LET'S TALK MONEY®

September/October 2013

Be different. Build a financially secure retirement. Eighty percent of middle-income ($40,000 to $99,000) workers surveyed in a recent study believe they need to invest more to be on track for a comfortable retirement.* Unless you're one of the dwindling number of people who have an employer-provided defined benefit pension plan designed to pay them retirement income for life, the responsibility for financing the retirement lifestyle you want lies primarily with you.

Break Away from the Crowd

No one magic number

Overall, four out of five of the workers surveyed are setting aside less than 10% of their annual income for retirement, two thirds are investing less than 5% and nearly a quarter are investing nothing at all. As the graph shows, the majority of those surveyed believe they should be investing at least 5% more of their annual income for retirement.

But there's no magic percentage that's right for everyone. The amount you should invest for retirement depends on a variety of factors, such as your current income, current assets, years to retirement, family situation and others. Your financial professional can sit down with you, review your overall financial situation and family circumstances and help you determine an appropriate amount to invest and how to invest it.

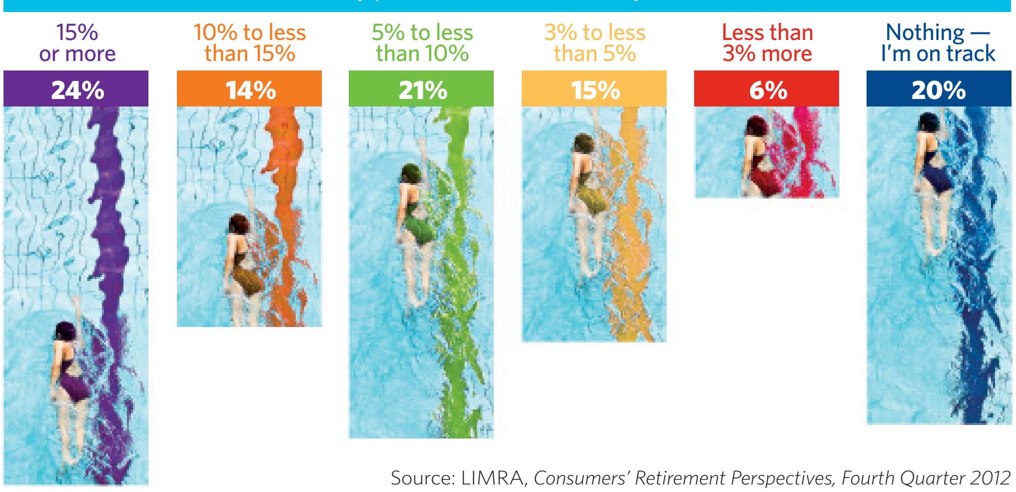
One opportunity

One way you may be able to potentially accumulate enough money for a comfortable retirement is to invest systematically in an employer-sponsored retirement plan and/or an individual retirement account (IRA). Break away from the crowd and prioritize your retirement by starting to invest more today.

* LIMRA, *Consumers' Retirement Perspectives, Fourth Quarter 2012*

Where Do You Stand?

Additional percentage of income people believe they need to invest for retirement by percent of workers surveyed



Source: LIMRA, *Consumers' Retirement Perspectives, Fourth Quarter 2012*

FINRA Reference FR2013-0325-0129/E 08/02/13

Tom Meaglia, ChFC
Chartered Financial Consultant
Investment Advisor Representative
CLU, AEP, MSFS

Meaglia Financial Consulting
114 North Glendora Ave., #229
Glendora, CA 91741

Toll Free: (800) 386-3700
Bus: (909) 593-6105
Cell: (818) 681-8600
Fax: (909) 593-6120
E-mail: meaglia@earthlink.net
Website: **www.MeagliaFinancialConsulting.com**

Listen to Tom's "financial talk" archives online at his website: **www.theEconomyofGod.com**

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.

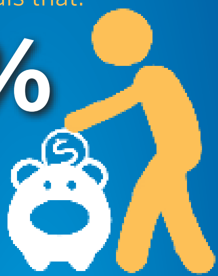
Meaglia Financial Consulting is a full-service comprehensive financial consulting and investment advisory business. For 34 years, Tom has been helping clients with financial coaching, investing for retirement, and estate planning.

By the numbers:

TEENS & FINANCIAL LITERACY

Kids pick up the basics — in large part — at home. A survey of more than 20,000 high school students reveals that:

80%
intend to save money



75%
say a good credit rating will be a priority

71%
say they learned to save money from the adults in their lives

69%
plan to follow a budget

57%
worry about money

Source: *The Role of Parents in Shaping Teens' Financial Literacy: Summary of Research — Spring 2013*, EverFi, Inc.

Test Your $$$ Smarts

Being smart about financial matters can pay off. Here's a quiz to test your general knowledge in a number of different areas:

1. **Which of the following is the most financially sound reason to borrow money?**
   A. To take a much-needed vacation
   B. To purchase a car so you can take a better paying job
   C. To save money by shopping end-of-the-season clothing sales

2. **Banks and other lenders generally share borrowers' credit histories and will most likely be aware if you've missed loan payments.**
   A. True
   B. False

3. **What might happen if your credit card payment is late?**
   A. The credit card company could add a late fee
   B. Your interest rate on that card might go up
   C. Your credit score might go down
   D. All of the above
   E. None of the above

4. **What is the definition of net worth?**
   A. The value of your home minus the amount you owe on your mortgage
   B. The amount of cash you have minus the amount you owe on credit cards
   C. The total value of your assets minus your liabilities
   D. How much money is left from your paycheck after you pay your monthly bills

5. **When should you start investing for retirement?**
   A. When you get your first job
   B. When you buy your first house
   C. When the kids are grown and have moved out
   D. Never; Social Security will provide enough retirement income

6. **401(k) plan benefits are typically passed on at death by beneficiary designation rather than by will.**
   A. True
   B. False

7. **Which of these investment types has the greatest potential for long-term growth?**
   A. Stocks
   B. Bonds
   C. Cash alternative investments

8. **What is diversification?***
   A. Asking several different people for investment advice
   B. Investing in several different investment vehicles to help reduce risk
   C. Putting money into an investment over time instead of all at once

When it comes to money matters, don't hesitate to call your financial professional. He or she will be happy to meet with you to discuss your questions or concerns.

* *Diversification does not ensure a profit or protect against loss in a declining market.*

Answers: 1-B, 2-A, 3-D, 4-C, 5-A, 6-A, 7-A, 8-B

What Are You Waiting For?

Waiting to start investing for a big financial goal — college or retirement, for example — can be costly. Take a look at the difference a five-year delay can make.

This is a hypothetical example used for illustrative purposes. It assumes a monthly investment of $100. It does not represent the results of any particular investment vehicle. A 6% average annual total return (compounded monthly) is assumed. Your investment results will be different.

Source: NPI, 2013

Don't Get SMiShed!

Keeping up with scammers trying to steal your identity isn't easy. Take phishing scams, for example. It took a while, but PC users learned to be wary of e-mails instructing them to link to a website (bogus) or call a phone number (also bogus). The end game was for the scammers to collect personal information and/or upload malware to the user's PC.

Phishing + texting = SMiShing

So scammers started SMiShing — phishing by sending SMS (Short Message Service) text messages to mobile devices. Same end game, different devices. For example, you might get a text indicating that you've won something (e.g., a gift card from a well-known retailer) and you must call a number or go to a website to collect your prize. Or you might get a text referencing a service you've supposedly signed up for and instructing you to call or click to review or update your account.

What should you do? In the case of SMiShing, do nothing. Do not respond to an unsolicited or unusual text message in any way (i.e., texting back, clicking on a link or downloading an app). Also, do not assume your mobile device is safe. Install security software.

Phishing + voice mail = vishing

To cover all the messaging bases, scammers may also try "vishing" (i.e., phishing via voice mail) to trick you into divulging valuable personal information. Don't be fooled.

The Road to Retirement

Whether your retirement bucket list includes rock climbing and exotic travel or you plan to rock out on the patio and babysit the grandkids, you're going to need money to support your lifestyle. If you don't have a big enough nest egg when it comes time to retire, you may have to go back to the drawing board. Here are some tips to help you build up your retirement assets.

Set a goal. Estimate how much money you're going to need and calculate how much you need to put away between now and retirement. It's easier to measure your progress and adjust your strategy when you have a set goal in mind.

Take control of your cash. If you're always scrambling for cash by the time payday rolls around, it's time to find out where your money is going. Track your spending for a month or two and make some changes to free up more money to invest for your future.

Deep six your debt. Interest charges on outstanding credit card balances and other debt can undermine your efforts to save more. Tweak your budget so you can pay more than the minimum amounts due to whittle down your debt.

Don't make excuses. Accumulating enough funds for retirement is a big goal. The sooner you get started, the better.

Can One Fund
Do It All?

You've probably heard of target date funds, but do you understand how they work? A recent survey* found that, despite their popularity, only 16% of individuals said they were familiar with target date funds. Choosing a target date fund can be a convenient way to invest for retirement. However, it's critical to do your homework before putting your money into one.

A simple approach

Target date funds generally aim to adjust their stock, bond and cash alternative investment holdings over time, taking a more conservative approach as the targeted retirement date nears. Typically, funds will shift more assets out of stocks and into bond investments as the target date approaches to reduce the risk of investment losses. The fund manager makes decisions regarding diversifying and rebalancing the holdings of the fund.

Not all funds are the same

Before you invest, however, keep in mind that funds with the same target date may have objectives, investment mixes and performance records that vary significantly. The pace at which a target date fund becomes more conservative may differ from fund to fund. As with any investment, choose a target date fund with an investment strategy that fits your risk tolerance, in addition to your time frame.

Talk with your financial professional. He or she can help you determine if a target date fund is appropriate for your situation.

* LIMRA, May 2012

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.

We Value Your Input...

Your feedback is very important to us.
If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

Recyclable
2013/05 RET
P-8633 om027172