LET'S TALK MONEY®

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Watch Your Step

As your retirement nears, you'll want to take steps to make sure you stay on track financially. Here are some common preretirement mistakes you'll want to avoid to stay in step.

Failing to discuss your retirement expectations

Retirement finances aren't the only thing you need to discuss with your spouse or significant other before you retire. You also need to share information, such as when you'd like to retire, what you'd like to do during retirement and where you want to live. Sooner rather than later, have a frank talk with each other and coordinate your retirement expectations. Revisit those expectations and your financial situation annually and, again, six months before your planned retirement dates.

Not preparing for unexpected expenses

It's more important than ever to have an emergency fund for unexpected expenses when you're retired. You don't want to be forced to liquidate investments at an inopportune time because you don't have sufficient cash in reserve to replace a leaky roof, repair your car or cover other unanticipated bills.

Making impulsive big-ticket purchases

You may have always wanted to kick off your retirement with an extended tour of the U.S. or a trip around the world. But if you haven't factored the costs of such a trip into your retirement investing, you may want to hold off until you've evaluated the potential impact on your finances. Unless you've planned for it, withdrawing money from your retirement portfolio early in your retirement for big-ticket items like a dream vacation or a new car could leave you short of money in your later years.

Selling off growth investments

Gradually moving into more conservative investments just before and during your retirement can help protect your portfolio from market slides. However, you'll probably still want to keep some growth investments in your retirement portfolio to help make sure your retirement income keeps pace with inflation.

Not getting help

As you get close to retirement, your financial professional can review your retirement preparations with you and make recommendations to help smooth your path. He or she can also assist you with investing your retirement portfolio so that it meets your needs for income, long-term appreciation and security.

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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Meaglia Financial Consulting is a full-service comprehensive financial consulting and investment advisory business. For 34 years, Tom has been helping clients with financial coaching, investing for retirement, and estate planning.

By the numbers: MOST POPULAR REMODELING JOBS

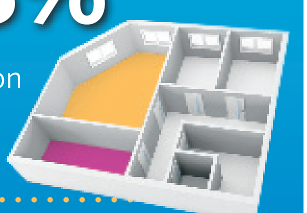
78% Bathroom

69% Kitchen

44% Window/door replacements

35% Whole house

33% Room addition

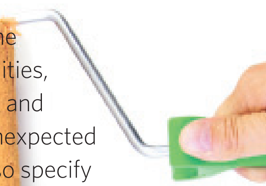


Percentage of remodelers reporting the project type as a common job

Source: National Association of Home Builders, May 7, 2012

Ready To Remodel?

The most important part of a major remodeling job comes long before the work starts. Hiring a reputable contractor can mean the difference between a professional job completed on time or shoddy work and endless hassles. Before you hire a contractor, take these precautions.



Get referrals

Choosing a licensed, reputable contractor will go a long way toward avoiding headaches. Ask for referrals from neighbors, friends and family members who have had work done recently and check on the Internet. Once you've narrowed your search, request bids and ask for (and check) references. Contact the Better Business Bureau and state and local licensing agencies. And make sure your contractor is bonded and has the proper insurance coverage. Ask for the documentation.

Compare bids

Bids should specify labor costs and materials prices for every part of the job. Typically, bids should be relatively close. A very low bid may mean the contractor is inexperienced or has purposely underbid to get the job. A high bid could mean the contractor isn't interested or is quoting upgraded materials.

Insist on a written contract

In addition to showing the total cost of the remodeling project, a written contract should detail the work to be done, time frame, contractor's responsibilities, warranties, payment schedule and procedures for dealing with unexpected charges or extras. It should also specify the materials that will be used (e.g., type of cabinetry, flooring, etc.).

There should also be a target start date and a completion date. Don't make your final payment or sign a certificate of completion until the work is finished and you are completely satisfied.

Start off-season

You might be able to get a better deal if you can schedule your job during the off-season rather than starting in the spring, which is prime time in the construction industry. If your project involves exposing part of your home to the elements, however, that may not be an option.

Fraud ALERT

Mother Nature can be brutal. If your home is damaged by a flood, storm or other natural disaster, beware of a less obvious danger following the destruction. In your haste to get started on cleanup and repairs, don't be taken in by a scammer hoping to take advantage of vulnerable, unsuspecting homeowners.

