the value of his account down to about $600,000 as he reached retirement age. But his Personal Retirement Account would still have enough funds in it to pay him around $74,250 in annual benefits. Over four times as much as our current Social

Security system, which pay the graying John Q.

Taxpayer only $17,623 in annual retirement benefits!

Moreover, John's investment experience would not end just because he retired. His Personal

Retirement Account would continue to be invested and grow to support his future benefits. He would then be able to gain the advantage of any rebound in stock prices that may occur.

The point of Personal Retirement Accounts is not to get workers to invest in the stock market; far from it. John Taxpayer could also have beaten Social Security by a wide margin simply by investing in bonds, annuities, or similar low risk vehicles, and

"What is it? It's your first PIN number!"

earning the average returns that were actually earned on them these past 51 years.

Though he could have done better investing in a well-diversified portfolio of stocks, even a low risk, diversified portfolio could have handsomely beaten the returns from Social Security!

Isn't it about time we fixed this medieval system Social "Insecurity" system so it's fair for everyone, and so we can have a chance of a better payout at the end? We say it is. In the mean time, what can you do for your family and your security? The same thing that we've been harping on forever!

Planning, planning and more planning! The most successful people are the people who plan the best and keep on top of their plans. We aren't likely going to get Social Security to or the Congress persons' retirement plans to change…so YOU have to be in charge of YOUR retirement plan!

So, with how crazy things are getting now-a-days, more than ever, you need to make sure you have financial plans in place!

Let's make sure your protected as best as possible! Remember, we HATE hearing about what you just did with your money. We want to hear, "Here's what we're thinking about doing…" not that you've already done it! We look forward to hearing from you soon!

Did You Know?

Our monthly feature of tidbits of news and info to make your life easier and your money work harder, so you're healthy all the time!

1.) Bad cellphone reception?

Try installing a mini-cell tower! Verizon, Sprint and AT&T are now selling gadgets that act like mini cellphone towers. They broadcast wireless phone service over a small area, one house.

If you have really bad cellphone reception and reliability, a mini-tower would cure the problem. You plug any of the various devices, called femtocells, into your broadband network through which they acquire a signal from your provider's network. AT&T and Verizon don't mention it, but they are giving away their devices to selected customers who have very poor reception. The Wall Street Journal's Walter Mossberg says the towers won't do much if your reception is already pretty good, but they can be a godsend for those who need it. He recommends the MicroCell. AT&T's MicroCell, made by Cisco, is an 8.5-inch tall, white plastic gadget. It costs a one-time charge of $150, though AT&T will knock off $100 if you buy an optional $20-a-month plan that gives you unlimited voice minutes while using the MicroCell. It's sold only by AT&T. MicroCell can cover a 5,000 square foot house, will serve up to 10 phone numbers and takes about an hour to install. Verizon's device, which isn't 3G-capable, is called the Network Extender. It sells for $149 with a $100 rebate and no monthly fee. Verizon is working on a unit that will be 3G-capable. Sprint's version is called Airwave. It costs $100, but requires a monthly plan ranging from $5 to $20. It has 3G capacity.

2.) How to deal with annoying people at holiday parties…

Whether it's a company Christmas party, a gathering of friends or a big family get-together, chances are that at one event or another you'll meet up with a jerk who could spoil the evening. Here are some ways to handle the situation.

* Walk away. After a brief greeting, move on.
* Ignore the jerk if you can. Jerks thrive on talk about controversial subjects and gossip, and they want to get you involved.
* Be gentle but clear in your replies. Say things like you didn't mean to cut him off, but you have to talk to someone else.
* Don't retaliate. It justifies their bad behavior. Don't argue, just leave.
* If he or she criticizes you, your boss or your child, don't be defensive. It doesn't hurt to say you will think about their criticism.
* Hold back. Toxic people want to trigger rage, fear or guilt. Don't let them do it. It's their issue not yours
* Remember the power of "Huh?" Psychiatrist and author Mark Goulston says "Huh?" stops a toxic person because it indicates a statement doesn't make sense.
* Ask this question: "Do you really believe what you just said?" Ask in a calm tone, and the jerk might walk away.

We hope you don't meet a toxic person at events that should be a pleasure. If you do, try these tactics.

3.) How to show (and sell) your home during holidays…

What months are best for attracting serious buyers to view your home? November through January are not usually thought of as prime home-selling months, but they have advantages. Buyers who are house-hunting during those months are more serious about sealing a deal and moving. Additionally, fewer homes are being actively marketed during the holiday season, so there is less competition among sellers. Because prospects are more likely to preview homes on the web during inclement weather, giving them a tour of your place with high-quality photos on a Web site can help. Include photos of your property as it looks in summer and fall.

