YOUR FINANCIAL FUTURE

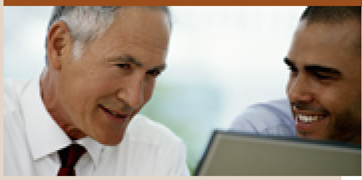
Your Guide to Life Planning

October 2013

"Making a positive impact on as many lives as I can." Please contact me if you have friends and family who would enjoy receiving this newsletter!

Nathaniel L. Moore
AGAPE Planning Partners
President
470 E. Herndon Ave Suite 102
Fresno, CA 93720
559-431-PLAN (7526)
nathan@appwealth.com
http://www.appwealth.com
CA Insurance Lic# 0C68504

In This Issue



Retirement Planning Tips for Fifty-Somethings

Many preretirees falsely believe that there is nothing they can do to build retirement assets, and as a result, do nothing.

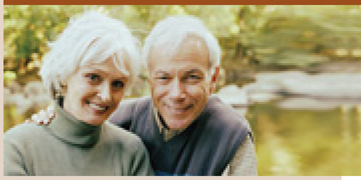
Entering your 50s and behind in your retirement planning goals? Don't fret. You've still got time to get your financial plan back on track.

There are many steps that older investors can take to better prepare themselves financially for retirement. Here are six tips that may help you make the most of your final working years.

1. **Catch up.** If you have access to a 401(k) or other workplace-sponsored plan, make the $5,500 catch-up contribution that is available to participants aged 50 and older. Note that you are first required to contribute the annual employee maximum, $17,500 for 2013, before making the catch-up contribution.
2. **Fund an IRA.** Investors aged 50 and older can contribute $6,500 annually (the $5,500 annual contribution plus an additional catch-up contribution of $1,000). An investor in his or her 50s who contributes the maximum amounts to both a 401(k) and an IRA could accelerate retirement savings by more than $25,000 a year.
3. **Consider dividends.** If you do not have access to a workplace-sponsored retirement plan, or you already contribute the maximum to your qualified retirement accounts, consider stocks that offer dividend reinvestment.[1] Reinvesting your dividends may help to grow your account balance over time.
4. **Make little cuts.** Consider how you can trim expenses while continuing to enjoy life. Some suggestions for quick savings: Eliminate or reduce premium cable channels that you do not watch, memberships that you do not use regularly, and frequent splurges on dining out or coffee runs. An extra $100 a month saved today could make a big difference down the road.
5. **Review strategies for postponing retirement.** You may be able to learn new skills that could increase your marketability to potential employers. Even a part-time job could reduce your need to deplete retirement assets.
6. **Don't give up.** Many preretirees falsely believe that there is nothing they can do to build retirement assets, and as a result, do nothing. Remember that you control how much you invest, and in many areas, how much you spend. Make a plan -- and stick with it.

[1]*Investing in stocks involves risk, including loss of principal.*

1-044969



When Should You Collect Social Security?

A growing number of Americans have been forced to delay their planned retirement date due to job and savings losses suffered during the most recent recession. According to a survey, nearly one-quarter of workers said they have resolved to retire later due to concerns about outliving their savings and fears of rising health care costs.[1]

The longer you wait to start collecting, the higher your monthly payment will be.

Postponing retirement not only means working longer, but also delaying when you start collecting Social Security. Currently, workers can begin collecting Social Security as early as age 62 and as late as age 70. The longer you wait to start collecting, the higher your monthly payment will be. Your Social Security monthly payment is based on your earnings history and the age at which you begin collecting compared with your "*normal retirement age.*" This *normal retirement age* depends on the year you were born.

Normal Retirement Age

Year Born	Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Those choosing to collect before their *normal retirement age* face a reduction in monthly payments by as much as 30%. What's more, there is a stiff penalty for anyone who collects early and earns wages in excess of an annual earnings limit ($15,120 in 2013).

