

Cost: PRICELESS

# Dollars & Sense

## FINANCIAL NEWS

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## Beware of Annuity Sales Pitch

Variable Annuities are investments with plenty of potential risk, although the sales pitch you hear may not make them sound risky at all. Seniors have become the primary targets for sales of these products by many of the companies who sell them. Some advocates maintain that these consumers are not being told as much as they should about the risks of these investments.

Some sellers of variable annuities are using scare tactics to rope in older customers.

The National Association of Securities Dealers, the Wall Street regulatory organization, is warning seniors about new and suspect sales pitches involving deferred variable annuities. Such products are similar to mutual funds, in that consumers place their money in a basket of investments, but they also act like insurance. A death benefit is part of the package.

Used properly, a variable annuity can be a good investment for some people; you get to defer taxes on earnings and guard against outliving your savings. The problem is that such investments often aren't appropriate for older adults, who may not live long enough to enjoy the benefits. Variable annuities also carry high fees and penalties for early withdrawals.

None of that, however, has stopped salespeople -- who can earn hefty commissions on variable annuities -- from pushing these products on seniors.

The Securities and Exchange Commission received 460 consumer variable annuity complaints last year, a 45 percent increase.

Salesmen push the products by touting a "guarantee." Seniors were shocked to learn that the "guarantee" feature of a variable annuity requires them to die. Aside from being risky, the products are often also extremely complex. "These things have more moving parts than a 747," said financial planner Lynn Garrison.

The latest scam, according to NASD, involves mailings or sales calls designed to frighten older adults. "One scare tactic," according to the association's recent investor alert, "is to claim that a variable annuity will protect [seniors] from lawsuits or seizures of their assets. Many such claims are not based on facts, but nevertheless help land a sale."

If you're considering buying a variable annuity, start with the list of questions provided by the NASD ("How long will my money be tied up?") at [www.nasd.org](http://www.nasd.org). Or call them at 800-289-9999. The association also can tell you whether your broker is licensed and whether the broker has a history of complaints.

### Annuity Tips

- **An annuity should never be inside an IRA**
- **Ask the salesperson what their sales commission will be before you buy**
- **Ask the salesperson about the annuity fees and expenses**
- **Know that you don't get the capital gains benefit**

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# Why Do Mortgage Rates Change?

To understand why mortgage rates change we must first ask the more general question, "Why do interest rates change?" It is important to realize that there is not one interest rate, but many rates!

Interest-rate movements are based on the simple concept of supply and demand. If the demand for credit (loans) increases, so do interest rates because there are more buyers, and consequently sellers can command a better price (i.e. higher rates). If the demand for credit declines, then interest rates go down because there are more sellers than buyers and consequently buyers can command a lower price, (i.e. lower rates). When the economy is expanding, there is a higher demand for credit, so rates move higher. When the economy is slowing, the demand for credit decreases and so do interest rates.

This leads to a fundamental concept:

- **Bad News** (i.e. a slowing economy) is good news for interest rates (i.e. lower rates)
- **Good News** (i.e. a growing economy) is bad news for interest rates (i.e. higher rates).

A major factor affecting interest rates is inflation. Higher inflation is associated with a growing economy. When the economy grows too strongly, the Federal Reserve increases interest rates to slow the economy down and reduce inflation. Inflation results from the increased price of goods and services. When the economy is strong, there is more demand for goods and services, so the producers of those goods and services can increase prices. A strong economy therefore results in higher real estate prices, higher rents on apartments and higher mortgage rates.

Mortgage rates tend to move in the same direction as interest rates. However, actual mortgage rates are also based on supply and demand for mortgages. The supply/demand equation for mortgage rates may be different from the supply/demand equation for interest rates. This might sometimes result in mortgage rates moving differently from other rates. For example, one lender may be forced to close additional mortgages to meet a commitment they have made. This results in them offering lower rates even though interest rates may have moved up!

There is an inverse relationship between bond prices and bond rates. This can be confusing. When bond prices move up, interest rates move down and vice versa. This is because bonds tend to have a fixed price at maturity – typically \$1000. If the price of the bond is currently at \$900 and there are 10 years left on the bond and if interest rates start moving higher, the price of the bond starts dropping. The higher interest rates will cause increased accumulation of interest over the next 5 years, such that a lower price (i.e. \$880) will result in the same maturity price, (i.e. \$1000).



