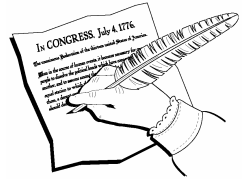




July 2003 - **Nevada Benefits Newsletter**
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“The most useful piece of learning for the uses of life is to unlearn what is untrue.” ~ Antisthenes~

“The telephone book is full of facts, but it doesn't contain a single idea.” ~ Mortimer J. Adler ~

FREE Financial Plans for Nevada Benefits Clients – Turn to Page 4

Is The Economic Sky Falling On Us?

Now, with the big part of the war over with, people are starting to focus on the economy again. Democrats are very critical of the Bush administration's financial management scheme...and Republicans tell the Democrats to chill, everything's just fine.

The tax cut package that just became our newest complication in the amazingly complex Tax Code...is being hailed as a big victory for the American economy by some, and an unfair disaster in the making by others.

Many politicians say that our going from a big budget surplus only a couple years ago...to a huge budget deficit of more than \$400 Billion dollars...will be the undoing of American financial stability.

Others say that these gigantic budget shortfalls don't mean a thing, and that everyone's getting all worked up for nothing.

Then you have the folks who say that our financial system will crash in our heads because of all the fraud and dishonesty in the brokerage houses, accounting firms, investment banks and crooked corporations.

Then, you add in the unknown costs of the war on terrorism, and the occupation of Iraq...many people are literally running around like Chicken Little screaming that, “*The sky is falling, the sky is falling!*” Now, from our objective, non-partisan

viewpoint, we see things a little different than the doomsayers.

Let's talk about these issues one by one to see what we see going on, keeping in mind that these are strictly our opinions, and are in no way any kind of projections or forecast.

First of all, the tax cut package does have one huge drawback that no one seems to talk about...*even more incredible complications in handling your tax situation throughout the year, and then doing your taxes correctly at tax time!*

We care about this a lot, since we have to help you plan your tax reduction strategies, and make sure your tax preparation is done right.

Since the law is so new and fresh, we can't make too many specific comments right now, but we will be studying it as the particulars become available.

(ONE BIG TIP! MAKE SURE YOU LOOK AT YOUR WITHHOLDINGS/W-4 AND ESTIMATED PAYMENTS...BECAUSE MANY OF YOU WILL HAVE LOWER TAXES BECAUSE OF THE NEW LAW, AND YOU MAY WANT TO LOWER YOUR WITHHOLDINGS OR ESTIMATED PAYMENTS SO YOU DON'T OVERPAY AND GET A BIG REFUND NEXT APRIL OR MAY. GET THE MONEY NOW SO YOU CAN HAVE THE TIME VALUE OF YOUR MONEY INSTEAD OF

THE GOVERNMENT USING YOUR MONEY FOR FREE!)

With all that said, we think the tax law could be a big boom for the economy. Why? *Because many previous tax cuts have proven to be a big boom for the economy!*

We obviously don't have a crystal ball to say what the result of this tax cut will be...but we do know that in the past, a big tax cut designed in part to help business has brought the economy up out of a slump or downright recession. Time will tell, but we think that any time money can be spent and invested productively instead of being sucked away by the out of control spenders in Washington...is probably a good thing!

Now, what about this deficit thing? Is it going to cause interest rates and/or inflation to start climbing again?

After all, in the past, when the government starts to print money to cover the shortage in cash...it has led to higher interest rates and higher inflation, two bad things. (Anyone remember the late 70's and early 80's, when mortgages were going for 15%, and CD's were paying out 16%?)

Well, so far, the deficits haven't sent rates or inflation up. In fact, mortgage rates have gone *down* in the last few weeks! See, economists will say that when there is a flood of money printed to cover the negative cash flow, it has to lead to higher inflation and higher rates.

But, unlike the tax cut scenario where more money for individuals and businesses due to lower taxes, has usually proven to help the economy cook...it's much less certain when it comes to inflation and interest rates.

See, according to Fortune Magazine, our budget deficits are lower in relation to the Gross National Product than they have been in past times when inflation and interest rates did go nuts.

Also, the magazine says that there is a ton of dough available in the world, over \$20 Trillion dollars (yes, that Trillion, with a

"T") over twice what was out there in the US bond markets ten years ago due to our being a true global economy. Thus, our deficits are much lower in relative terms than they used to be.

So, it's very possible that our economy will remain at a low inflation and low interest rate environment for a while to come. What does that mean for you?

Well, one thing that you may want to look at is whether or not low interest rates can be good for you in terms of financing things like your home(s) or cars. You may be better off refinancing (yes, again) with rates as low as they are. (We've had some clients refinance their homes three or more times in the last few years, coming out ahead each time...even after refinancing costs are factored in! Could this help you? There's only one way to tell, and that's by crunching the numbers!)

Also, if you are tired of earning crummy rates on your savings, you might want to look at alternatives that may provide higher interest rates or growth, have little or no risk, and may even have tax deferred earnings to boot!

The REAL message is that it is even MORE important than ever to take a good hard look at all your finances and diversify your financial situation. Diversification and planning are the two tools you must take advantage of so that if things go well, you will do well...and if the sky does fall down on us...you will be protected as best as possible!

So, if you haven't started ***your*** financial planning for 2003, DO IT NOW! Call us up for your annual review, RIGHT NOW, while this is fresh on your mind. We'll take care of the rest! (Don't forget, we know where to find you!) REMEMBER – WE WANT YOU TO CONTACT US WITH YOUR “HERE'S WHAT WE'RE THINKING ABOUT DOING QUESTIONS”, NOT YOUR “GUESS WHAT WE JUST DID!” COMMENTS!

Financial Tip Of The Month...

Three Provisions You Must Consider In Your Wills!

Here are three very important issues to keep in mind when creating, or reviewing your wills. By the way, regardless of your financial situation, virtually everyone should have a will, either by itself, or in conjunction with other estate planning documents like living trusts, bypass trusts, a family trust, etc.

- 1. Guardian Designation** – This is the person or persons who would take care of your minor children in the event that you and/or your spouse pass away while the kids are still young. Many attorneys agree with us that you should be very careful and thoughtful about who you select as your guardian. Make sure you agree with their philosophies and manner of bringing up children, their lifestyle, experience, financial wherewithal, trustworthiness, moral viewpoints, etc. It's a big decision, and one you should make now...so a judge won't have to make it for your kids if something were to happen to you without a will. You may or may not want to discuss this with your intended guardian, but you should also be sure to name a successor in case your first choice is unable or unwilling to serve in this capacity. (Hint- Your parents may not be a good choice. They may not be around, be able or willing to raise another family, and if they died while your kids were in their care, your kids would suffer through the death of two sets of parents.)
- 2. Executor Designation** – The executor is the person who is responsible for taking care of your financial affairs after you pass on. They will pay bills, settle open financial arrangements, file tax returns, pay taxes, and pass your assets on to heirs as instructed in your will. Usually married people will place their spouse in this capacity. For singles, or for married folks who want to name a successor executor if your first choice won't or can't do the job, you may wish to name a sibling, best friend, close relative...etc. But, you should ascertain what kind of financial awareness and knowledge your executor to be has. If they are financially inept, disorganized, lackadaisical or worse...you may not want them to serve as your executor. It is smart to make sure the person is trustworthy and financially astute.
- 3. Disposition Of Your Assets** – If you have a valid will in place before you die, you will normally cut off fighting, arguing and squabbling that can often occur when people pass away without specific instructions as to how your estate is to be divided up. If you don't specify how things get left to others...the court steps in and decides for you and your family.

Bottom line – Get an attorney to review your older wills, or to set up new ones NOW. You should use an attorney because doing it yourself is not a good idea in most cases. There are too many legal pitfalls and traps that lurk out there for a non lawyer person to fall into! *Coming soon: The Beneficiary Binder – Go to BeneBinder.com*

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!

**Is Your Estate in Order?
 Are You Protected Against Frivolous Law Suits?
 Are You Taking Advantage of All the New Tax Laws?
 Are You Paying Too Much Insurance or Not Enough?**

FREE Custom Financial Plan for All Clients

Financial planning is a complicated, in depth process. There are many factors that go into a sound financial plan and it is recommended that you use some kind of planner even if you do not use us. Unlike most financial planners we will guarantee you that we can save you money through taxes, estate planning, or insurance. In fact, if we can't, we will write you a check for \$100 on the spot. So go online to our website at www.NevadaBenefits.com to take our risk assessment test and then fill out our confidential questionnaire for a free evaluation. Remember if we can't save you money we don't want your money! There is no obligation. The information you provide us with will be kept in strict confidence. If you feel more comfortable meeting in person or would like us to fax or mail you a questionnaire give us a call any time at 258-1995. We're here to help you.

SUCCESS STORY OF THE MONTH!