For those opting to delay collecting until after their normal retirement age, monthly payments increase by an amount that varies based on the year you were born. For each month you delay retirement past your normal retirement age, your monthly benefit will increase between 0.29% per month for someone born in 1925, to 0.67% for someone born after 1942.

Which is right for you will depend upon your financial situation as well as your anticipated life expectancy. Consider postponing taking your Social Security benefits if:

- You are in good health and can continue working. Taking Social Security later results in fewer checks during your lifetime, but the credit for waiting means each check will be larger.
- You make enough to impact the taxability of your benefits. If you take Social Security before your normal retirement age, earning a wage (or even self-employment income) could reduce your benefit.
- You earn more than your spouse and want to ensure that spouse receives the highest possible benefit in the event that you die before he or she does. The amount of survivor benefits for a spouse who hasn't

earned much during his or her working years could depend on the deceased, higher-earning spouse's benefit -- the bigger the higher-earning spouse's benefit, the better for the surviving spouse.

Consider taking your benefits earlier if:

- You are in poor health.
- You are no longer working and need the benefit to help make ends meet.
- You earn less than your spouse and your spouse has decided to continue working to help earn a better benefit.

Whenever you decide to begin taking your benefit, keep in mind that Social Security represents only 36% of the average retiree's income.[2] So you'll need to save and plan ahead -- regardless of whether you collect sooner or later.

[1]*Source: Employee Benefit Resource Institute, 2013 Retirement Confidence Survey, March 2013.*

[2]Source: Social Security Administration, "Fast Facts & Figures About Social Security, 2013."

1-199483

Six Simple Ways to Value a Stock

The P/E ratio is a snapshot of where a company is, and the PEG ratio is a graph plotting where it has been.

Investors are always searching for methods to help them determine whether a company is worth investing in. There are many means of stock valuation, some simple, some more complex.[1]

Why is stock valuation so important? If the market price of the company's stock is greater than the company's intrinsic value, an investor might choose to stay away. If the market price of the company's stock is less than the company's intrinsic value, the investor may choose to buy the stock.

Here are six key valuation methods:

Price-to-Earnings Ratio (P/E)

The price-to-earnings ratio (P/E) is a valuation method used to compare a company's current share price with its per-share earnings. Its formula is calculated by dividing its market value per share by its earnings per share. The P/E is one of the most widely used ratios, and it is used to compare the financial performance of different companies, industries, and markets. The company's forecast P/E (its P/E for the upcoming year) is generally considered more important than its historical P/E.

Price-to-Earnings Growth Ratio (PEG)

The P/E ratio is a snapshot of where a company is, and the PEG ratio is a graph plotting where it has been. The PEG ratio incorporates the historical growth rate of the company's earnings. This ratio also tells you how your stock stacks up against another stock. The PEG ratio is calculated by taking the P/E ratio of a company and dividing it by the year-over-year growth rate of its earnings.

Price-to-Book Ratio (P/B)

The price-to-book ratio measures a company's market price in relation to its book value. Its formula is calculated by dividing the company's stock by its book value per share. Book value can be found in the company's balance sheet, usually listed as "stockholder equity." It represents the value of a company's total assets subtracted by its total liabilities. The P/B does not consider the actual value of the assets, only the nondepreciated portion of the assets. Like most ratios, it's best to compare P/B ratios within industries. For example, tech stocks often trade above book value, while financial stocks often trade below book value.

Price-to-Sales Ratio (P/S)

The price-to-sales ratio helps determine a stock's relative valuation. Its formula is calculated by dividing the company's price per share by its annual net sales per share. Price-to-sales ratio is considered a relative valuation measure because it's only useful when it's compared with the P/S ratio of other firms. The P/S ratio varies dramatically by industry, so when comparing P/S ratios, make sure the firms are within the same industry.

Return on Equity (ROE)

The ROE is calculated by dividing a company's earnings per share by its book values per share. The ROE is a measure of how well the company is utilizing its assets to make money. Understanding the trend of ROE is important because it indicates whether the company is improving its financial position or not.