A potential contractor may not be on the up and up if he or she:

- Appears at your door unsolicited
- Doesn't have a business card
- Can't provide proof of insurance
- Requests a large down payment
- Offers to pay your insurance deductible

And here are some common repair scams:

- Repair work is shoddy and materials are cheap
- Contractor disappears with the down payment
- Some or all of the work performed is unnecessary

Smart Move

Lists of "best places to retire" are plentiful. But are the places on those lists really a good fit for you? When you're ready to start planning for retirement, it's best to compile your own list and be prepared.

Climate is only one factor

Popular locations with pleasant climates may be appealing, but are any of them close to your family or friends? Do they offer the cultural and recreational activities you're looking for? Are there quality health care facilities nearby?

Taxes matter, too

Some states offer retirees a tax break on the retirement income they receive. But the laws vary from state to state and so do income-tax rates. Property and sales taxes also vary, not only from state to state but also from county to county and even city to city.

So does your budget

Finally, compare general living costs in the areas you're considering. Relocating could mean you'll have to spend more for food, gas, housing, travel and other things.

If you move to a different state, some of your documents (e.g., wills, insurance policies, etc.) may need to be updated for legal purposes.

Hey, Where's My Laptop?

Are you sending someone off to college in the fall? These days, a typical packing list includes some pricey electronic equipment. These items generally are easily stolen — and just as easily resold.

Talk with your student about how to make sure the electronics and other valuables he or she is packing now will still be there to move out in the spring.

- Keep a list of the model and serial numbers of all electronic equipment (cell phones, desktops, tablets, laptops, MP3 players, televisions, etc.).
- Engrave or write (with an indelible marker) your child's name on all expensive belongings.
- Discuss theft prevention tactics, such as keeping doors locked (including car doors) and not allowing strangers into dorms or apartment buildings.

Find out what is — and isn't — covered by your homeowners policy. You may need a separate policy or rider for your student's valuables during the school year.

Watch Your Balance

It started innocently enough. Dave couldn't pay off his credit card balance one month, so he made a partial payment and promised himself he'd pay the account in full the following month.* But that didn't happen. Instead, Dave's outstanding balance continued growing for more than a year.

Dave finally saw the light when he realized that more and more of each monthly payment he made was going toward interest, while less and less was going to reduce his actual balance. At the rate he was going, it was going to take years to dig himself out of debt.

Here's what Dave did to regain his financial balance:

1. Cut up his credit cards
2. Used only cash or his debit card for new purchases
3. Paid as much as he could on time every month until the card was paid off

* This is a hypothetical situation used for illustrative purposes only.

What's in Your IRA?

Individual retirement accounts (IRAs) have many advantages — one of which is that there are very few limitations on the types of investments you can hold in them. But watch out. Including certain investments in your IRA can have unwelcome tax consequences.

A range of investments

In addition to traditional stock and bond mutual funds, you can choose other types of financial investments for your IRA. However, it's generally best to avoid collectibles (see below).

There are some exceptions, however. For example, your IRA can be invested in one, one-half, one-quarter or one-tenth ounce U.S. gold coins or one ounce silver coins minted by the U.S. Treasury Department. You may also invest in certain platinum coins and certain gold, silver, palladium and platinum bullion.

Don't take chances

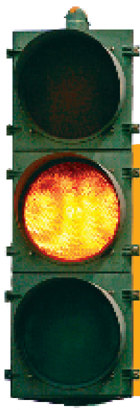
If your traditional IRA is invested in a prohibited collectible, the amount invested is considered to be a distribution to you. That amount generally will be subject to federal income tax in the year the investment is made and, if you're younger than age 59½, a potential 10% early withdrawal penalty also may apply.

Talk with your financial professional regarding investments for your IRA. Your tax advisor can help you navigate around any unwelcome tax consequences.

Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won't guarantee future results. An investment in mutual funds may result in the loss of principal.

Mutual funds involve risk and are offered by prospectus (and summary prospectus, if available), which you can get from your registered representative. Carefully consider investment objectives, risks, charges and expenses of the investment company before investing.

The prospectus will include this and other information; read it carefully before investing. Investing involves risks, and there is no guarantee that any one strategy — including diversification — ensures a profit or protects against a loss in a declining market. You should consult with your financial professional regarding your particular situation.



Investments to avoid

Generally, you can't invest your IRA in collectibles, such as:

- Works of art
- Coins
- Rugs
- Antiques
- Metals and gems
- Stamps
- Alcoholic beverages
- Certain other tangible personal property specified by the IRS

We Value Your Input...

Your feedback is very important to us.
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