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RETIREMENT INVESTING

SPECIALIZING IN INVESTMENT MANAGEMENT AND ASSET PROTECTION

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A Need For Comprehensive Planning

Comprehensive planning encompasses a number of critical areas, including retirement planning, estate planning, insurance, tax planning, investment management, cash management, budgeting, as well as life stage planning. Depending on your needs, it may also include education funding, charitable and planned giving, trust management and long-term care planning.

Planning for your future can seem overwhelming because there are so many options to consider. However, if you start by answering five basic questions, you'll create a foundation on which to base your financial planning decisions.

First, what are your goals in areas like lifestyle, retirement, saving for college education and your health care, as well as that of your dependents?

Second, when do you want to reach your goals?

Third, what steps have you already taken toward achieving your goals?

Fourth, how do you feel about taking investment risks for a potential higher rate of return?

And finally, how involved do you want to be in monitoring your progress toward your goals?

The answers to these five questions will shape the profile of your financial plan.

The major concerns that many investors have regarding retirement include:

1. Having enough money to last through retirement.
2. Taking care of a spouse.
3. Maintaining their current lifestyle in retirement.
4. Having the ability to pay for medical expenses in retirement.

Therefore, I believe that comprehensive planning involves both life stage as well as financial planning. What I mean by life stage planning is combining a person's lifestyle interests and personal aspirations with its financial implications. Life stage planning is an ongoing process because lifestyle interests change over time.

Typically, life events have financial implications. The following are more common financial needs associated with four different life stages:

1. Starting out

- Budgeting and saving through investing.

2. Today's Family

- Funding large purchases – house, children's education, etc.
- Managing and protecting income and assets.
- Saving for retirement.

3. The Pre, or New Retiree

- Managing and protecting increased assets, such as becoming or being affluent.
- Providing or managing financial support for others, such as parents.
- Legacy and estate planning.
- Continuing to save, but also planning for retirement.

4. Managing Retirement

- Developing and managing an income stream.
- Long-term care financing.
- Legacy and estate planning.

LifeStage Planning Service Features:

Article Search. We will quickly find the help and information that you need. Are you traveling overseas for the first time? We can locate tips on obtaining a passport. Are you facing a major life event? We can provide you with a package of information to help you through it. With Article Search, we can find articles, checklists, and Web sites that you can use to pursue personal interests.

LifeStage Planning Profile. This is a guide that can help to measure your interest in certain life stage themes. Completing this profile automatically generates an information package that we can give you to help you get started. Return the enclosed coupon or give us a call to arrange a free personal consultation.

Retirement Planning

Many powerful societal forces are making retirement planning more important than ever. Longer life expectancies, fewer defined benefit pension plans, corporate “rightsizing,” the trend toward multiple job, even career changes, and rising health care costs all make planning for retirement more critical now than ever before. Regardless of your age, where you work or your life situation, you should start planning now for your retirement. Even if you have a company retirement plan and expect to receive Social Security Benefits, those funds may not be enough to maintain your lifestyle when you retire. However, if you start planning now, you can take steps toward the retirement income that you want.

Retirement Planning involves identifying your wants and needs, developing a plan to achieve them, acting on your plan and continually reviewing and revising your plan as you approach retirement. Like most areas of financial planning, retirement planning begins with defining your goals.

Ask yourself these questions:

1. At what age do you plan to retire?
2. Will you start a new part-time career during retirement, or never work again?
3. How long do you think that you will need your money to last?
4. How much money will it take to support your household?
5. How do you envision your lifestyle during retirement? Days on the golf course? World Travel? Pursuing a hobby?
6. Where will you live when you retire?

Once you know where you are going, then it’s time to figure out how to get there. Through retirement planning, you can answer questions like these:

1. What provisions do you need to make to take care of your health care needs during retirement years?
2. How much money do you need to save to meet your goals?
3. How should your invest your money to maximize your retirement savings?
4. How will your assets, liabilities, expenses and savings change during retirement?

Remember, the sooner you start to save and plan for your retirement years, the more prepared you will be. Thanks to the power of compounding, early planning means that just a small investment each year could create a portfolio large enough to meet your needs later in life.

But where should you begin? If you haven’t already done so, your next step should be to establish an Individual Retirement Account (IRA). In today’s world, it doesn’t make good sense to count on Social Security and your employer’s retirement plans to provide you with sufficient retirement income.

You can invest the money that you put into your IRA into an investment that you are most comfortable with, such as mutual funds, individual stocks, bonds, certificates of deposit, etc.