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## Tax Rebate

The government has sent out tax rebate checks to some 25 million tax-payers as part of the president's plan to stimulate the economy. The government hopes Americans will spend their checks on school supplies, appliances, automobiles and other products to help boost the economy. The US Treasury mailed out some \$14 billion in child-care tax-credit checks. The checks are one of the most important - and visible - parts of the \$350 billion in Bush tax cuts.

Polls show many consumers say they will pay off bills, economists expect the money will really go to new purchases. The checks – up to \$400 per child – have arrived about the time stores are cranking up back-to-school sales – their second most important shopping season. Consumers will be enticed to spend the money on sneakers, jeans, notebooks and computers.

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# No Luck Selling Your Home?

Are You Considering Selling But Question Your Home's Market Value????

Here are some suggestions from a Realtor, Broker/Owner and Appraiser:

1. Securing a "Limited Appraisal" is a valuable tool, less costly than a full appraisal, and still provides a homeowner with a comprehensive analysis of Market Value.
2. Provide a copy of this "Limited Appraisal" in the home for prospective Buyer's to view when previewing your property. This information will go far to substantiate your asking price.

If you have taken advantage of the surge of historically low interest rates of the past year and either re-financed your home or made a purchase, you are well aware of the vast documentation required by your lender!

A conventional loan requires the lender to provide their own full appraisal of the property. The lender must order the appraisal, and the information therein is the property of the lending company and NOT the borrower paying for it! The borrower may request a copy of the appraisal from your lender and they may share the appraisal with you. The cost of a typical residential full appraisal in the Montrose area is about \$350.00. A "Limited residential Appraisal" runs about \$300.00. I have worked in the Telluride and Ouray County market as well and a full appraisal of a lot in Mountain Village was \$550.00.

Many home sales and loans have fallen through when a property does not appraise. Even if a Buyer is willing to pay more than the appraised value, the lender would be "holding the bag" should the Buyer default on mortgage payments.

Real Estate Broker's are often asked to do a Market Analysis, or a "Broker Price Opinion". The cost of this service can be negotiated. A Broker may provide a written "opinion" free of charge when the Seller lists the property with the Broker. Although these "Broker Price Opinion's" are valuable tools, a "Limited Appraisal or a full Appraisal can only be prepared by licensed or registered appraisers and provides a more detailed and substantial analysis of the property value. The Board of Appraisers maintains strict standards to regulate appraisals and all appraisers are required to comply with USPAP (The Uniform Standards of Professional Appraisal Practice).

When a seller goes the "extra mile" by providing their own appraisal (either a limited one or a full appraisal) PRIOR to selling, it substantiates the asking price, gives the perspective Buyer greater confidence in the property value and encourages more full price offers. Your selling broker will work with more confidence and conviction with the backing of a credible appraisal.

In my opinion, buying an impartial appraisal is money well spent!



***Toni Wyrick, owner of Wyrick Real Estate Resources is located at 732 E. Main St. in Montrose. Toni performs all real estate services and likes working with both buyers and sellers. Toni is a graduate of Realtor Institute, and accredited buyer representative, certified international property specialist and is near her Masters of Real Estate certification. She is also a registered appraiser. The office is open from 8am to 6pm Monday through Friday and half days on Saturday and Sunday. You can reach her at 252-0065 or email to [toni@gwe.net](mailto:toni@gwe.net).***

## Money Saving Tricks

If consumption control is a problem for you, or you just haven't developed the habit of saving, here are some tricks you can use to increase your net worth.

### **Trick #1: Hide it before you can spend it**

Out of sight is out of mind. When it comes to money, out of sight means in the bank -- and in sight eventually means out of the wallet.

So, get your money out of reach before you can spend it. This can easily be accomplished by signing up for your retirement plan at work. The money is deducted from your paycheck and sent straight to your 401(k), 403(b), or 457, before income taxes are taken out. So, not only are you increasing your savings, but you're also reducing your taxes. If your boss matches contributions, then you're really losing money by not participating.

### **Trick # 2: Limit your spending power**

Automated teller machines (ATMs) make getting cash very easy -- which is very bad for your bottom line. Just take a look at your bank statements. See all those \$40, \$60, and \$100 ATM withdrawals listed? Can you account for that cash? Probably not.

So, institute this rule: Decide on a minimum amount of cash you need for a week. Withdraw that amount on Monday, and do not make another withdrawal until the following week. If something important comes up, use your credit card.

### **Think Like A Millionaire**

When we think of someone that is financially successful, we often think of an individual that makes a lot of money, someone who started investing very early on or someone who hit it rich through a hot Internet stock. The book "The Millionaire Next Door" proved that many millionaires were just average people that applied some common sense and discipline to their everyday life.

### **Trick #3: Find out where it goes**

Get a spiral notebook and start writing down any money you spend. List what you bought, how much it cost, and why you bought the item. Your spiral notebook will teach you something about yourself. For example, you may find that you spend \$5 a week on cans of lunch soda from the cafeteria's vending machines.

### **Trick # 4: Pay yourself first**

Some adults want to make sure they save, so they ask their employer to take a certain amount of money out of each of their paychecks and put it in an investment fund, a kind of savings account. What these people are doing is "paying themselves" first. They are saving for their future -- automatically. The idea is that if they never get their hands on this money, they can't be tempted to spend it. There are ways you can pay yourself first too. Talk to your employer or your parents about how you might do this with your paycheck, your allowance, or gift money.

## \$20 bill gets a facelift

The \$20 bill will get a facelift complete with a new number arrangement and a new background.

The Treasury Department's Bureau of Engraving and Printing revealed that the new bill still bears a portrait of Andrew Jackson and has a cluster of small 20s on the lower right hand corner on the back. The front depicts a faded bald eagle that serves as a background.

The redesigned bill is intended to thwart counterfeiters. The Treasury Department intends to redesign bills every seven to 10 years to keep up with technological advances in counterfeiting.

"The soundness of a nation's currency is essential to the soundness of its economy. And to uphold our currency's soundness, it must be recognized and honored as legal tender and counterfeiting must be effectively thwarted," Federal Reserve Chairman Alan Greenspan said in a ceremony at the Bureau of Engraving and Printing in Washington.

The last redesign of American currency was in 1996, when a new \$100 bill was introduced with anti-counterfeiting features such as ink that appeared black from one angle and green from another; a watermark visible only when holding the bill up to the light; and a security strip running vertically through the bill – features that will remain in the newest currency.

In the meantime, the Treasury Department is working with companies in the vending, gaming and public transportation industries to help them adjust their currency-reading devices to accept the new bills.

The Treasury has given these companies material they can use to update bill-acceptance devices, but nothing they can spend or use to make counterfeit bills.



**The front of the new \$20 bill**

Other currencies with similar features followed – a new \$50 bill in 1997, a new \$20 bill in 1998 and new \$5 and \$10 notes in 2000.

The bill will go into circulation in the fall, and others will be redesigned in the next few years. One- and two-dollar bills will not be redesigned.

But some currency experts warned that the new features likely will do little to discourage counterfeiters.

"Everything they've done before has been superseded by better counterfeiters," said Dennis Forgue, an anti-counterfeiting expert. "With the effectiveness of computer-generated images these days, they can make some pretty nice counterfeits pretty quickly."

## The Best Tax Friendly Places To Live

**Most people think of Uncle Sam when they hear the word "taxes."**

But there are two other coffers you're expected to fill annually – those of your state and local governments. And your contributions are expected to be far more generous in some places than others. That's why where you live can make a *big* difference to your bottom line.

For starters, there's a wide range of tax rates imposed on income, property, sales, fuel and other tax-revenue sources.

In some cases, that rate is 0 percent. Nine states, for instance, don't charge personal income tax. And those that do can use a flat rate or a graduated rate.

Sales taxes and property taxes can run the gamut as well. Some cities such as Anchorage, Alaska, don't levy a sales tax, while others, such as New York City, do.

**Which states are the most tax-friendly?**

In a report recently released, the Tax Foundation ranks states according to the overall state and local tax burden borne by residents.

Using data from the Bureau of Economic Analysis and the National Conference of State Legislatures, the Foundation measured not only income, property, sales and other personal taxes as a percentage of per capita income, but also how much of businesses' taxes are passed along to state residents by way of higher prices, lower wages or lower profits.

The state with the lightest overall state and local tax burden is Alaska, which takes in a mere 5.5 percent of residents' per capita income. That's because there's no personal income tax nor a statewide sales tax, and residents' tax burden is reduced significantly by the tax revenue paid to the state by oil-drilling companies that do business there.

The heaviest state and local tax burden is borne by residents of the District of Columbia (12.9 percent) and Maine (12.2 percent).

