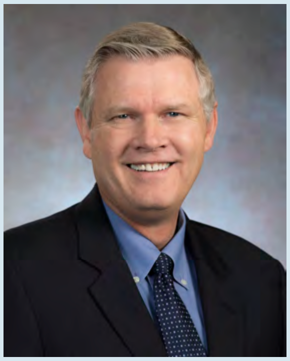
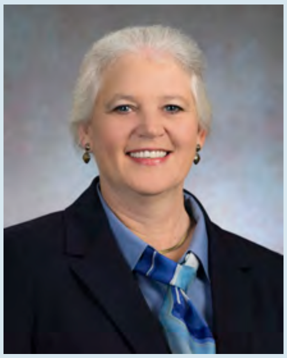
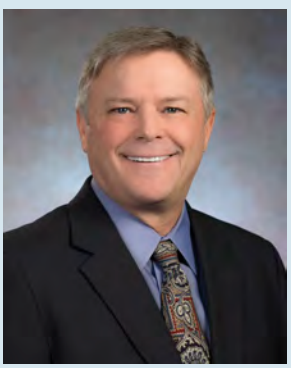


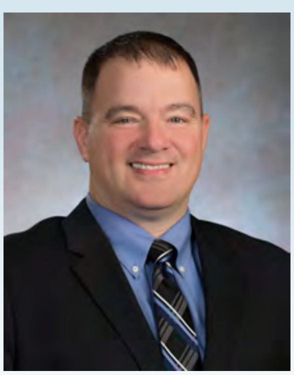
Gary Stanislawski, CFP®



Denise A. Lant, CFP®



Kraig McFarland RFC®, CRPC®



Jason Sauer, Financial Advisor

Regent Financial Services

July 2018

Quiz: Financial Facts That Might Surprise You

If you have a penchant for financial trivia, put your knowledge to the test by taking this short quiz. Perhaps some of the answers to these questions will surprise you.

Questions

1. The first organized stock market in New York was founded on Wall Street under what kind of tree?

a. Maple

b. Linden

c. Buttonwood

d. Elm

2. Who invented the 401(k)?

a. Congress

b. Ted Benna

c. The IRS

d. Juanita Kreps

3. Which three U.S. bills together account for 81% of the paper currency in circulation?

a. $1, $20, $100

b. $1, $5, $20

c. $1, $10, $20

d. $1, $10, $100

4. Small businesses comprise what percentage of U.S. businesses?

a. More than 39%

b. More than 59%

c. More than 79%

d. More than 99%

5. Which U.S. president signed Medicare into law?

a. President John F. Kennedy

b. President Lyndon B. Johnson

c. President Richard M. Nixon

d. President George W. Bush

Answers

1. c. Buttonwood. On May 17, 1792, 24 New York City stockbrokers and merchants met under a buttonwood tree outside of what is now 68 Wall Street. Their two-sentence brokers' agreement is known as the Buttonwood Agreement.[1]

2. b. Ted Benna. A 401(k) is a tax-deferred, employer-sponsored retirement savings plan. Although the name comes from Section 401(k) of the Internal Revenue Code, this type of retirement savings plan was created by Ted Benna in 1979. At the time, he was a co-owner of The Johnson Companies, a small benefits consulting firm.[2]

3. a. $1, $20, $100. The $1 bill represents about 29% of the total paper currency in circulation. The $20 bill represents about 22%, and the $100 bill represents about 30%.[3]

4. d. More than 99%. Despite their size, small businesses are a big part of the U.S. economy. According to the U.S. Small Business Administration, small businesses (independent businesses with fewer than 500 employees) comprise 99.9% of all firms and account for 62% of net new jobs.[4]

5. b. President Lyndon B. Johnson. President Kennedy recommended creating a national health insurance program in 1961, but it was President Johnson who signed the Medicare bill into law on July 30, 1965. President Nixon extended Medicare eligibility to certain people under age 65 in 1972, and President Bush expanded Medicare to include prescription drug benefits in 2003.[5]

1 NYSEData.com

2 401kbenna.com

3 Federal Reserve, Currency in Circulation: Volume, December 2017

4 U.S. Small Business Administration, August 2017

5 Centers for Medicare & Medicaid Services

REGENT FINANCIAL SERVICES

By Paula Pant
www.Thebalance.com

How Subscription Services Can Ruin Your Budget

There are so many compelling subscription services out there these days, all with fairly reasonable monthly price tags. You have your choice between meal delivery services, book or audio-book services, computer software, game subscriptions, music streaming services, clothing delivery, and the list goes on. Subscription services are everywhere you look, and they usually advertise something of convenience. You don't need to go grocery shopping — just get a meal delivery service! You don't need to go to the library — just subscribe to a monthly unlimited ebook service! All for an affordable price each month...right? Unfortunately, as compelling as these offers might sound, subscription services can wreck serious havoc on your budget if you're not careful.

"Subscription Creep" Happens Easily

The double-edged sword with subscription services is that they're convenient. Almost too convenient. Most automatically renew every month, so if you're not regularly tracking your expenses, you probably don't realize the impact they're having on your budget. Other times, subscriptions can happen without us knowing. Maybe we thought we were opting into a one-time payment system, or maybe the terms changed at some point and we never noticed. Even worse, if you are subscribed to something, the price might change. If you take nothing else away from this article, remember that your first defense to making sure you stay on track with your budget is tracking your expenses. If you are, then it's likely that you're not experiencing subscription creep, or at the very least, you're only subscribed to services that are providing more value than they cost. With that out of the way, let's look at why these services probably aren't providing that value.

Subscription Services Aren't the Great Deal They're Made Out to Be

Which would you rather do: pay $120 upfront to have a year's worth of access to streaming music, or pay $10 each month for a year? Most people would choose the $10 per month option because it seems cheaper. It's not as overwhelming. Maybe you don't have $120 to spend right now, but $10 is perfectly doable. It's almost like using your credit card to buy things you can't afford in the moment. You don't have $200 for that new purse, but your credit card does, and you'll only have to make minimum payments every month to pay it off. What a deal! That's the wrong way of looking at how to use a credit card, and along the same lines, recurring monthly payments can be the worst way to pay for things. Unfortunately, monthly services are banking on this short-term thinking, and short-term thinking is never good for your finances. So you keep signing up for these services — $10 a month here, $15 a month there, $50 a month here — because separately, it doesn't seem like a lot. But sooner or later, you find yourself paying way more than you thought. At this point, you might have actually been better off going with the "pay upfront" model. Monthly subscriptions can easily get out of hand when you're presented with options like paying $600 upfront for a year versus a lower monthly price of $50. In that context, $50 seems like a great deal, but when you zoom out at the bigger picture, all the $50 deals you've subscribed to can cost you a ton in the long run.

Subscription Services Can Cost You More Than You Think

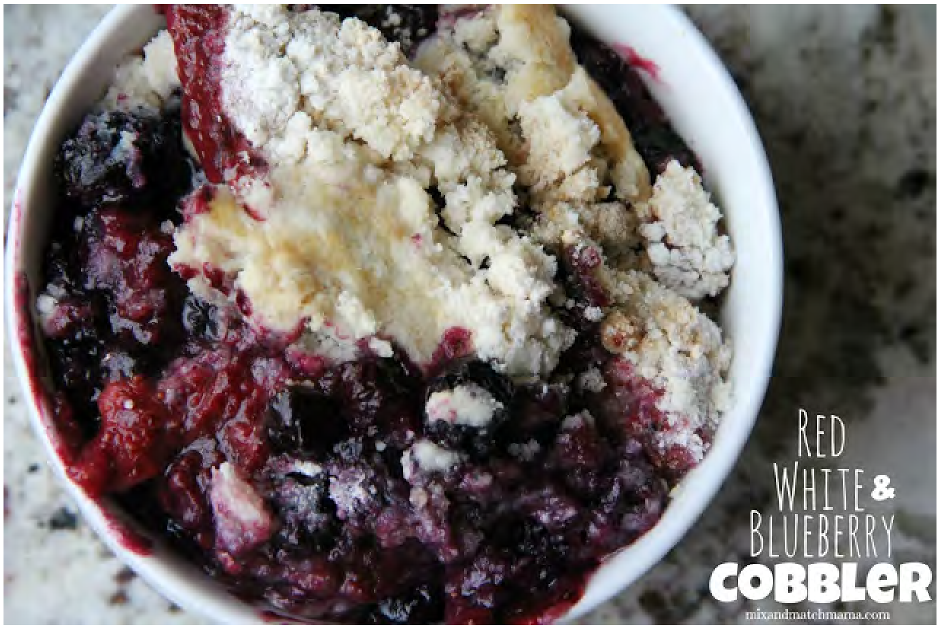
Let's forget there's a yearly payment option for a second. Some services, like Netflix, don't even offer one — they simply offer a monthly recurring charge on your card. If that's the case, you might not have even calculated how much money a service is costing you per year since it's not framed that way on your statements. Say you stay subscribed to Netflix for 5 years at the standard $10/month price. That's $120/year, and in 5 years, you'll have paid $600. Not bad, considering cable bills can get into the hundreds of dollars each month, right? Well...let's take a big-picture approach here. What if you kept that subscription going all the way into retirement? That's a $120/year expense you'll need to account for in your savings. The rule of 25 is popular for estimating how much money you'll need to save in retirement: 25 x your annual spending. In this case, 25 * 120 = $3,000. That means you need to save $3,000 just to cover your Netflix subscription in retirement. What if you're subscribed to several services that total $100 per month? 25 * 1,200 = $30,000 you need to save to cover those expenses in retirement. Looking at it from this perspective can give you a lot of insight into how much your expenses really cost you, especially in terms of your freedom.

Another Way of Looking at It — Opportunity Cost

Maybe you're not interested in saving for retirement, or the idea of having to save an extra $3,000 or $30,000 isn't a big deal to you. There's another way to look at your spending: how much you could be earning if you invested the money instead. In other words, what's the opportunity cost of spending that $10 or $100 per month versus investing it in the market? You might not think that investing $10 a month is worth it, but let's look at what would happen if you tried, using a monthly compound interest calculator. Assuming you start with a $10 balance and invest $10 each month for 30 years, if your money grew at a 7 percent interest rate, you'd have a total of $12,280.87 at the end of those 30 years. Doesn't that sound better than having to save an extra $3,000? What would happen if you started with $100, and continued to contribute $100 per month under those same terms? You'd end up with $122,808.75 after 30 years. Most people would much rather have that kind of growth than spend $1,200 each year.

What to Do Instead

After reading those examples, you should realize how horrible subscription services can be to both your current budget and spending, and to your future growth. The good news is that most services don't have contracts, which means you're free to cancel at any time you wish. Yes, you might have spent hundreds of dollars already, but don't let a sunk cost get in the way of improving your financial future. Cancel any and all subscriptions that don't fit into your budget or that you don't use often, and critically examine the ones you enjoy. Ask yourself if the price is justified by your use. For example, if you're paying $100 per month for a meal delivery service, does it stop you from dining out at restaurants? Would you actually be spending more on food without the service? If so, think about keeping it. Additionally, if you have the option, paying upfront is usually cheaper because discounts are offered for paying in full as it's more favorable to the service provider. They'd rather receive a full payment than a smaller monthly payment. This is common in the case of auto insurance. So if you happen to see a service you're interested in, or if you can change over to a one-time payment, strongly consider budgeting for it and paying the larger amount, especially if it will save you money in the long run. Lastly, it's a good idea to make sure you can't get the same or similar service for free elsewhere. If you've been struggling to save money or pay off debt and need the extra wiggle room in your budget, it may be worth making a temporary cut by unsubscribing and going for a free option. For example, maybe you have Netflix, Audible, Spotify, or a gym membership. Free alternatives would be renting seasons of TV shows and movies at your library, borrowing books from the library, listening to the radio on-line or subscribing to music pod-casts, and walking, running, or doing body weight exercises that don't require equipment. Either way, any time you cut down on how much cash you have going out each month, you create more room in your budget for your goals, and you cut down how much money you'll need to support that spending in future years.



INGREDIENTS:

- 1 (10 oz) package of frozen blueberries (do not thaw)
- 1 (10 oz) package of frozen mixed berries (do not thaw)
- 1 White cake mix
- 1/2 a cup of butter, melted
- Ice Cream, Optional

DIRECTIONS:

1. Preheat oven to 350 degrees.

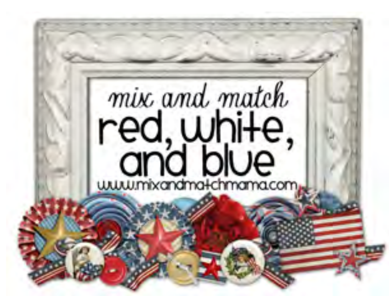
2. Grease a 9x13 baking dish.

3. Spread both bags of your frozen berries across the bottom of your baking dish. Then, sprinkle over the box of dry cake mix. Finally drizzle the melted butter over everything.

4. Bake uncovered 55-60 minutes.

5. Remove from oven and serve immediately (with a little ice cream if you so desire).

6. Sometimes, I prepare this in advance before dinner and sitck it in the fridge until I'm ready to bake it. This little cobbler (or some call it "dump cake") is always a hit at our house.



4 Keys for a Happy Retirement That Have Nothing to Do With Money

Source: Michael Rubin
www.TheBalance.com

Most people equate retirement planning with a 401(k) or saving money for the future. While a retirement without money doesn't sound like much of a retirement, focusing exclusively on the monetary aspects of the planning is problematic. A happy retirement is about so much more than having enough money to pay your bills. So once you have a retirement plan in place to help secure your financial future, be sure that you also consider the non-financial aspects of a successful retirement. And if you're like retirees who have taken the time to make the conversation about more than just money, you might define a successful retirement as a happy one. So let's take a lesson from the life stories of the happiest retirees. Some of the happiest and most content retirees have a few things beyond financial security in common.

1. They Go Back to Work

Work in retirement? But don't we work our entire adult lives for the privilege of not working in retirement? We know, it sounds counter-intuitive, but bear with us. Studies have shown that people who voluntarily continue to work, even just part-time, past the age of 65 are happier than their full retired peers. The key word here is voluntary. The effect on level of happiness is the opposite when retirees are forced to work for financial reasons. While picking up a part-time job in retirement can benefit you financially, its advantages far outweigh the extra pocket money. The physical activity, social interactions, and even sense of purpose gained from work all do wonders for retirees' physical and mental health, which as we know are important factors in overall happiness and contentment.

2. They Maintain Their Relationships

Relationships both romantic and platonic are an incredibly important part of an enjoyable retirement. Married retirees who report their relationship with their spouse as good or great are reportedly happier than their single counterparts. When people retire, many lose their built in social network of colleagues and acquaintances. In order to have a happy retirement, find ways to have social interactions. These interactions can be with your children and grandchildren, neighbors, members of a social club or church, or even the guy at the coffee place. Go into retirement with the intention to maintain your most important relationships. Not only will the effort make for a happier retirement, but recent studies have suggested that loneliness can result in higher risk of developing Alzheimer's and other dementia-related diseases.

3. They Find Hobbies and Stay Busy

Many people forget to ask themselves how they are going to spend their time in retirement. Good financial planners will ask their clients this question as a way to help gauge what kind of discretionary income to save for (greens fees and plane tickets come at a cost!), but people planning for their retirement need to think beyond the financial considerations. For decades, you've spent the lion's share of your waking hours at work and maybe even raising children. In retirement, that enormous time commitment will evaporate. How will you fill your days? Will it be at the golf course? Playing tennis? Doing volunteer work? Taking care of your grandchildren? Traveling? