
OCTOBER 2014

The Road to Dasmascus.

When Saul of Tarsus was given the commission to wipe out the Christians in Damascus, he bent to the task by immediately departing Jerusalem for that City. (Acts: 9,4-6) While on the road to Damascus, he was stricken with blindness, and unable to speak or eat. Eventually, the scales fell from his eyes, and he was able to see the Risen Christ (Acts 1,1-22). He was converted from a persecutor of Christians to what is in my opinion Christianity's most prolific writer and evangelist.

Many people I meet with are on their own Road to Damascus. In a financial sense, they are convinced the stock market and stock market funded products are the best instruments to protect their retirement savings. They point to the latest growth in the market, and, supported by slick media ads, that this train will never stop, and be an inheritance of conceit, believe THEY will be exempted from any correction or upheaval. Entire cultures of 'investor clubs' and storefront 'advisor groups' support this concept. Even the financial media drone on and on about this company, and that stock, this one hot, this one not.

The Road to Damascus (con't)

Seldom are most radio or TV Financial Promoters ever talking about 'safe money'. Why? Most don't get paid if people place their money in safe financial instruments. In most cases the promotion is YOU taking the risk with YOUR money while they take no fiduciary responsibility.

Clients who attend my financial workshops often have their own 'Road to Damascus' moment. They are given information that transforms their thinking. When the light goes on, and they see they are heading for a financial cliff, they change course. When I meet with them, the most common comment I get is: "if I'd have known this existed, I would not have lost 30-40% back in 2008!"

The road to Perdition, and the Road to Damascus are often traveled by the same people at the same time. The main difference is the REASON for the trip, and knowing when to get on the right road.

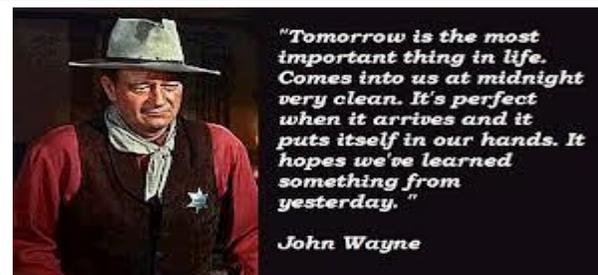
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*Not in My bow do I trust,
Nor does my sword bring victory.
You have brought us victory over our enemies,
Shamed those who hate us.....we will praise your name
forever.
Psalm 44, 7-9.*



Phillip M. Scheiber, FICF
(952) 649-0504
www.srins.com



"Tomorrow is the most important thing in life. Comes into us at midnight very clean. It's perfect when it arrives and it puts itself in our hands. It hopes we've learned something from yesterday."

John Wayne

THE PENSION CRISIS

I'm sure you've heard about the problem our country faces with "Social Security, corporate pensions, state pensions, county pensions, municipal pensions...virtually all defined benefit pensions." The following abstracts from an industry publication really brought it home to me. This is a must read. I'll call soon to get your thoughts.

OUR COUNTRY'S PENSION CRISIS IN A NUTSHELL - Pension plans that promise a specific benefit in the future are essentially a contract between current and future generations, and those future generations aren't represented at the bargaining table. As a result, they get stuck guaranteeing the retirement income of their elders while receiving nothing in return. This is the case for Social Security, corporate pensions, state pensions, county pensions, municipal pensions...virtually all defined benefit pensions!

Brief history - The corporate pension has been around since the 19th century, but really came into its own in the U.S. in the years just after World War II. The defined benefit plans assumed lifetime jobs with a company, which seemed reasonable at the time, but has long since ceased being the American norm.

Why is it happening? - Companies are trying to become more competitive and adapt to changing times. They must compete with younger companies that never made pension promises or foreign companies where the government provides retirement benefits or there are no benefits at all. IBM is paying about \$270 million to make the change but will save \$2.5 billion over the next 5 years.

Why now? - Pension crises at steelmakers and airlines have brought the issue to a head, but arcane accounting rules and low, long-term interest rates mean the accounting benefit for freezing a pension is higher than it would be if long-term rates rise.

Who's most vulnerable? - Salaried employees since companies have to negotiate to cut benefits for workers covered by collective bargaining.

What about earned benefits? - Companies can't cut pension benefits already earned, but the earned benefits in a defined benefit plan may be a lot less than expected.

Who gets hurt the most? - Workers in their 40s and 50s who have been at the company many years. Benefits build up fastest in an employee's final years at a company.

"If you haven't the strength to impose your own terms upon life, then you must accept the terms it offers you."

— [T.S. Eliot](#)

REAPING A MULTIPLE REWARD

by Jim Rohn

For every disciplined effort, there are multiple rewards. That's one of life's great arrangements. In fact, it's an extension of the Biblical law that says that if you sow well, you will reap well. Here's a unique part of the Law of Sowing and Reaping. Not only does it suggest that we'll all reap what we've sown, but it also suggests that we'll reap much more. Life is full of laws that both govern and explain behaviors, but this may well be the major law we need to understand: for every disciplined effort, there are multiple rewards. What a concept! If you render unique service, your reward will be multiplied. If you're fair and honest and patient with others, your reward will be multiplied. If you give more than you expect to receive, your reward is more than you expect. But remember: the key word here, as you might well imagine, is discipline. Everything of value requires care, attention, and discipline. Our thoughts require discipline. If our thoughts are confused, we will become hopelessly lost in the maze of life. Confused thoughts produce confused results.