(Note: The details of these stories have been changed to maintain confidentiality, and some compilations are used to accomplish anonymity.)

Money Doesn't Always Make Happiness Come Easy!

“The secret of prosperity is seeing failure as a corrective, not as a misfortune.” ~ D. Donald Waters ~

Helen never worried about money. Why should she? She was born into a very wealthy family. One of those families that we all wish we could be born into.

Her father, Jack, married her mom, Sandy, just after Sandy's family struck it rich. Helen's dad truly loved his Sandy, and their marriage produced only one child, Helen.

Helen was always around money and wealthy people. She never knew what it was like to have to make do with anything. When she was little, and a toy broke, she got a new one. When her cars had problems they just traded it in for a new one.

No, money wasn't ever an object for Helen.

Now, she did have some trouble when she dated men, because many of them were out for her money, not because of the person that Helen truly was.

And, accordingly, she had two very unhappy experiences with matrimony that both ended up in divorce.

Even though her folks were alive when she got hooked up with these characters, both husbands were hoping to get the side benefits of her family's wealth...and of course get their greedy hands on her eventual inheritance.

Helen had to forfeit some of her wealth when she got her two divorces, but her riches were minimal at the time, being that her parents still had the bulk of the family's estate.

Helen's parents were very worried about her. They were worried about her psychologically, and worried that when they passed away, Helen's next man would take her to the cleaners.

Jack and Sandy mentioned their concerns to their CPA, and he suggested they contact us to discuss their options of how to arrange their estate to benefit both them...and Helen.

This situation requires the expertise of an asset protection and estate planning attorney. We called in one of the attorneys we work with, and had a meeting with Jack, Sandy and the attorney.

Now, you have to understand that these meetings are very delicate operations.

There are so many sensitive issues that tie into the financial matters...that dive deeply into highly personal emotions. It could be so easy to inject personal feelings we have about how Jack and Sandy treat Helen, for example, and touch a nerve we shouldn't be touching. Or to ask a question that hits a bad hot button that we couldn't even know was an issue. And so on.

But, on the other hand, how do you address all their financial concerns without potentially going past some unknown emotional boundary? It isn't easy.

Well, we were able to find out the real concerns Jack and Sandy had about their own taxes, estate planning and so on.

As well as their worries about Helen. All of them. Even the personal worries about Helen and her male friends. The couple acknowledged that they always made it so easy for Helen (the only child syndrome) that now as an adult, she might not be equipped to handle things properly on her own.

After getting all the information from Jack and Sandy, we asked if a meeting with Helen would be appropriate. Since so much of their decision making tied directly with Helen, we said we kind of had to talk to her...preferably with everyone else.

They weren't sure, but reluctantly agreed to set up the meeting. When Helen came in with her folks the following week, she was a bit intimidated and uncomfortable. (We couldn't blame her. We would have been ourselves.)

Anyway, we dealt with things in a straightforward manner, and were able to walk that tightrope of candor, without crossing the line of being too personal.

Helen felt much better right away. She saw she wasn't being ganged up on, or patronized. Helen saw her folks were merely trying to deal with the money issues in a businesslike manner. When we showed Helen the kind of planning we were going to be doing, she was actually relieved. She had not really admitted to anyone before that she felt frightened to talk to Jack and Sandy, and did resent them not being open with her in the past.

But, she also said she loved them very much, and was happy they were actively working with us and the other advisors, to set up a new plan for the future.

Thank goodness! I was worried about how Helen and her parents would interact in this touchy scene. It was great to see how Helen had opened up, and how Jack and Sandy didn't get defensive. (Whew!)

Once we got the planning for all of them moving, we were able to set up restructuring of their assets so that:

- Jack and Sandy could avoid paying any taxes on their stocks and real estate that had gone up significantly in value!
- Arrange a protected trust that Helen could get income from, without having the principle available to another "gold digger" man!

- Decrease the family's income taxes by over \$10,000 in the first year of working with them alone! (Their CPA had done a good job, but isn't familiar with many of the perfectly legal tax savings strategies we see all the time that don't normally cross accountants' desks.)
- Increase their income and safety by diversifying their portfolio, while still maintaining a conservative and low risk position to their principle. (We showed them ways to get the advantages of the stock market on the upside...but protected from loss on the downside, as one example.)
- Protect their assets in the event that either Jack or Sandy had to go into a nursing home.
- Keep their assets away from potential creditors, while allowing the family potential access to them!

