
ARPIL 2014

What did He just say?

Yesterday I was watching a TV newscast. The commentator was very excited. He read the news touting housing starts, the upbeat stock market, the falling unemployment rate, and the rising cost of existing homes. He smiled into the camera and said 'the economy is surging ahead on a massive rebound'. My head snapped around to pay closer attention. I was waiting for some other information, detailing some of the challenges facing most Americans. There was no counterbalance in his report. A smile, a reassuring smirk, and off to a story about cats being rescued by firemen.

This smile and smirk and off to other things reminded me of much how of financial advice is disseminated to investors. There is statistical evidence of a recovery going on. However my ears prick up when excessive exuberance gets translated in to investment advice. We are nowhere near a true recovery. There is no empirical economic evidence that would support eschewing safe money havens

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"Those involved with the speculation in the stock market are experiencing an increase in wealth.....no one wishes to believe this is fortuitous or undeserved; all wish to think their gains are the result of their own superior insight, intuition or the (advice from one who has it).....yet in the end the speculative episode ends with not a whimper, but a resounding BANG!"

--John Kenneth Galbraith, 1993

What did he just say? (con't)

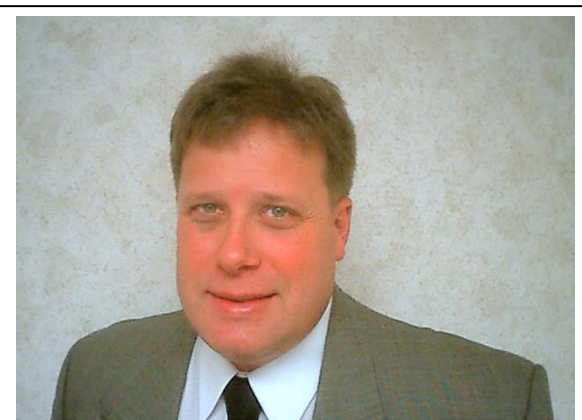
for the casinos of Wall Street. Too often I have seen financial advisors take advantage of people, touting television exuberance and unrealistic expectations to shuffle people in expensive, risky, and (well highly profitable for them) Variable Annuities and high fee investments.

Suzy Orman in her first book, said "if your financial advisor recommends a variable annuity, go find a new advisor, pronto".

As an 'Income Practitioner' my view is this: take your profit, own it, and make more. Don't take a loss. Ignore the pabulum coming from your TV and many financial people.

One of the most famous quotes from the book 'Blind Faith' by Edward Winslow was the interview with the president of a large financial house after the crash of 2007-2009. The executive, asked about how his company did, said: "the company made money, the Advisors made money, and 2 out of 3 ain't bad."

What did he just say?



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".....(the most prudent) strategy for the risk averse investor is that immediately upon leaving an employer, to transfer the 401k in to a self-directed IRA. This self-directed IRA can be placed in many risk averse products, the one most used is an ..'Equity Indexed Annuity" Edward Winslow

"WHERE'S THE TENT?"

by Sheila Murray Bethel, Ph.D.

Four friends of mine went fishing in a wild and beautiful national park. Finding a perfect campsite in a pine grove next to a river that positively shimmered with fishing promise, they quickly set up their big four-person tent, stowed their belongings, and set off eagerly down the riverbank with their rods and reels. When they returned to their campsite a few hours later, tired but happy, they stood open-mouthed in disbelief. There was a big empty space where their tent had stood.

It was gone! A quick search showed that everything else was still there -- their stove, tools, food, sleeping bags, and personal belongings. Their first stunned confusion soon changed to anger and a storm of questions: Why did someone take the tent and nothing else? Was a tent all the thief needed? Did they interrupt him so he couldn't finish the job? Or would he soon return for more? And why did he, she (or perhaps "they") steal at all? Fortunately, they still had their Coleman stove, frying pan, and eating utensils -- all the tools they needed to cook their fish and eat it. And they still had their sleeping bags against the chilly night air.

Over dinner and late into the night, they sat around the campfire, debating the significance of the missing tent. Finally they all agreed on what it meant. At peace at last, they climbed into their sleeping bags, gazing up at stars instead of canvas. Being city people, they rarely got to see stars up close and personal, "As if you could reach up and grab them," they told me. "And it didn't rain!" That night they slept more deeply than they had since they were babies.

And what was the conclusion they all had reached, the discovery that allowed this oneness with the universe? They had once again realized that life is inexplicable. All of us have sudden changes in our life that are the equivalent of having the tent stolen from over our heads. We invest ourselves heavily in a project that fails. We lose a job, become ill or go through a life crisis. But as long as we still have the basics such as courage, faith, friendship, the ability to care and laugh and hope, we still have the tools we need for life. The thieves of life can't steal our enthusiasm and curiosity, our ability to care and love and be loved.

The moral: *Someone will steal your tent every single time! Expect it, and be grateful that you still have the basics. Look up and enjoy the stars like the fishermen did. You may find new joys and opportunities that you never noticed before.*

To His Law Partner:

"Don't let the worship of the past or the confusion of the present interfere with realistic planning for the future"
--- Abraham Lincoln

What Is a Will?