Washington, D.C. levies high sales, income and property tax on its residents as well as tax-like fees on its businesses, said Scott Moody, senior economist for the Tax Foundation. That's in part because a high percentage of land and buildings in the District are federal property and are thus exempt from property tax -- a traditional staple for local government revenue.

In Maine, the per capita income of \$28,960 is below the national average, so the state and local taxes levied account for a higher percentage of that income than they might in a state with a higher average income, Moody said.

Usually a big part of one's tax burden comes from property tax (most commonly on homes, but in some states also on other items, such as cars.)

New Jersey levies the highest state and local property taxes overall (charging \$1,717 per capita) while Alabama has the lowest (\$301 per capita).

## Long Term Care Costs Keep Increasing

Long term care costs are on the rise. Current costs for care at a local Montrose nursing home, Valley Manor have risen to \$144/day plus about \$5/day or more for extras for a semiprivate room or \$54,385 per year. To match the rising costs of long term care, insurance companies must periodically raise NEW policy premium rates. Beginning August 29<sup>th</sup>, General Electric will raise its NEW APPLICANT premium rates by approximately 15 – 25% for married couples and 50 – 60% for singles. Historically, General Electric has been forced to raise NEW APPLICANT premiums to keep up with the market, but this is the first increase of this size in recent memory.

General Electric has never raised premium rates on current policy holders, nor does it intend to start now. So let me reiterate, current policyholder premiums will NOT be increasing. However, NEW APPLICANTS will soon find that this invaluable addition to their financial plans will not be as affordable as it once was. If you or your family and friends are ever planning to consider long term care insurance vs. self insuring, the best time to make that decision is this month.

Late in 2001 GE commissioned a statistically strong benchmark of the cost of care in nursing homes in the United States with Evans Research and Associates. They surveyed more than 2,400 skilled and intermediate care facilities listed in the *Directory of Nursing Homes*.

All facilities were presented with the following scenario: a relative was suffering from Parkinson's, and the caller had been told by the family's physician that the debilitating condition would soon be at the stage where the relative would need care in a nursing home. All facilities were told the caller wanted "best of care", services, and a private room where available. The survey did not include costs for therapy, rehabilitation, or medications, nor did it evaluate the costs provided either in an individual's home or other types of facilities, including adult day care centers or assisted care facilities.

Two statistics gleaned from other sources bring the significance of this survey's findings into sharp focus: some 42 percent of those reaching the age of 70 are expected to need some type of long term care during the rest of their lives<sup>1</sup> yet only seven percent of Americans have done any planning at all for their long term care needs.<sup>2</sup>

These results emphasize how vital it is that people plan appropriately for their long term care needs, and helps underscore how valuable long term care insurance can be. At the rates shown in this survey, it wouldn't take long to exhaust even a substantial nest egg. Long term care insurance can help protect assets accumulated over a lifetime.

<sup>1</sup> Agency for Health Care Policy and Research Study, PR Newswire, June 19, 2001.

<sup>2</sup> "Securing Tomorrow's Autonomy Today," study conducted by the Center for Aging Research and Education, July 2001.

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## When Bob Hope was born...

*I just received an email reminiscing about how life was 100 years ago.*

The year is 1903, one hundred years ago ... what a difference a century makes.

Here are the US statistics for 1903....

- The average life expectancy in the US was forty-seven.
- Only 14 Percent of the homes in the US had a bathtub.
- Only 8 percent of the homes had a telephone.
- A three-minute call from Denver to New York City cost eleven dollars.
- There were only 8,000 cars in the US and only 144 miles of paved roads.
- The maximum speed limit in most cities was 10 mph.
- Alabama, Mississippi, Iowa, and Tennessee were each more heavily populated than California.
- With a mere 1.4 million residents, California was only the 21st most populous state in the Union.
- The average US worker made between \$200 and \$400 per year.
- A competent accountant could expect to earn \$2000 per year, a dentist \$2,500 per year, a veterinarian between \$1,500 and \$4,000
- There were only about 230 reported murders in the entire US.
- More than 95 percent of all births in the US took place at home.
- Sugar cost four cents a pound. Eggs were fourteen cents a dozen. Coffee cost fifteen cents a pound.
- Most women only washed their hair once a month and used borax or egg yolks for shampoo.
- Canada passed a law prohibiting poor people from entering the country for any reason.
- The five leading causes of death in the US were:
  1. Pneumonia and influenza
  2. Tuberculosis
  3. Diarrhea
  4. Heart disease
  5. Stroke
- Marijuana, heroin, and morphine were all available over the counter at corner drugstores.
- The population of Las Vegas, Nevada was 30.
- Canned beer, and iced tea hadn't been invented



Just think what it will be like in another 100 years from now. It boggles the mind.....