* Make curb appeal a top priority. Decorate the front door with a nice wreath and place small evergreens in red ribbon-decorated pots around the entry.
* Inside, do decorate your tree, but don't overwhelm prospects with big decorations and holiday collections.
* Reduce the number of family photos you display. Let buyers visualize themselves in the home.
* Experts at HGTV recommend giving house hunters a nice place to escape from the cold. Make your home feel cozy and inviting during showings by cranking up the heat, playing soft classical music and offering homemade holiday treats. Encouraging buyers to spend more time in your home gives them an opportunity to admire its features.

Success Story Of The Month

(Note: The details of these stories have been changed to maintain confidentiality,

An Empty Nest Brings Trouble!

This story begins with the death of a man in his early fifties, Art, who died of lung cancer. Art worked for a large company in the area, and when he passed away, he left a modest life insurance policy, a small home with a mortgage still on it, and a retirement benefit from the company, which was paid out in a smaller amount to the Art's wife and kids.

When Art died, the three children--Terry, the oldest son; Peggy, the middle daughter; and Karen, the youngest daughter--were all still at home. Terry was going to college evenings and working days in a local grocery. Peggy was engaged to be married soon. Karen was dating someone seriously.

Within a year, both daughters were married and pregnant. Peggy had a little boy, Jake, and Karen had twins, Robbie and Sam. Terry finished college and landed a job with a company in the area. It was modest but something he enjoyed doing.

Mom, Laura, who had never worked outside the home since her children were born, was still only 52 years old. She was quite young to be a widow and a retiree. She was not used to handling money or concerning herself with money issues. Art, had taken care of all that. She was faced with a whole, new set of challenges.

At first, between the money left from the insurance policy and the income left from her husband's retirement plan, she managed--not great, but okay. Now, Laura was glad the girls were married and out of the house and happy with their families. This relieved her financial burden some, with only Terry to take care of at home. But, as often happens these days, when children leave home, they don't always leave for good. Jake was only two when Peggy and her husband split up. In fact, Peggy's husband just picked up and left one day without coming back. He moved in with his administrative assistant, and although Peggy tried suing him for child support, he kept claiming to be unemployed. Basically, he wanted nothing to do with Peggy or Jake. Peggy was forced to move back home with her mother. Laura wasn't thrilled, but she felt, "What can you do? Jake's my grandson, and I have to take them in." Peggy had a job at a local bank, so it seemed a perfect situation for Laura to watch Jake while Peggy worked all day.

Meantime, Terry was now close to 30, but he still hadn't figured out what to do about getting out of the family home. Laura dropped hints every now and then, and Terry always said he was "working on it," but with a mom who always treated him so well, he didn't try all that hard to leave.

Karen and her husband, on the other hand, worked very hard and bought a small home. They raised the twins as best they could. It was they who kept telling Peggy and Terry to get out of their mother's home because they knew she couldn't afford to make ends meet. In fact, Laura was dipping into her principal continuously because her income wasn't covering all the bills for the two grown children and her grandchild…and Laura wouldn't hear of accepting rent or other money from either child living there. (Laura was such a good mom, she could never say "no" to either of the kids, and as a result, Laura spent lots of money on them. Lots of money.) Now, last year, Karen's husband, Bob, was referred in to see us by his boss. Bob scheduled an appointment to see us. He wanted to get some things set up for his own financial situation, and during the course of the initial interview, explained the situation regarding Laura, Terry, Peggy, and Jake. Bob asked us if we would mind setting up a family meeting, with everybody discussing Laura's financial situation. He really felt it needed to be done.

We told Bob we would be happy to schedule a meeting as long as the whole family agreed. Also, we wanted to make sure it could happen on a rational level because we would be dealing with some very emotional issues.

Well, we did get Laura in with Karen and Bob. Peggy and Terry didn't want to have anything to do with the gathering (feeling, I guess, like they didn't want to rock the boat). We went through Laura's entire financial situation and saw quickly that things were not good. In fact, after completing a plan for her, we sat down again to report that, at the pace things were going, Laura would be out of money by the time she was 59 years old. She was understandably disturbed.

Now, from our perspective, we couldn't tell Laura how to live her life and handle her family. But we could report that something had to change one way or another--she would have to get a job, or the kids would have to contribute money, or both. If not, Laura was headed for big problems a few years down the road. Laura asked us to help her work out her plan so she could continue to have Peggy and Terry live at home. She felt she could not just "kick them out" to the streets, especially in the middle of the second Great Depression, so we had to work around their living at home. (Also, independently, Bob phoned me to say he wanted to work out this situation as best as possible, but we were to assume Laura would not ask either child to leave.)

