

---

---

# JANUARY 2015

---

---

## New Year, Old Challenges

At the end of every year, there are all types of “New Years Resolutions” promoted on all types of media. Frankly, if I end up seeing one more Marie Osmond commercial for weight loss, I will shred my membership card for the Donnie and Marie fan club.

Similarly, we are bombarded with financial information. At the end of the year there was great fanfare about the Dow going over 18,000. A suspect government report said the economy grew 5% in the 4<sup>th</sup> quarter. Most of the financial shows are bullish upon bullish for 2015 and beyond. If memory serves, the same people were predicting unlimited growth and prosperity in 2001 and 2008.

Behind the numbers, there are pockets of concern. Economies in China, Japan and Europe are weak. We are 18 Trillion in debt and expanding on that debt every day. Irresponsible Government spending and ‘juicing ‘ the market by the Fed add to this miasma.

### TABLE OF CONTENTS

1. New Year, Same Challenges
2. Problem Solving
2. It is a Challenge to Succeed
3. Tools for Thought
3. The Advantage of having a Will
3. What to do with an old 401K?

## New Year, Old Challenges (cont)

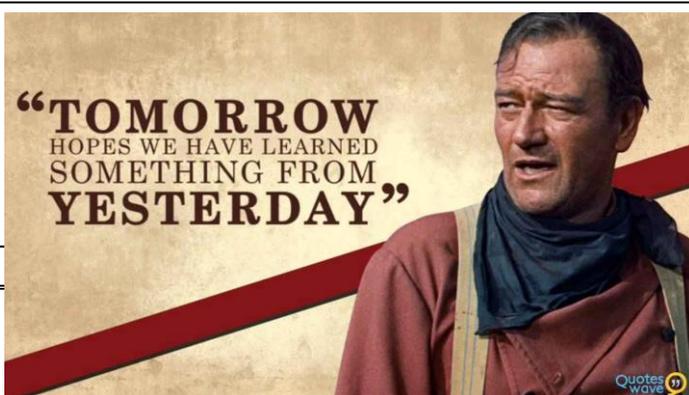
My job as an advisor is to get my clients to focus on what their goals are. Sometimes there is real dissonance in what I hear from them. On one hand they might say ‘I don’t want to lose money’’, and then in the next sentence tell me how well they did in the stock market.

This is an old challenge. My job is to have that client focus on what it is they can’t live without. Whether we are discussing an income stream they need for the future, or anxiety over capital to replace a wage earner should there be and untimely death, it is my responsibility to deliver solutions and answers.

These issues don’t care if its 2001 or 2015. They are the same issues. But for the client they are NEW issues brought out into the light of day. Tools and Instruments might change. According to Suzy Orman, the most important principle is this: “Don’t lose money, Ever.” And none of my clients ever has lost money.



**Phillip M. Scheiber, FICF**  
(952) 649-0504  
[www.srins.com](http://www.srins.com)



---

*A wise son makes his Father Glad, but a foolish one is grief to his mother. The slack hand impoverishes, but the hand of the diligent enriches.*  
*Proverbs of Solomon, 10,1,4*

## ***IT IS A CHALLENGE TO SUCCEED*** ***by Jim Rohn***

*It is a challenge to succeed. If it were not, I'm sure more people would be successful, but for every person who is enjoying the fruit from the tree of success, many more are examining the roots. They are trying to figure it all out. "I am a nice person," the man says to himself. "How come this other guy is happy and prosperous, and I'm always struggling?" He asks himself, "I am a good husband, a good father and a good worker. How come nothing seems to work out for me? Life just isn't fair. I'm even smarter and willing to work harder than some of these other people who just seem to have everything going their way," he says as he slumps into the sofa to watch another evening of television. But you see you've got to be more than a good person and a good worker. You've got to become a good planner, and a good dreamer. You've got to see the future finished in advance. You've got to put in the long hours and put up with the setbacks and the disappointments. You've got to learn to enjoy the process of disciplines and of putting yourself through the paces of doing the uncomfortable until it becomes comfortable. You've got to be prepared and willing to attack the challenges if you want the success because challenges are part of success. Now that may sound like a full menu of activities, but let me assure you that the process of going from average to fortune isn't really all that difficult. Thinking about it is the difficult part. I've often said that to have more, we must first become more, and to become more, we must begin the process of working harder on ourselves than we do on anything else. I'd like for you to discover some strong feelings about your life and about what you want to do with that life. You probably have much of the knowledge and a lot of the experience and perhaps most of the skills that it takes to become successful. What you may be lacking in are the strong feelings about what you want and what you want to do. You may be one of those who have become so involved in the process of earning a living that you've forgotten about the choices and the chances you have for designing your own life. Let these strong feelings help you take a second look at your life and where you're headed. After all, you've only got one life, at least on this planet. So why not make it an adventure in achievement? Why not discover what all you can do and what all you can have?*

***"War is an ugly thing. But not the ugliest of things. The decayed and degraded state of moral and patriotic feeling which things nothing is worth a war is worse. A man who has nothing he cares about more than is personal safety is a miserable creature and has no chance of being free unless made and kept by the exertions of men better than himself."*** John Stuart Mill

## ***PROBLEM SOLVING*** ***by Zig Ziglar***

Fortunately, problems are an everyday part of our life. Consider this: If there were no problems, most of us would be unemployed. Realistically, the more problems we have and the larger they are, the greater our value to our employer.