To say nothing of the Wright Brothers!!

# Women Must Prepare Better For Retirement Years



Men and women hoping to retire within the next five to ten years are being forced to face a cold truth—they may not be financially prepared to retire. And women are especially vulnerable. Consider these facts about women from the Administration on Aging:

- In 2001, women accounted for nearly 60 percent of the population age 60 and older, and 70 percent of the population 85 and older.
- Seven out of ten baby-boom women will outlive their husbands.
- Older women are twice as likely as older men to live in poverty, and half of the elderly widows living in poverty were not living in poverty before their husbands died.
- Older women are three times as likely as older men to live alone.
- Most older women depend primarily on Social Security for their retirement income, and are half as likely to receive employer pension benefits as men.
- According to the Census Bureau, retirement income for women over age 65 is just over half of the retirement income received by men in the same age group.

The reasons women find themselves in this financially precarious position are many, ranging from working fewer years to saving less for retirement. But the question now is, how can women approaching retirement make up for lost time?

## **Make Retirement a Priority**

It's common for women to make financial sacrifices during their working years, such as staying at home to raise children or care for elderly relatives. And many tend to rely on their husbands for their principal financial support. But the problem is, women outlive men by an average of five years, and thus have more years in retirement to fund. Their husband's income from Social Security and employer pensions will drop significantly if the husband dies first, which is why widows commonly fall into poverty unless they have some of their own retirement resources.

## **Beef Up Savings**

A woman in her fifties or sixties can't make up for decades of lost retirement income and tax-deferred compounding, but she can at least make up some of the shortfall by beefing up savings. First, establish one or more retirement accounts if you don't already have one, such as joining a retirement plan at work or opening an individual retirement account (IRA). Even a nonworking spouse can put up to \$3,000 a year into an IRA, and an additional \$500 if she is age 50 or older.

Next, pay your retirement accounts just as you would any critical monthly bill—before it is frittered away in discretionary spending. Direct deposits make it easier and less painful.

Contribute the most you can afford to contribute and that rules allow—at least enough to earn the entire match an employer might make into a 401(k) plan if that's available, and ideally up to the maximum allowed by the plan. For many types of retirement plans and IRAs, workers over age 50 can kick in an extra "catch up" contribution above what younger workers are allowed.

## **Beef Up Social Security Benefits.**

Returning to work can beef up a woman's Social Security benefits. Social Security bases its payments on a 35-year employment history, and even part-time work may earn more in a year than what she might have been making three decades ago.



## **Know Your Retirement Rights**

For example, women are guaranteed to continue to receive a portion of their husband's company pension if their husband dies before they do—unless they sign away that right. Women sometimes do that out of ignorance or because the couple decides to take the "single lifetime" payout because it provides a higher income stream than the "joint and survivor" payout. But those single-lifetime payouts stop when the beneficiary dies, and women are more likely to outlive their husbands.

Older women also should educate themselves about what Social Security benefits they might receive because they are married—and what benefits they might still receive in the event of divorce.

## **Long-Term Care Insurance**

While many men and women should investigate long-term care insurance, it can be especially important for women. Women are twice as likely as men to live in a nursing home, and they're less likely to be able to stay at home because they will have outlived their husbands who might care for them.

## **Ten Reasons Women Must Save and Plan More for Retirement**

10. **Women live longer than men.**
9. **Women earn less money than men.**
8. **Women change jobs more frequently than men.**
7. **Women leave and rejoin the work force more frequently than men.**
6. **Women are most often the "trailing spouse" who gives up a job and benefits when a family must move because a spouse has been relocated.**
5. **Women tend to work in jobs less likely to have employer-provided retirement benefits.**
4. **Women in the work force in the 1960s and early 1970s were adversely affected by laws restricting jobs, overtime, and hours.**
3. **Women who do receive retirement benefits receive significantly lower benefits than men.**
2. **Women tend to invest more conservatively.**
1. **Women don't have a role model for retirement planning.**

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or it will master you.

Either it will become your friend –  
or it will become your enemy.

Either it will help you accomplish goals in your life –  
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## **Excerpts From Jim Elder's Book "WealthCare"**

### **How Your Mutual Fund Investments Are Taxed**

Since your goal as an investor should be to keep as much as possible of what you earn from mutual fund investments, you can't look past the inescapable reality that taxes take a big bite out of bottom-line returns.

As a mutual fund investor, you can incur income taxes in three ways:

1. When the fund distributes income dividends.
2. When the fund distributes capital gains from a sale of securities.
3. When you sell or exchange fund shares at a profit.

We'll explain how a fund's earnings are taxed—then we'll show how your sales or exchanges of shares can trigger taxes.

### **Owning Shares And Paying Taxes**

A mutual fund is not taxed on the income or profits it earns on its investments as long as it passes those earnings along to shareholders. The shareholders, in turn, pay any taxes due. The two types of distributions that mutual funds make are income distributions and capital gains distributions:

**Income distributions** represent all interest and dividend income earned by securities—whether cash investments, bonds, or stocks—after the fund's operating expenses are subtracted.

**Capital gains distributions** represent the profit a fund makes when it sells securities. When a fund makes such a profit, a capital gain is realized. When a fund sells securities at a price lower than it paid, it realizes a capital loss. If total capital gains exceed total capital losses, the fund has net realized capital gains, which are distributed to fund shareholders. Net realized capital losses are not passed through to shareholders but are retained by the fund and may be used to offset future capital gains.

Occasionally distributions from mutual funds may include a return of capital. Returns of capital are not taxed (unless they exceed your original cost basis) because they are considered a portion of your original investment being returned to you.

### **Taxes On Sales Or Exchanges Of Shares**

You can trigger capital gains taxes on mutual fund investments by selling some or all of your shares at a profit, or by exchanging shares of one fund for shares of another. The length of time you hold shares and your tax bracket determine the tax rate on any gain.

#### **Three important notes:**

1. All capital gains from your sale of mutual fund shares are taxable, even those from the sale of shares of a tax-exempt fund.
2. Exchanging shares between funds is considered a sale, which may lead to capital gains. (An exchange involves selling shares of one fund to buy shares in another.)
3. Writing a check against an investment in a mutual fund with a fluctuating share price (all funds except money market funds) also triggers a sale of shares and may expose you to tax on any resulting capital gains.

# Fee-Only Advisors Hailed by Journalists and Consumerists

The Fee-Only investment approach has earned praise from the AARP, the Consumer Federation of America and numerous leading journalists. They see Fee-Only as good for consumers. After all, Fee-Only planners do not take hidden commissions--disguised as "load fees" or otherwise--on mutual funds and other financial products. No conflicts of interest.

Don't confuse Fee-Only planners with "fee-based" planners and investment advisors. Many in the latter two groups still feel free to take commissions. Sometimes they will level with you, sometimes not. Ask politely about mutual fund commissions and favors from brokers such as trips to encourage more frequent trading.

Fee-only advisors follow a strict oath to look at the client's interest above their own.

Whether it's ethics or professional education, Tom and other NAFPA members differ from the run-of-the-mill planners, who in many cases are little more than glorified sales reps. Read what journalists, consumerists and others have said about Fee-Only:

*Money Magazine:* "Start with the general practitioner whose compensation should be from fees alone."

*Newsweek/Washington Post:* Jane Bryant Quinn: "Financial Planners who take commission have a built-in conflict of interest...even with disclosure, my choice would be a Fee-Only planner..."

*Forbes:* "The most important matter is how the planner is compensated. Hire the planner who...has no financial stake in [your] investments."



*AARP:* "Seek an advisor who can offer you a wide range of choices. A fee-only planner does not represent any company."

*Former Microsoft Publisher Tim Breidigan:* "NAPFA's fee-only concept is a really positive philosophy about financial planning. We also believe that their criteria for membership--the amount of education required, the continuing education they require of members--is the right way to go."

*Consumer Federation of America:* "Too often, consumers who are interested in learning how their financial planners are compensated are forced to jump through a series of hoops to get relevant information. Unless they happen to know exactly what questions to ask and exactly where to look for relevant information, unsophisticated consumers can be left with the false impression that they are dealing with a fee-only financial planner when that is not the case."

## You CAN Grow a Moneytree!

If you plant a moneytree seed (dollar bill) in fertile soil (sound investment) you will be able to harvest money (interest earnings) from that moneytree ... for the rest of your life -- without ever harming the tree (principal)!

If you remember this each time you go to hand over one or more of your moneytree seeds to someone else (merchants), perhaps you will be inclined to give fewer of them away.

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