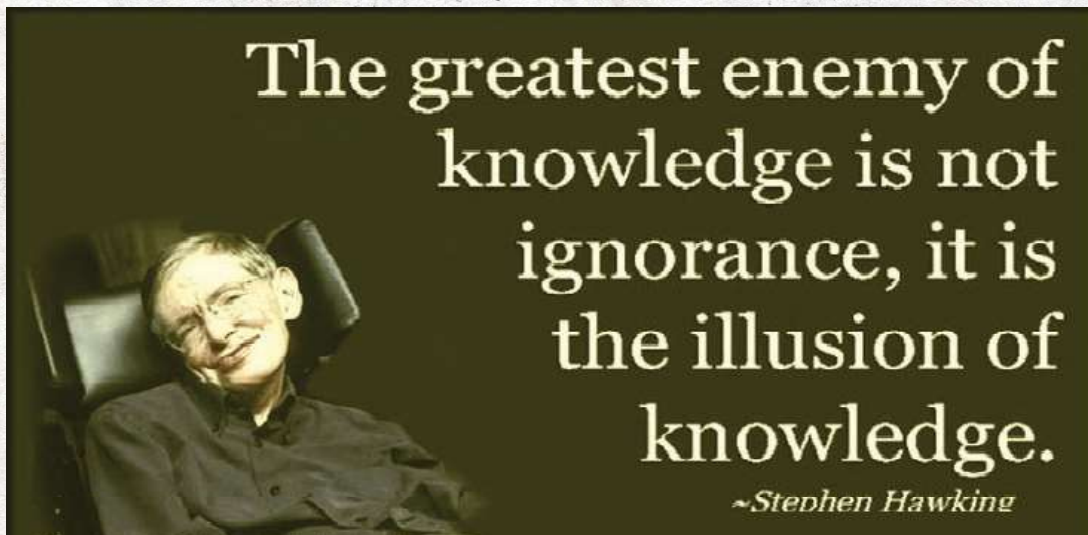




THE BIGGEST RISK TO RETIREMENT IS...



You Don't Know What You Don't Know!



This month, let's try something a little different. In the 23 years I've been working as a financial adviser and planner, I've seen a lot. I've had clients retire, become disabled, die unexpectedly and successfully make the transition into retirement. Over that time, I've come to realize that the biggest risk that retirees face, is thinking they know everything there is to know about retirement and investing. But the truth is, the biggest obstacle and risk they have is not knowing what they don't know. So, this month, I thought a little financial literacy test would be fun to see just how prepared you are for retirement. Good luck! (answers on page 2).

1. Imagine the interest rate on your savings is 1% and inflation is running at 3%, in 5 years would you be able to buy more, less or the

same goods and services?

- a. More
- b. Less
- c. The Same

2. When interest rates rise, what normally happens to a bond?

- a. The price of the bond increases as well
- b. The price of the bond stays the same
- c. The price of the bond declines

3. When you buy a share of a company's stock through an exchange, who are you buying it from?

- a. An investor that is selling their shares
- b. From the company that issued the shares
- c. From the Stock Exchange directly

4. What is the most common

retirement plan available through employers today?

- a. Defined Benefit plans
- b. Defined contribution plans
- c. Traditional IRA's

5. If you were to invest and achieve a 10% annual return, assuming you don't contribute anything else, how long would it take your money to double?

- a. Under 5 years
- b. Just over 7 years
- c. 10 years exactly

Well, how did you do? I'm sure, for some, this was a piece of cake. But if you struggled to answer these questions, there may be more that you don't know. But that's okay, we're here to educate and inform. If you have questions, feel free to give us a call. Hope you enjoyed this little exercise.



With the end of summer quickly approaching, we'll soon get a break from these record setting temperatures. It's certainly been an unusually hot summer this year. By now the kids and grandkids are back to school and the holidays will be here before you know it! Starting in early October, we'll begin working on our end of the year planning checklist and make sure everyone's met their required minimum distributions and also looked for tax loss harvesting opportunities and all of the other fun and exciting financial tasks we do at year end.

Monday, September 4th is Labor Day. So, take a break from the rat race (Hey there's another IDIOM!) and enjoy the day. Happy Labor Day!

Respectfully,
Scott Weidman, CFP®



Big Sky Country



Last month, we traveled to Montana to surprise Christina's Mom for her birthday. It was my first time there and it was not exactly what I expected. The sky, REALLY is bigger in Montana for some reason.



Maybe because we were 5200 feet in elevation, in the valley? We stayed in the little country town of Dillan, surrounded by massive cattle ranches as far as the eye can see. Every town is about an hour drive to the next. Wide open spaces. Though it was in the mid 90's during the day, it was so dry

you never actually would sweat. At night the temperature would drop into the 60's because they consider it a high desert.



From exploring mountain top lakes in the great Rocky Mountains, to hiking through sagebrush covered hills, digging for crystals at Crystal Park and even visiting a "real" ghost town from the nostalgic days of the gold rush, we did a lot in our short time there. Next time we visit, I would love to do a little more rugged hiking in the

mountains and also try my hand at fly fishing, since it's such a popular sport there.



If Montana is on your bucket list, it's well worth exploring. Just make sure you fill your gas tank before leaving town!



Answers...

1. **B. LESS-** Inflation measures the CPI (consumer price index) on a basket of goods and services. If the price of those goods and services increases faster than your after-tax return on investment your investments cannot purchase as much.

2. **C. DECLINES-** Generally speaking, interest rates have an inverse effect on the price of a bond. Let's say you own XYZ bond paying 4% and interest rates rise. That same company now offers 5% bonds, why

would someone pay you full price for YOUR bond when it's paying less interest? Thus the market value of your bond declines, if you wanted to sell prior to maturity.

3. **A. INVESTOR-** A stock exchange is simply an auction that creates liquidity for investors to buy or sell their shares. The exchange executes the "trade" between investors. An IPO (initial public offering) on the other hand, is when the issuing company is selling their stock directly to investors to raise capital for business purposes.

4. **B. Defined Contribution-** The days of Defined Benefit Plans, also known as pensions are long gone for most employees. Today the most common form of retirement plan is a 401(k), also known as a Defined Contribution Plan.

5. **B. Just over 7 years)-** The Rule of 72 is a formula to determine how long an investment will double in value due to compounding interest. 72 divided by the interest rate solves for the number of years it takes to double.



Our service offerings

Insurance

- Life Insurance (term, variable, universal and whole)
- Long Term Disability Insurance
- Long Term Care Insurance
- Buy / Sell Funding
- Business Overhead Expense Insurance

Services

- Hourly Consulting
- Retirement Projections and Evaluation
- Income Planning
- Asset Allocation and Risk Management

Investments

- Mutual Funds
- Variable Annuities
- Equity Indexed Annuities
- Fixed Annuities
- Stocks / Bonds

Account Types

- Fee Based Advisory Accounts
- Brokerage Accounts
- Third Party Money Managers
- 401k Rollovers
- IRA's and Roth IRA's

Contact the office



Phone: 386-308-5842
 Fax: 866-840-3866
 Mobile: 386-299-2893
 Email: scott.weidman@jwcemail.com
 157 Fairview Avenue
 Daytona Beach, FL 32114

Mon-Fri: 9:00 AM - 5:00 PM
 Evenings and Saturdays available by appointment.

Flashback 50 Years Ago This Month



On September 11th, 1973 the first flying car, known as the AVE Mizar, crashed, killing American aeronautical engineer Henry Smolinski along with a passenger,



For all you car fans, on September 21st, 1973 The Ford Motor Company introduced the Mustang II, a more fuel-efficient model of its popular sports car.



On September 27th, 1973, The popular syndicated TV show Don Kirshner's Rock Concert made its debut with The Rolling Stones and The Doobie Brothers as its first featured acts..



Also on September 20th, Jim Croce, 30, American rock singer, was killed in a plane crash along with songwriter Maury Muehleisen, 24, and four other people after he performed a concert at Northwestern State University's Prather Coliseum in Natchitoches, Louisiana.



On September 20th, 1973, in the most widely-watched tennis match up to that point, "The Battle of the Sexes" took place in the Houston Astrodome between 1973 women's Wimbledon champion Billie Jean King and 1939 men's champion Bobby Riggs. Though Riggs was favored to win 5-2, King won in three straight sets, 6-4, 6-4, 6-3.



Tip Of The Month

Each month, I try to bring some tidbit of valuable information that may or may not directly impact your planning. This month, I'd like to talk about the "second election". For those participating in the FRS Pension plan, you have the opportunity to do a second election and turn your future income stream into a lump sum that is rolled directly into the FRS Investment Plan.

At first glance, this may seem undesirable because, in the Investment Plan, YOU bear all of the investment risk and forfeit a lifetime of guaranteed income. But here's an example of why someone may choose to do the second election...

Let's say a participant has been in the FRS Pension plan for their entire career and is suddenly diagnosed with a chronic illness that will impact their life expectancy. If they were to die prematurely, there would be no benefits payable to their children once pension benefits begin (assuming they weren't disabled) and the pension income would be lost for everyone. If, on the other hand, they had done the second election, the net present value of the entire pension would be rolled into the Investment Plan and it's your money to do with as you choose. You can also leave it to whomever you choose. The second election is not a choice to consider lightly, but in the right circumstance, it could make a lot of sense. For more Tips and Strategies, check out one of our upcoming workshops at www.FRSWorkShop.com

Idiom Of The Month

“Burn The Candle At Both Ends”

MY CANDLE BURNS AT BOTH ENDS

by Edna St. Vincent Millay



My candle burns at both ends;
It will not last the night;
But ah, my foes, and oh, my friends—
It gives a lovely light.

In celebration of Labor Day, we all get to take a 24-hour break from Burning the Candle at Both Ends. The phrase refers to do more than one ought to. “His doctor said that his illness was brought on by stress and recommended he stop burning the candle at both ends and take a break!”

The modern explanation was coined by the poet Edna St. Vincent Millay in 1920 in her poem “First Fig”. “My candle burns at both ends; it will not last the night; but ah, my foes and, oh my friends, - it gives a lovely light.” Have a wonderful and relaxing Labor Day! And now you know!