Dividend Payout Ratio

This ratio is calculated by dividing the dividends paid by a company by its earnings. The dividend payout ratio can also be calculated as dividends per share divided by earnings per share. A high dividend payout ratio indicates that the company is returning a large percentage of company profits back to the shareholders. A low dividend payout ratio indicates that the company is retaining most of its profits for internal growth.

[1]*Investing in stock involves risk, including loss of principal.*

Tracking #1-190221

The Value of Time

When recent retirees are asked whether they would have done anything differently about their retirement planning process, many say they wish they'd started sooner. The mistake that people at all income levels make with retirement accounts is not starting at a younger age.

Time is an important ally when saving and investing, because it allows you to recover from periodic bouts of market volatility. It took five and half years after the vertigo-inducing drop that deleted $11 trillion from stock portfolios for the Dow Jones Industrial Average to regain all of its losses and reach a new high. Those who did not panic and sell their stock investments in 2008-2009 have fully recovered.

Having time on your side makes it easier to accumulate money for retirement, because those who start early don't have to set aside as much every month. Each decade you delay starting to save means you'll have to approximately double your savings rate to meet your goal. For example, if socking away 5% per year starting in your early 20s will get you to your goal, waiting until your 30s may mean having to save 10%, and so on.

Time gives you the luxury to be able to develop a plan, and to adjust your savings strategy as you move through your first job, while building your career and preparing for the transition to retirement.

While you're young, it's fun to spend money and live in the moment. But, if this describes your philosophy of money, you should motivate yourself to start saving sooner. The longer you wait to save, the more you ultimately will need to save. By making small adjustments in your savings rate now, the easier it will be for you in the long run.

Tracking #1-157862

Kmotion, Inc., P.O. Box 1456, Tualatin, OR 97062; www.kmotion.com

Do You Need Disability Income Insurance?

Your best defense against a financial catastrophe brought on by long-term illness or injury may be the purchase of a disability income insurance policy with enough coverage to compensate for your lost wages. Disability insurance provides you with cash that you can use for paying your mortgage or rent, buying groceries and meeting other ongoing living expenses.

The key to determining your needs is to assess how much you would be required to spend during each week or month that you would be unable to earn your normal pay.

Putting Policies in Perspective

For most people, there are two main forms of disability income insurance to consider: employer-sponsored policies (called "group" policies) and private insurance policies. Group policies are relatively inexpensive and generally remain in effect for as long as the individual remains with the employer. But there are often significant limits on the benefits provided by these policies, so it's important to determine whether coverage is adequate for your needs.

Private insurance policies, paid for by individuals, typically are more expensive than group policies but may also provide a higher level of coverage. In certain instances, those with a group policy may want to consider purchasing a private policy to fill in the income gaps frequently associated with group-only coverage.

How Much Disability Income Insurance Do You Need?

The key to determining your needs is to assess how much you would be required to spend during each week or month that you would be unable to earn your normal pay. For example, if you would need 80% of your pretax earnings but your group policy would only pay an amount equal to 60%, then you may need additional coverage.

Disability Defined

The way in which an insurance policy defines disability can determine your eligibility to receive benefits. The following is a quick overview of three basic definitions:

- **Own-occupation.** The most comprehensive definition of disability, it states that you are unable to perform the duties of the occupation you were performing at the time of the disability.
- **Income replacement.** Policies with income replacement coverage define disability as sickness or injury that doesn't allow you to perform the duties of your occupation and typically stipulates that you are not currently engaged in any other occupation.
- **Gainful occupation.** These policies define disability as the inability to perform the duties of your occupation or any occupation that you are considered to be reasonably qualified for by way of your education, skills or training.

A qualified insurance professional can help you assess your need for disability income insurance and find a policy that is most appropriate for you.

Compliance Tracking #517635
This article was prepared by Standard & Poor's Financial Communications Tracking # 684349 Exp. 11/16/2011