The traditional IRA allows you to make a contribution of up to $2,000 each year, per person. The income and growth in your IRA are tax-deferred until you make a withdrawal, typically when you are ready to retire.

You may be eligible for the Roth IRA, which allows you to make non-deductible, after-tax contributions. The benefit is that there is no tax on earnings from your Roth IRA investments, and any withdrawals you make are tax-free, with some restrictions. If you anticipate being in a higher tax bracket when you retire than you are in today, you may find long-term benefits in converting a traditional IRA to a Roth IRA.

The Rollover IRA allows you to maintain the tax-deferred status of your company retirement plan when you move to another company or retire. That means you are not required to pay penalties, taxes and withholding fees.

To open an IRA account, just return the enclosed coupon or give us a call.

Education Funding

The cost of a college education has dramatically increased over the past 20 years, so if paying for college tuition and other costs is in your future, you should consider this as one of the most critical areas that you need to address.

After all, those in the know estimate that public college tuition will continue to increase about 7 percent a year, while a private education will increase as much as 9 percent annually.

The first step in planning for a college education is to determine how much a college education will cost when your child is ready for college. Also find out what financial assistance may be available. When saving for a college education, it's important to consider tuition and book fees as well as your child's living and recreational expenses while attending college.

We are here to help you assess your needs in this area and develop a plan to fulfill them.

Estate Planning

Estate Planning involves making legal decisions in advance of your death about the use, maintenance and disposal of your real estate, investments, social security, cash, life insurance and business ownership. It is designed to protect your heirs from a legal quagmire. If you don't have a properly prepared will that provides decisions about your estate, it could be years before your property is awarded to your heirs, or it could even be transferred to them and distributed in ways that you had not intended. A well-designed estate plan can save thousands of dollars in taxes and estate settlement costs.

Estate Planning is not just for the wealthy. Regardless of your income and net worth, Estate Planning can be critical to the health, security and welfare of loved ones. It is the only way to ensure that your wishes will be carried out after you are gone.

These questions should be answered as you develop an Estate Plan:

1. How will your surviving spouse and children be provided for?
2. What will happen to the family business?
3. How will your children's college education be funded?
4. How much will your estate taxes be?
5. How will your burial expenses, estate settlement, taxes and other debts be paid for?
6. Will your heirs be treated fairly in the distribution of your assets?
7. Do you want to make gifts to your heirs during your lifetime?
8. Do you want to provide for a favorite charity or other organization?
9. Will your assets fall into the hands of undeserving heirs?
10. Are there estate planning strategies that you can use to reduce your estate taxes?

The first step in Estate Planning is to have a discussion with family members to determine needs and objectives. Don't let family members who are reluctant to talk about difficult issues delay this important discussion.

Estate Planning involves a number of legal and financial regulations and technicalities, so give us a call, or return the enclosed coupon. We are here to help.

UPCOMING WORKSHOP

"Don't Let The IRS

Take 50% Of Your Retirement Assets!"

The Clarion Resort	Holiday Inn Express
Hot Springs, Arkansas	Bryant, Arkansas
Tuesday, June 12, 2001	Tuesday, June 19, 2001

Meeting times are 9:30A.M. to 11:00 A.M. or 2:00 P.M. to 3:30 P.M. both days.

$5.00 per person $7.50 per couple

Call 316-3100 or 1-800-468-3007 to reserve your seat.

Seating is limited.

Fixed annuities, life insurance, and long-term care insurance are not offered by Great Nation Investment Corporation, but are offered through Martin Northern and Insurance Designers.

FOR INFORMATION
ON THE FOLLOWING TOPICS
RETURN THIS TO:
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E-mail: martin@martinnorthern.com

Please send information on these topics mentioned in your newsletter:

❒ **Please contact me for a *free* Comprehensive Financial Plan.**

❒ **Please contact me regarding establishing an Individual Retirement Account (IRA).**

❒ **Please contact me regarding Education Funding.**

❒ **Please contact me regarding Estate Planning.**

❒ **Please reserve ____ seats for your ___ Hot Springs ___ Bryant Workshop.**
I/we would like to attend the ___ 9:30 A.M. or ___ 2:00 P.M. session.

❒ **I would like more information about the benefits of the following bonds:**

- ❒ **US Government Bonds**
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❒ **I think these people would like to receive your newsletter and invitation to your next seminar. (Please provide name and address with zip code):**

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