The most basic estate planning tool, a will is the legal document that states the actions you wish to be taken after your death in regard to:

- the disposition of your property;
- the guardianship of your minor children; and/or
- the administration of your estate

Do You Need a Will?

If you have a spouse, children and/or property, the answer is most definitely

YES!

The alternative is to allow the state in which you reside to determine:

- how your property will be distributed among your heirs, including who those heirs are;
- the guardianship of your minor children; and/or
- who will serve as the guardian of your minor children; and/or how your estate will be administered.

Who Can Make a Will?

State statute determines who can make a will. Generally, you must be "of age," as defined by state law, and of sound mind. In addition, state law generally requires that your will be written, signed and witnessed by a required number of witnesses. While you can draw your own will, the preparation and execution of this important legal document is generally best left to an attorney.

At Scheiber and Associates we have a plan that will get all of these documents done for your family. That plan costs as little as \$19.95 a month!

HOW TO PUT YOUR KIDS ON THE FAST TRACK TO SUCCESS

by Chris Widener

Working with adults (as well as children and teens) for the past 12 years, I have noticed that there are just a few primary struggles that most adults face. I also see how better training as a child and teen could have given them the skills and attitudes that would have prevented the problems they now face. The primary areas adults struggle with are:

1. Money, primarily debt
2. Lack of discipline, or the inability to do what they want to do, be it weight, money, work, etc.
3. Relationships

As I see it, much of the way we live our lives is groomed as we grow up. And while we can change, it is harder to do the older we get. The good news? We can put our kids on the fast track to success by diligently applying some basic success skills.

To have successful relationships:

- Show them unconditional love.
- Teach them manners.
- Help them learn to forgive.
- Help them to be able to focus on and serve others.

To have successful finances:

- Make them EARN money.
- Have them give money away.
- Teach them about investing.
- Teach them to delay self-gratification.
- Teach them to never have any debt!

UPCOMING EVENTS.

1. Jordan School District Community Ed Class
May 24, 6PM. Jordan Community Center
Basics of Social Security Planning
2. "Rethinking Retirement" Dinner Seminar, April 3rd,
Lakeside Supper Club, Montgomery, MN.
3. "Rethinking Retirement, Lakeside Supper Club
April 10th.
4. Fundamentals of Estate Planning. Rice County
Conference Room, June 12th. 10am and Noon.

To Register for the Dinner Seminars, Please call (800) 451-6117

Tools for Thought

❖ *Sometimes I just get angry. The event that roused this emotion was clear; a financial advisor was looking out for his best interests over that of this couple. The couple, both in their late 60s had approached me. They were nervous about the stock market and their retirement funds. After much consultation they chose to move some of their funds from their risky stocks with their current advisor (they had lost over 40% in 2007-2009 and were just now getting back to where they were) to a Fixed Indexed Annuity with an income rider. The wife, who has chronic health issues, liked the Wellbeing feature of this policy, which would double their income if she needed long term care medical services. The income growth guarantee of 7% was attractive to them too.*

I spent much of my time asking questions to ensure suitability, and describing to them how this product would remove their anxieties, and make their lives more secure. After a time, they took my recommendation. They said 'we'll have to tell our advisor'. They promised they would not change their minds.

Two Saturdays later I got the call. Their advisor told them to leave their money in the stock market and sold them what Suzy Orman says is 'the worst financial instrument ever devised' a Variable Annuity. They were not only going to leave their money at risk, but burden it with 5-7% in fees. They were taken advantage of; placed in even more peril.

This kind of advice might not be in a clients' best interest makes me mad. In the end, I prayed for them. There was nothing else I could do.

CHANGE BEGINS WITH CHOICE

by Jim Rohn

Any day we wish; we can discipline ourselves to change it all. Any day we wish; we can open the book that will open our mind to new knowledge. Any day we wish; we can start a new activity. Any day we wish; we can start the process of life change. We can do it immediately, or next week, or next month, or next year.

We can also do nothing. We can pretend rather than perform. And if the idea of having to change ourselves makes us uncomfortable, we can remain as we are. We can choose rest over labor, entertainment over education, delusion over truth, and doubt over confidence. The choices are ours to make. But while we curse the effect, we continue to nourish the cause. As

Shakespeare uniquely observed, "The fault is not in the stars, but in ourselves." We created our circumstances by our past choices. We have both the ability and the responsibility to make better choices beginning today. Those who are in search of the good life do not need more answers or more time to think things over to reach better conclusions. They need the truth. They need the whole truth. And they need nothing but the truth. We cannot allow our errors in judgment, repeated every day, to lead us down the wrong path. We must keep coming back to those basics that make the biggest difference in how our life works out. And then we must make the very choices that will bring life, happiness and joy into our daily lives. And if I may be so bold to offer my last piece of advice for someone seeking and needing to make changes in their life - If you don't like how things are, change it!

You're not a tree. You have the ability to totally transform every area in your life - and it all begins with your very own power of choice.

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