Obviously, Bob and Karen were disappointed in Peggy and Terry. They realized, though, that there was little they could do about the situation. We had out our work cut out for us! But, we did manage to lay out a plan for Laura that worked out the problems. We were able to show her how to:

* Save about $1,500 in insurance that was not needed! * Set up a rental system with Terry and Peggy contributing to family expenses! * Help both children save money on their income taxes ($3,000 per year combined)--money we suggested be given to Laura for household expenses! * Increase Laura's investment income by $212/month! * Refinance Laura's debts--car payment, credit cards, and so forth...saving her another $356 a month! * Save another $116 month in by adding the extra tax deduction from refinancing! * Save Laura an additional $2,255 a year by getting rid of a bunch of ridiculously expensive life policies! All in all, with the changes recommended in our plan, Laura was able to take care of both her children and Jake, and she was able to pay all her bills each month. In fact, in many months, she has money left over for savings!

Bob and Karen remain unhappy about Terry and Peggy, but they both feel better knowing Laura is taken care of--that her retirement and future is likely secure. And we feel good having been able to help this family out!

It's not anyone's place to make value judgments about how Laura feels about her children. Our opinions are unimportant. What's important is that Laura feels good, that she's doing the things she feels she should be doing. While many of us may feel Terry and Peggy are acting selfishly and are taking advantage of their mother, that's not for us to decide. Our job is to make the situation work--to plan the financial picture so that Laura is taken care of. Such stories happen a lot these days...kids show up at home when least expected. And, as we said, "A mom is always a mom!"

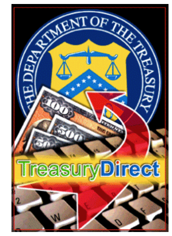
The truth in this demonstrates how important planning is. You have to be able to lay options out in front of you and know which paths to take ahead of time to avoid being caught where Laura would have been at age 59--flat broke and in huge trouble. Thank goodness, Bob and Karen had the foresight to get her in to do some planning.

If you are interested in learning more about how you can save money in taxes, or other expenses you might be overpaying for...or want to sit down with us and have your plan reviewed or updated, give us a call! We're here to help you, and to help you keep on track with your planning. Don't be a stranger. Call us, and we'll assist you in having the best shot possible of reaching your goals, and having peace of mind! Don't wait until it's too late!

"Doubt is a pain too lonely to know that faith is his twin brother."

~ Kahlil Gibran ~

Financial Tip Of The Month



Paper Savings Bonds Being Phased Out. Payroll Plans Will Send Your Bond Savings To TreasuryDirect!

Who would have thought? But changes in this world are inevitable, and now they are coming to your payroll deductible purchase of savings bonds. All paper savings bonds purchased through payroll deductions are being phased out by the Department of the Treasury as of January 1, 2011. That means, when your payroll saving deductions amount to the price of a new U.S. savings bond, you won't get one. Instead, you will get a deposit to your TreasuryDirect account.

During the transition period, partial amounts you have contributed will accrue to the full issue price of a savings bond. If there is any residual amount at the end of the transition period, it will be refunded. Of course, you can choose to end deductions at any time. TreasuryDirect is a secure web-based system that allows you to establish an account, purchase and conduct transactions online. You can buy Series EE and I savings bonds, Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities (TIPS) through TreasuryDirect.

You can still get paper bonds. At this time, paper bonds are eliminated only for payroll deduction plans. Paper bonds are still available at financial institutions. You can buy them yourself or give them as gifts.

Advantages of TreasuryDirect

* You can buy or sell bonds and securities 24/7 from any secure computer. Money from bonds you sell would show up in your checking account within one business day.

* Recurring purchases for bonds or securities can be scheduled up to five years in advance.

* Using Treasury Direct, there is no danger that you will lose or damage a bond or a security, and you won't have to go to a bank to buy one.

* Issue dates and current values of your investments are tracked for you.

To open an account, type "how to open a TreasuryDirect account" into your browser.

Please keep in mind that this tip is designed to be of help for you, but is not to be relied upon as advice. It is merely a reminder that there are many choices you have available to you, and that planning is the only way to find the right answers for your situation! As with any financial issues, make sure you get the right information before making a decision! If you have any questions, we'll be glad to help you!

Health Tip Of The Month…

These tips are not for everybody and should not be taken as specific recommendations. Before you take any action regarding yours or anyone's health, we strongly suggest you consult a qualified physician!

New Plum Pudding Can Be A New Hit For The Holiday Season!