Now, Helen feels so much better about having a plan to operate from. Jack and Sandy feel like they've accomplished what they wanted.

Helen admitted to us that she still had to deal with her lack of being able to get into, and stay, in a solid, healthy, loving relationship. We obviously can't help her there.

But we do feel great about helping the whole family, and giving Helen a more reliable financial foundation to build her life from!

We do buy into the old adage that, "While money certainly cannot buy happiness, it can soothe the nerves a bit!"

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 at 258-1995 any time, 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!

Did You Know...

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

Did you know...

1.) Is it a stroke? Sometimes symptoms of a stroke are difficult to identify. Unfortunately, this lack of awareness can spell disaster. The stroke victim may suffer brain damage when people nearby fail to recognize the symptoms of a stroke. Now doctors say any bystander can recognize a stroke by asking three simple questions:

** Ask the individual to smile.*

** Ask him or her to raise both arms.*

** Ask the person to speak a simple sentence.*

If he or she has trouble with any of these tasks, call 9-1-1 immediately and describe the symptoms to the dispatcher. After discovering that a group of non medical volunteers could identify facial weakness, arm weakness, and speech problems, researchers urged the general public to learn the three questions.

They presented their conclusions at the American Stroke Association's annual meeting in February. Widespread use of this test would result in prompt diagnosis and treatment of the stroke and preventing brain damage.

*2.) Organizing bill-paying. Here's some advice for bill paying from Julie Morgenstern, author of Organizing from the Inside Out (Owl). * One person in the household should be responsible for paying bills. The other person should understand the system. * Pay bills twice a month. Have a file for each half.*

* Pay your bills in the same convenient spot each month. Have envelopes, checks, stamps, and pens available. * Use credit cards for special purposes. One card could be used for home maintenance, another for medical, for example.

3.) The price of war in 2002 dollars: It would be impossible to put a value on lives that are lost in any war. Beyond that, the dollars and cents do mount up for the nation and for individual taxpayers.

<u>Conflict</u>	<u>Characterization</u>	<u>Total cost *</u>	<u>Cost per American</u>
World War I	The war to end all wars	\$191 billion	\$2,489
World War II	The war to defend our homes	2.9 trillion	20,388
Korea	Global battle against communism	336 billion	2,266
Vietnam	Global battle against communism	494 billion	2,204
Gulf War I	To push Iraqi troops out of Kuwait	76.1 billion**	306
Gulf War II	Weapons, oust Saddam Hussein	75 billion***	255

* In 2002 dollars, ** Allied coalition reimbursed \$54 billion to the United States *** Initial request
Data from T.G. Riese & Associates, Business Week, U.S. Civil War Center, Louisiana State University, Yale University.

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!)



Drivers With Cell Phones Should Be Cautious!

"Nothing on a cell phone could be more important than what's happening in front of your car."

That's the advice being given by drivers who crashed while talking on a cell phone. The call was not nearly as important as the life that was lost, the injuries that were suffered, or even the vehicle that was lost. Yet the driver took his eyes off the road to answer it.

More than 115 million Americans bought cell phones in the last 10 years, and 80 percent say they talk while driving. No statistics exist on how many accidents are caused by these drivers. One study by The New England Journal of Medicine shows that their collision rates are about the same as for drunk drivers.

Auto insurers are considering a surcharge for drivers who use cell phones. Legislators in many states have passed or are working on laws that limit cell phone use. Other countries have addressed that problem. Hands-free devices are required in Italy, Brazil, and Denmark. Portugal, Israel, and Japan ban all cell phone use by drivers.

Recently, Verizon Wireless said it would support laws requiring hands-free devices like headphones, earpieces, and voice-activated dialers. In the meantime, drivers should be more than cautious.

* Never answer a cell phone while in traffic, on a dangerous road, or when driving at high speeds. Keep your eyes forward.

* Pull off the road to make a call or to speak with a caller who is doing more than just delivering a short message. Actual studies show that it is talking, not dialing, that is involved in most accidents.

An activist quoted in Newsweek says it's not where your hands are, it's where your head is that's important. Keep your hands on the wheel and your mind on the road.



Client Of The Month

Congratulations to Dairy Queen at Lake Mead and Buffalo. Owner Lisa Rose-Adams has included a free coupon for all of our clients. Thanks Lisa!



FREE 12 oz. Blizzard with any Purchase –

Only at our 7501 West Lake Mead & Buffalo location. NVB

Management reserves all rights. Offer Expires August 31, 2003

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