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Selling in a Buyer's Market

A key component of many retirement plans is to sell the large home — with its extra bedrooms, yard to keep up, and big rooms to heat and cool — and downsize into a carefree condo or retirement community. If you were depending on income from the sale of your property to pay off a smaller residence and provide some investment funds, the current housing market might have you jittery.

Since the first issue is pricing, start at www.zillow.com. Enter your address, and up pops a map of your neighborhood, with estimates of every home's value, recent selling prices, and all the houses currently on the market. There are also tips for how to work with a realtor, what to expect from an open house, and how to market and show your home.

Most experts agree the housing downturn might not have yet touched bottom. To come out on top, you'll need to pay attention to the market, make reality-based decisions, and possibly switch to decaf.

Public Employees Hear About Early Retirement Issues

Jeff recently addressed the Florida Public Pension Trustees Association (FPPTA) conference in West Palm on retirement challenges for today's public employees. FPPTA represents hundreds of municipalities and their employees from around the state, including police, fire and rescue workers, and general municipal employees.

"Working to educate public employees about the challenges of retirement is a true delight," said Jeff. "Since many of them retire earlier than the average worker, they have some special challenges that require special solutions. We focus our workshops on providing education on those specific solutions."

Jeff is already set to speak at several future FPPTA conferences. A number of city governments have also asked Jeff to conduct his **Reinventing Your Retirement** workshop for their employees.



How to Save on Holiday Spending

Do you splurge on gifts, entertaining, and travel to visit loved ones at this time of year? Here are some tips to avoid starting 2008 with a big pile of bills or a reduced savings balance.

Build a budget and stick to it. Really.

- Think about all the folks you want to buy for, and decide how much you will spend on each.
- Are you planning a holiday party? If so, how much will the food and beverages, decorations, and paper goods cost?
- If you're flying or driving somewhere else for the holidays, total the costs of tickets, fuel, motels, and eating out. Tally all the amounts and if the figure is not within your pre-set budget, start trimming.

Every time you leave the house take your gift list, even if you're not planning to shop. Stick to the list, no matter what great deals you see.

Don't use a credit card, even if you find something wonderful and are convinced it won't last until you can pay cash. Credit card interest will last much longer than that bargain.

Open a Christmas Club account at your bank or credit union now, and have a set amount automatically put away each month. Next year, your holidays will be paid in advance!

5 Ways to Find Your Purpose After Age 50

Jeff recently came across an interesting article on www.eons.com. It's titled, "5 Ways to Find Your Purpose after 50" and it was written by David Corbett, author of *Portfolio Life: the New Path to Work, Purpose, and Passion After 50*. Mr. Corbett kindly granted me permission to reprint it here. It has been edited for space.

1. Get into neutral. This is crucial when you leave a career. Resist the temptation to leap into the next phase of your life. Take a timeout. The neutral zone is kind of a moratorium on old habits and thoughts. It will help you redefine who you are *now*, not what you were. Neutral also helps give you closure on the end of your primary career, and the purposes and relationships they held for you.

2. Retell your life story. Stories reveal things your rational minds (and resumes) can miss. Recap in brief, or in outline style, the story of your life. As you organize the "facts" of your life, hundreds of images, thoughts, recollections and memories will begin to cross your mind. Sift and distill these for central themes, interests, activities and relationships that matter most and express who you are. Don't judge. Generate data. There are clues in your past.

3. Use your verbs. This technique works throughout the assessment process. The pressures of social status make you think about yourself in nouns—the titles, labels, roles and affiliations, usually of your career. The challenge now is to dream not about what you want to *be* but what you want to *do*. Verbs are active and dynamic. What were you *doing* when you felt excited or fulfilled? Find several examples and then look for patterns in your skills and experience. That will help you redefine what you want to do now.

4. Write a personal "mission statement." Companies and organizations have these. Why not indi-



viduals? Consider writing a statement reflecting your life vision or mission. Skip tangible goals or specific projects and make a list of the values, beliefs, and interests you care about the most. Only when you have a strong interior sense of these broader life goals can you find the real-time contexts, life opportunities and markets in which to apply them.

5. Involve others. A trusted circle of advisors can be of immense help as you seek new paths. Put friends, present or former work colleagues and family members on these personal sounding boards. Those who know you well and who are stakeholders in your success can hold up mirrors to reflect back things about you that you can't see yourself.



400 North Ponce de Leon
Boulevard
St. Augustine, Florida 32084
(904) 824-4349

www.firstcoastadvisors.com
info@firstcoastadvisors.com

A Scary Story

by Jeffrey W. Helms, CFA

Halloween has come and gone but here's a spooky little tale from Jeff's newest book, "Generation R: A Retirement Nation at Risk, How You Can Escape the Coming Retirement Crisis."

I want you to imagine that you work at a lunch counter. This is a special lunch counter, in that everyone who shows up must be served a lunch. You cannot refuse service to anyone. On a typical day at lunch time, there are a few dozen people milling about outside waiting for you to open the doors.

Suppose you show up for work one day, and there are 12,000 people in line waiting for their lunch. You scramble to feed them all. The next day, those same 12,000 people arrive, but another 12,000 arrive with them. The third day, all 24,000 show up again, and another 12,000 are behind them. Imagine this pattern continues every day for 18 straight years. Welcome to the retirement revolution.

In the eighteen years between 1946 and 1964, roughly 79 million Americans, the Baby Boomers, were born. That means, on average, about 12,000 people were born each day for those 18 consecutive years. How will you feed them all?

A few years ago, Sebastian Junger wrote a book titled, "The Perfect Storm." In it, he provided a detailed explanation of how a series of independent meteorological events came together to create the storm of the century – a storm so fierce, its power



and devastation were beyond anything experienced before it. Each of these events, on its own, didn't pose a particular threat. But, when combined, the resulting storm was virtually unsurvivable by anyone in its path.

To understand what awaits you in retirement, you need to understand a series of factual events that are occurring. Taken alone, these independent events may be mildly worrisome, and I doubt you're losing any sleep over them. But it's the way these events will interact with each other that will dramatically impact the future. Some of them aren't pretty, but stay with me, because the conclusions you draw from this combination of factual events could determine how well you fare when it comes to your retirement years. The events that will affect each and every retiree are:

- The Boomers Big Bang
- The Longevity Revolution
- The Healthcare Conundrum
- Social InSecurity
- The Pension Ice Age
- The Saving and Investment Vacuum
- The Financially Illiterate Masses
- The Rear View Mirror Approach to Retirement

The final chapters of the book are dedicated to the RICHER retirement strategy. These are actionable tips and concepts, with each letter of the word RICHER representing a different step in the process that teaches you, "How You Can Escape the Coming Retirement Crisis." Call us to find out when you can get a copy.

Distribution Planning Made Simple

Whether we need the money or not, a day comes when we have to take withdrawals, or "distributions," from individual retirement accounts (IRA) or qualified plan accounts. The actual date you must begin is April 1 of the year after you turn 70 1/2. For all the years after the first one, distributions must be taken by Dec. 31.

If you thought that was complicated, just wait. There are real financial advantages — and disadvantages — involved with the timing of that annual distribution, including whether to even wait until the mandated age.

Among the factors to consider is whether you are single. If you're married, is your spouse more than 10 years younger? Is he or she the sole beneficiary of your IRA?

Which type of IRA you own, a traditional or a Roth, is also important. With a traditional IRA, your contributions are tax-deferred, meaning you have not yet paid taxes on that income. With a Roth, you do not take an exemption on your tax return

when you make the contributions so you may make withdrawals tax-free within certain conditions.

One condition is that the first earnings distribution must come after a five-year holding period. So if you opened the Roth less than five years ago, you must wait. Second, you must be at least 59 1/2. Other special conditions include money used for a first-time home purchase, or payments made to you if you become disabled, or to your estate in the event of your death.

Money you contributed to a Roth, as opposed to earnings accrued, may be withdrawn at any time without taxation, since again, you already paid the taxes on that money before you deposited it.

The simplest strategy is to come see us and let us help you decide what will work best for you. You don't have to wait until you're 59 or 70 to determine your plan. Call Kris at (904) 824-4349 today!

Use Your Computer to Go Green

Everyone's looking for ways to save resources these days, but some of the easiest are as close as your computer.

If you're not already using Direct Deposit, sign up at work. But don't stop there. File your tax return, receive government or dividend payments, and view monthly and quarterly financial statements electronically.

Say "no" to ATM receipts for simple withdrawals.

Receive and pay your bills online. According to electronicpayments.org, if every American home did so, we would save 2.1 million tons of annual greenhouse gas emissions.

Leave the record storage to your financial institution. If you still have your cancelled checks mailed to you each month, stop. You can always request a copy of any item you might need, and you'll save all that file drawer space.

We Won the National Award!

Geneos Wealth Management recently selected First Coast Financial Advisors from among all its wealth management professionals in the nation to receive the 2007 Geneos Award of Distinction. The honor was given in recognition of FCFA's strict adherence to financial compliance and management procedures while providing objective, unbiased leadership to clients. Congratulations Jeff, Kris, and the proud FCFA team!

Director of Client Services Kris Medlin and Jeff Helms display the national 2007 Geneos Award of Distinction



Leaving a Legacy that Lasts

One of the points we consider in Jeff's **Reinventing Your Retirement** seminars is that life – including retirement — is about more than money. Happiness encompasses the sense of worth we take from doing things that help others or that make a meaningful impact on the world.

For many people, charitable giving is a way to leave a mark that goes beyond their own lifetime while, in some cases, also provides tax advantages now.

Several instruments, including charitable gift annuities, charitable remainder trusts, and pooled income funds result in income generation for the donor. Others, such as gifts of appreciated stock or real estate, can result in significant capital gains savings.

Deciding which non-profit organization you would like to support is a process that should take some time. Often, staying close to "home and heart" is the best approach. Giving to the causes you care most about, or organizations in your home town, can be personally rewarding. Would you like to provide a scholarship or endow a college? Contribute to a hospital or fund disease research? Wipe out hunger or clean up the environment?

Your potential to serve doesn't have to end with your life span. We can help you find ways to improve the world that will benefit you and make sure your legacy and money are used well. Call us.