Thoughts of plum pudding conjure up verses from "The Night Before Christmas" and English carolers decked out in caps and scarves. The touted Christmas dish hasn't been popular in the United States for some time, but this could be the year it comes back! Old plum pudding was a dessert filled with an abundance of sweets, dried fruits and nuts. Its dark color came from being saturated with liquors like rum, brandy or whiskey. In 1664, it was banned by the Puritans because of its alcohol content. In 1714, King George I brought it back as part of the traditional Christmas feast. It was set on fire when served. While traditional plum puddings make use of dried plums or prunes, this new recipe incorporates fresh plums and is more like a cobbler than the traditional fare. It's easy.

21st Century Plum Pudding
The Plum Mix:
12 plums, pitted and halved
1 cup white sugar
1/2 cupwater
1 tablespooncorn starch
1/2 teaspoon cinnamon
1/2 teaspoon nutmeg
The Crust:
2 1/4 cupBisquick
1/4 teaspoon salt
3 tablespoon sugar
3 tablespoons butter melted.

Preheat the oven to 350 degrees. In a large baking dish, blend the plum mix. Bake for 30 minutes.

Mix the crust ingredients and stir into a batter. Drop tablespoons of batter onto the plum mix. Turn the oven up to 450 degrees and bake 10 to 15 minutes or until the crust is a golden brown. Cool and serve. Brandy or rum could be added and set aflame.

Client Quiz!

This Month's Quiz

Q. How many people die in the US without a will each year?

A.) 14%
B.) 24%
C.) 55%
D.) 72%

Answers To Last Month's Quiz

Q. Which is the most relevant statement to an employee regarding the understanding and use of financial statements:

A) They are only really needed by a company's Chief Financial Officer or Controller or Accounting Staff who are paid to understand and use these things.
B) They have little to do with the "real life" day to day operations of most departments or sections
C) They can help any employee understand her or his impact on the financial health of the company
D) They are only really used to determine taxes owed or not owed.
E) They are only really needed by senior executives, board members and shareholders

Answer:
C) They can help any employee understand her or his impact on the financial health of the company.

For More Information

If you would like any additional free reports, or would like some of your friends, co-workers, relatives, business acquaintances, etc. to receive a FREE subscription to this newsletter, please fill out the info on the reply form, and we'll add them to the mailing list. We'll also send them a note with their first issue telling them that you had suggested they receive the newsletter, and to contact us if they would like to stop at any time. If you enjoy this newsletter, why not share it for FREE with people you know, with no hassle for you!

Insurance Planning Group
125 Strafford Avenue, Suite 320, Wayne, PA 19087
Richard D. Scott, CLU 610-254-0499 rscott@ipginc.org
Robert T. Poletti, Jr. 610-254-0380 rpoletti@ipginc.org

YES! I'd like more FREE information on the following:

FREE Reports Available!
Call Toll-Free 1-866-512-0611, 24 hrs., For A Free Recorded Message To Get Any Of These Free Reports!
Or Check Off The Ones You Want On The Enclosed Form And Mail/Fax It In!

- ❑ **"The Tax Savings Secrets The IRS Doesn't Want You To Know!"**
- ❑ **"The Secret Alternatives To Lousy, Low Yielding CD's…What Banks Don't Want You To Know!"**
- ❑ **"The 10 Biggest Mistakes People Make Before Or After Retiring…And How You Can Avoid Them!"**
- ❑ **"The 14 Questions You Must Ask BEFORE You Hire A Financial Advisor!"**

❑ **Please contact me to set up a FREE "Financial Check-Up" of my insurance, assets and overall financial well-being!**

Name ______________________________ Best time to contact ____________
Address ____
City ________________________ State__________ Zip ______________
Phone ____________ Fax ____________ Email_______________________

❑ **Please add a FREE subscription to your monthly newsletter for the following people. I understand you will send them a note explaining I suggested they get this FREE subscription, and that all they have to do is contact you if they wish to cancel.**

Name ______________________________ Best time to contact ____________
Address ____
City ________________________ State__________ Zip ______________
Phone ____________ Fax ____________ Email_______________________

Name ______________________________ Best time to contact ____________
Address ____
City ________________________ State__________ Zip ______________
Phone ____________ Fax ____________ Email_______________________

Richard D. Scott, CLU
Robert T. Poletti, Jr.

Insurance Planning Group
125 Strafford Avenue
Suite 320
Wayne, PA 19087
Tel: 610-254-0499 (Rich)
Tel: 610-254-0380 (Bob)
Fax: 610-254-0725
E-mail: rscott@ipginc.org
E-mail: rpoletti@ipginc.org

DECEMBER
2010