Of course, some problems are small, like opening a ketchup bottle. Others are monumental like a seriously ill or injured child or mate, which present ongoing, daily complications. Successful living comes when we learn to handle those business and personal problems with as little fanfare as possible.

The successful business executive can handle challenges and solve problems at a remarkable clip, making quick and final decisions. The homemaker with small children at home handles many "catastrophes" each hour with the same dispatch. Many people use counter-productive methods to deal with problems: They refuse to recognize them, deny responsibility for them, pretend they will go away if they ignore them, or are just flat insensitive to them.

The first step in solving a problem is to recognize that it does exist. Next, we determine whether the problem is our responsibility. If the answer is yes, we must determine how serious and/or urgent it is. When that last determination is made, we either take immediate action if the problem is simple and quickly solvable or develop a plan of action and prioritize it if the solution is more difficult and time-consuming.

Problem solving becomes a very important part of our makeup as we grow into maturity or move up the corporate ladder. I encourage you to take the time to define the problem correctly, learn the skill of quick analysis and remember, if it weren't for problems in your life, your position might not be necessary in the first place. Ironing out the wrinkles and solving the problems is what most jobs are about.

### **The Advantages of Having a Will Include:**

- A will allows property to be transferred according to the estate owner's wishes, avoiding state intestacy laws.
- A will permits a parent, instead of the state, to name the guardian for any minor children or other dependents, such as a handicapped adult child.
- A will enables the estate owner to name an executor to administer the estate which, in some states, minimizes probate and its related expense.
- Provisions in a will can defer distribution of a minor child's remaining share of the estate to a more mature age than 18 or 21.
- With a will, an estate owner can be certain that bequests of money or personal property to specific individuals or charitable organizations will be carried out.
- If the estate includes a business, a will can authorize the executor to operate the business until the estate is settled, with no exposure to personal liability on the executor's part.

### **What Are the Implications of Dying Without a Will?**

People who die without a valid will, die intestate. In this event, the state in which they resided effectively provides a will through the state's intestacy law. This means that the state dictates who will receive the estate owner's property and in what proportion. While state intestacy laws do attempt to provide for a "fair" distribution of property, the state's "one-size-fits-all" will simply cannot reflect the specific wishes of the estate owner in regard to either property distribution or the unique needs of the estate owner's heirs. In addition, state intestacy laws require that the probate court appoint a guardian for any minor children.

## UPCOMING EVENTS:

1. January 6th and 8th, Rethinking Retirement Workshop, Dahlgren Golf Club, 6PM
2. January 13<sup>th</sup> and 15<sup>th</sup>, Social Security Education Workshops, Country Inn and Suites, Red Wing, 6pm.
3. January 22nd and 29th, Rethinking Retirement Dinner Workshops, Lakeside Supper Club, 6PM

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

## Tools for Thought

❖ *I had a meeting with a client who is a Dr. This was over the Christmas Break, and it was a social situation. We were reviewing our 'year in business', and the subject of marketing came up. After a few minutes, he asked me, "why do you do workshops for Social Security and Retirement Planning? Why not just put some ads in the papers and join a bunch of social clubs like the other people in your field?" He paused, and said "that workshop stuff has to be expensive!"*

*In response, I repeated the same mantra I always do, "well, this is a good way to meet a lot of people....bla bla bla."*

*After I got home, I chewed through this for while. Why DO I do what I do? WHY do I do it this way? WHY do I offer the solutions that Scheiber and Associates does?*

**The answer is clear.** *I use the workshop method because it is the best way to serve people. It is about you, the client. It takes work to put on a workshop, and it takes effort to master large amounts of information distilling it in to something comprehensible. This method makes me work harder and take no detail for granted. This benefits you because I have to be able to present situations, answer questions, and be sharper than the guy who sits behind a desk at a bank or stockbroking office and has clients fed to him. My clients benefit, their families benefit, and my clients never lose money.*

## When You Change Jobs... You May Have an Important Decision to Make!

What to do with your money in an employer-sponsored retirement plan, such as a 401(k) plan. Since these funds were originally intended to help provide financial security during retirement, you need to carefully evaluate which of the following options will best ensure that these assets remain available to contribute to a financially-secure retirement.

### **Take the Funds:**

You can withdraw the funds in a lump sum and do what you please with them. This is, however, rarely a good idea unless you need the funds for an emergency.

### **Consider:**

A mandatory 20% federal income tax withholding will be subtracted from the lump sum you receive. You may have to pay additional federal (and possibly state) income tax on the lump sum distribution, depending on your tax bracket (and the distribution may put you in a higher bracket). Unless one of the exceptions is met, you may also have to pay a 10% premature distribution tax in addition to regular income tax. The funds will no longer benefit from the tax-deferred growth of a qualified retirement plan.

SCHEIBER & ASSOCIATES  
111 West Main St.  
NEW PRAGUE, MN 56071

BUILD RATE  
US POSTAGE  
PAID  
PERMIT NO. 98765

**S&A**

**SCHEIBER & ASSOCIATES**