



THE EDUCATED INVESTOR

A Guide to Retirement Planning

FEATURED ARTICLE

Lofty Goals, Limited Means: Finding Ways to Boost Your Investments.

The strategies discussed in this article could help you manage your money better and free up resources for your investment goals.

If you're ready to start investing or ramp up your current investment initiatives but there just doesn't seem to be enough money left over at the end of the month, don't give up. The following strategies could help you manage your money better and free up resources for your investment goals.

Start budgeting.

While most of us know what a budget is, how many of us actually use one? A budget can help you chart your cash flow by recording all of your sources of income and your fixed and variable monthly expenses. Once you determine where your money is going using a budget, you can prioritize your needs and potentially identify expenses that could be eliminated.

Cut down on credit card expenses.

Avoid using credit cards whenever possible, but if you can't, at least work to pay off your debt. Consider transferring your balances to a card with a lower-interest rate, and try to pay at least twice the minimum monthly payment.

Watch transportation costs.

Do you really need a brand new car right now? You could save thousands by purchasing one that's just a year or two old and yet still has a warranty. If you purchase a car -- new or used -- carefully consider whether to finance or lease it. The decision could dramatically affect your monthly expenses.

Put your extra cash to work.

Did this year's tax refund, raise, or bonus burn a hole in your pocket? The next one doesn't have to. Make plans now to invest it.

Cut down on "luxury" spending.

If you only go snow boarding or skiing twice a year, it might make more sense to rent equipment instead of buying the latest model and watching it collect dust the rest of the year. Renting movies instead of paying \$8 or more to see the latest release and bringing lunch to work

are other ways you can watch your bottom line without cramping your own style.

It may be difficult at first, but once you start you'll see that a little bit of discipline can make a big difference when it comes to finding the money to pursue your financial objectives.

Advance Directives: Planning Ahead for Your Own Care

You may not want to think about it, but it is vital that you do -- you may someday face a sudden health crisis due to an accident or serious illness that leaves you unable to make your own medical decisions. Fortunately, there is a legal means to addressing this potential future concern -- it's called an advance directive.

An advance directive is a written statement that you complete in advance of a serious illness. Generally speaking, this document names someone to act on your behalf or outlines how you want medical decisions to be made when you are no longer able to make decisions for yourself. Some types of advance directives may be able to do more for you than others, so it is important to know the differences.

Keep in mind that advance directives should not be confused with financial directives (such as a durable power of attorney -- see sidebar A Proxy for Your Money). In addition, advance directives are not financial documents. However, it is possible that during a visit with an attorney to discuss financial and estate planning affairs, advance directives may be discussed and in some cases packaged together with other documents (e.g., wills, trusts, etc.).

Why a Health Care Proxy?

The two most common forms of advance directives are a living will and a durable power of attorney for health care (commonly referred to as a health care proxy). A living will can explain -- in writing -- the care you wish to receive (or avoid) in the event you are incapacitated by a terminal illness or serious accident. For instance, it can express your wishes for controlling pain, receiving nutrition, or making life-support decisions.

But unlike a living will, a health care proxy allows you to legally designate someone -- a proxy -- to make medical decisions for you. Keep in mind that in some states you may even be able to combine a health care proxy and living will into a single document.

Hospitals and nursing homes are required to ask about the existence of any advance directive when you are admitted. In most states, a health care proxy does not take effect until you can no longer make medical decisions for yourself; until then, only you can legally consent to any treatment. In addition, you can always change or cancel the document as long as you are mentally alert. If you decide to make changes to any of these documents, be sure to do so in writing.

A comprehensive health care advance directive combines both a health care proxy and living will into one document. Organizations such as AARP, American Bar Association (ABA), and the American Medical Association (AMA) have joined forces to create a simple, yet comprehensive, form.

A Proxy for Your Money

As you devote time to possibly setting up a health care proxy, you can also designate a durable (or general) power of attorney for your financial affairs. As with a health care proxy, a durable power of attorney can specify how you want your financial affairs dealt with in case you become disabled or suffer a serious illness, and it designates someone who can make any financial decisions on your behalf.

A big advantage of this financial proxy is it can help prevent your loved ones from having to go to court to request guardianship over your financial affairs if you become incapacitated. This arrangement can also give the person you designate the ability to pay your debts, manage investment transactions, and even make charitable gifts that could help reduce your estate taxes.

As with an advance directive, it is important to update a financial proxy at least every five years -- otherwise, some financial institutions may not accept the directive as valid. And some financial institutions may not accept the document regardless of the date, so it is best to check with each institution you deal with regarding their policy. (In these cases, you may need to draw up more binding agreements via your financial advisor.)

For more on whether a durable power of attorney could be appropriate in your financial situation -- and how your state's laws treat this arrangement -- consult your attorney or financial advisor.

Know the Potential Drawbacks

Though it is a legal document, a health care proxy cannot handle every medical situation. Here are a few key points to consider before you designate a proxy.

- **Some caregivers could override your document** --

Most states permit a doctor or health care facility to reject any advance directive for reasons of conscience. In these cases, the doctor or facility must tell you or your health care proxy about this when you are admitted to care and must offer to help transfer you to another party or facility that will comply with your wishes or the health care proxy.

- **The advance directive may not be followed by emergency medical services (EMS)** --

If EMS is summoned to treat you in case of a life-threatening situation, they are usually required to resuscitate and stabilize you until you reach the hospital, regardless of an existing advance directive.

- **Know state laws** --

Though all states accept health care proxies as legal, each varies considerably in what is required of these documents. Also, if a health care proxy is written to your state's specification but you undergo medical treatment when visiting another state, the rules regulating health care proxies in the state in which treatment takes place will usually prevail. Also, if you don't have a health care proxy, many states will appoint a person to make medical decisions on your behalf. Usually, this person is your closest relative, which may or may not coincide with your intentions.

- **Do not use a health care proxy unless you fully trust the person you have named** --

In the case that a health care proxy is not an appropriate choice, the ABA recommends that you use only a living will.

Collect Your Thoughts

Before you talk to a lawyer about what type of advance directive may be best for you, you can save substantial time by understanding the types of issues the document should cover.

Start by talking to your family, doctor(s), and potential health care proxy about your medical wishes in as much detail as possible, outlining any information about the types of medical decisions that may come up at a later time based on your current health. Then, have your attorney draw up your advance directive. You and several witnesses will need to sign it.

Once it is written, store this directive with your other important documents and make sure your family and lawyer know where to find it. Also, give copies to anyone you've named as health care proxy, your doctor, and health care facility (such as a nursing home). In addition, you and/or your lawyer should review this document at least once every five years, or when there is a major change in your life (such as a divorce or the death of a spouse).

Informing loved ones and doctors about the types of medical care you would choose in a wide variety of situations can bring peace of mind to those most concerned with your health. Though you cannot anticipate an unexpected health crisis, you can prepare ahead of time to ensure that you are cared for in a manner that coincides with your intentions, even if you cannot make this decision for yourself.

Points to Remember

1. Both a living will and a health care proxy are advance directives, allowing you to put in writing how you want medical decisions made when you are no longer able to make decisions for yourself. However, a health care proxy has the added advantage of permitting you to designate someone to make medical decisions for you when you cannot speak for yourself.

2. Legal safeguards exist to ensure that health care proxies are not misused. Hospitals and nursing homes are required to ask if you have an advance directive, and you can always override, change, or cancel your proxy.

3. Having a health care proxy can be a wise step. If you do not have a health care proxy, many states will appoint a decision maker for you if you can no longer make your own medical decisions.

4. Advance directives are not financial documents. However, it is quite possible that during a visit with an attorney to discuss financial and estate planning affairs, advance directives may be packaged together with other estate planning documents.

5. Before setting up any advance directive, review your current health and future wishes in as much detail as possible with family, legal counsel, and a chosen proxy. Once a document has been executed, store the document in a safe and known place and give all involved parties a copy.

This information is not intended to be a substitute for specific individualized legal advice. We suggest that you discuss your specific situation with a qualified legal advisor.

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Valentine's Day Spending



Valentine's Day... the one set day a year that we get to show appreciation to the people we love. While some might just say "I love you," others go all out buying chocolate, teddy bears, flowers, jewelry and other extravagant gifts. Because of this, Valentine's Day has become a huge retail holiday. Believe it, or not, this year Valentine's Day spending is supposed to be at an all-time high with a whopping \$18.9 billion spent on gifts. Crazy, right?

Well I wanted to know more about the spending habits of Valentine's Day shoppers, so I did a little research and here's what I found.

Where the \$18.9 billion being spent:

As you probably already guessed, a majority of the money being spent on Valentine's Day is being spent on jewelry, flowers and clothing, but here is the actual dollar amount that was spent on the top gifts in 2015:

- \$52.2 million – Flowers
- \$50 million – Jewelry
- \$38.3 million – Apparel
- \$18.6 million – specialty gifts
- \$7.2 million – Movies
- \$7.1 million – Restaurants
- \$1.2 million – Salons and Spas

What about candy:

Gifts are good, but let's be honest, candy is pretty huge part of Valentine's Day as well. It is estimated that \$1.7 billion will be spent on candy alone, but did you know that:

- 58 million pounds of chocolate will be purchased during the week of Valentine's Day
- 36 million number of heart-shaped boxes of chocolate purchased for Valentine's Day
- 8 billion Sweatharts are produced annually and the majority of them are sold between Jan 1 and Feb 14

Most Romantic City:

Apparently there is such a thing as the most romantic city in the US and it is ranked by how much they increase spending on a typical Valentine's Day category gifts during the first half of February. Tucson took the cake with 68% percent jump in spending, and we're a little sad to report that our neighbors up in Portland live in the least romantic city with a mere 15% increase in spending.

Whether you're a part of the 62% of American adult that admit to celebrating Valentine's Day, or not, there's no denying that Valentine's Day is now a huge retail holiday and will continue to be for years to come. Happy Valentine's Day!

Source: www.business2community.com | Author: Madeline Boehmer

Strawberry Cheesecake Mousse



Ingredients

- 1/2 teaspoon unflavored gelatin
- 1/4 cup cold water
- 1 quart fresh strawberries, halved
- 2 tablespoons reduced-sugar strawberry preserves
- 1 package (8 ounces) reduced-fat cream cheese

1/2 cup sugar, divided
1/4 cup reduced-fat sour cream, divided
1/2 cup heavy whipping cream

Directions:

- 1 Sprinkle gelatin over cold water; let stand for 1 minute. Microwave on high for 20 seconds. Stir and let stand for 1 minute or until gelatin is completely dissolved.

Meanwhile, combine strawberries and preserves; set aside.

- 2 In a large bowl, beat the cream cheese, 1/4 cup sugar and 2 tablespoons sour cream until blended; set aside.
- 3 In another bowl, beat whipping cream and remaining sour cream until it begins to thicken. Add the gelatin mixture and remaining sugar; beat until stiff peaks form. Fold into cream cheese mixture.
- 4 In each of six dessert dishes, layer 1/2 cup strawberry mixture and 1/3 cup cream cheese mixture.

Refrigerate until chilled. Yield: 6 servings.

Source: <http://www.tasteofhome.com>.