For each discipline, multiple rewards. For each book, new knowledge. For each success, new ambition. For each challenge, new understanding. For each failure, new determination. Life is like that. Even the bad experiences of life provide their own special contribution. But a word of caution here for those who neglect the need for care and attention to life's disciplines: everything has its price. Everything affects everything else. Neglect discipline, and there will be a price to pay. All things of value can be taken for granted with the passing of time. That's what we call the Law of Familiarity. Without the discipline of paying constant, daily attention, we take things for granted. Be serious. Life's not a practice session. Think about your life at this moment. What areas need attention right now?

The most valuable form of discipline is the one that you impose upon yourself. Don't wait for things to deteriorate so drastically that someone else must impose discipline in your life. Your life, my life, the life of each one of us is going to serve as either a warning or an example. A warning of the consequences of neglect, self-pity, lack of direction and ambition...or an example of talent put to use, of discipline self-imposed, and of objectives clearly perceived and intensely pursued.

What Is a Living Will?

"Living will" is a term commonly used to refer to a legal document available in most states that allows an adult to state in advance whether or not life-sustaining medical procedures should be used to prolong life when there is no chance for a reasonable recovery.

Why Should You Consider a Living Will?

Reasons to consider a living will include:

- A belief that adults have the right to control medical decisions regarding their care, including the right to refuse or withdraw life-sustaining treatment.
- Concern about the suffering and loss of dignity that can occur when life-sustaining measures are used to prolong an inevitable death.
- Easing the emotional pain the family might otherwise have to suffer in making such a difficult decision.
- Relieving a doctor's and hospital's fears of liability in withholding or withdrawing treatment.
- Language concerning organ donation can be included in a living will.

How Do You Implement a Living Will?

While the validity of a living will is determined by state statute, the requirements generally include that the document be (1) in writing, (2) dated, (3) signed and (4) witnessed by two people who are not related to the declarant and are not heirs of his or her estate. In addition, doctors and their employees, as well as hospital employees, are generally not acceptable witnesses. Consult your doctor or attorney for more information about the availability of a living will in your state. Copies should be given to close family members, and the primary doctor.

UPCOMING EVENTS:

1. October 16 and 23rd, Rethinking Retirement Workshop, Firehouse Grill, New Market/Elko, 3.30PM
2. October 7th and 14th, Social Security Education Workshops, AmericInn, Shakopee, 6pm.
3. November 6, and 13th, Rethinking Retirement Dinner Workshops, Lakeside Supper Club.
4. Social Security Informational Workshop, Buckham Library, Faribault, November 18.

To Register for the Dinner Seminars, Please call (800) 451-6117, and for the Social Security Workshops, call (800) 530-1402

Tools for Thought

❖ *Social Security information meetings seem to be a hot topic. I receive mailings and see ads from almost every financial discipline, promoting lunch and learns, meetings and libraries, and even one for Lutheran Churches. I'm too busy to attend these meetings. I am doing my own meetings on that subject, and the subject of retirement planning.*

In my social security workshops, I offer a complimentary report on your social security options. This is important, because this report is detailed, and paints a good picture of not only where someone might be with your planning, but also where there are some deficiencies in that persons's income planning.

In my workshops, the main takeaway is the fact that social security is just ONE EGG in the basket. The rest of the eggs (IRAs, 401Ks, etc) are all part of that basket. The perspective is this; we have to treat Social Security assets the same way we would treat other financial assets.

Our nest of eggs has many jobs. Each job needs to be addressed and given a resource too accomplish that job. My mission is to meet with my clients and attendees, and clarify their situation. By assigning tasks, and updating out basket, we can make our assets last through life. Now THAT'S worth a meeting!

Cost of Raising a Child

Based on your total annual income of less than \$60,640, the following is an estimate of the cost for a married couple to raise children through age 17:

Beginning in 2014, the estimated cost to raise a child through age 17*:

	<u>JOHN</u>	<u>MARY</u>
Age 10	8	

\$120,087 \$145,437

Total: \$265,524

* Since 1960, the U.S. Department of Agriculture has provided estimates of expenditures on children from birth through age 17. This report illustrates the most recent estimates for husband-wife and single-parent families using data from the 2005-06 Consumer Expenditure Survey, updated to 2012 dollars using the Consumer Price Index, and published by the USDA in Expenditures on Children by Families, 2012 (released September 2013). This report is prepared by the Department of Agriculture, Center for Nutrition Policy and Promotion and can be found on their website at www.cnpp.usda.gov. Since child rearing expenses vary by household income level, estimated expenses for three before-tax income levels have been used in this report (less than \$60,640, \$60,640 - \$105,000 and more than \$105,000). In addition, families tend to spend more or less on a child depending on the number of other children in the household. As a result, an upward adjustment (+25%) has been made for "only child" households and a downward adjustment (-22%) has been made for households with more than two children.

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111 West Main St.
NEW PRAGUE, MN 56071

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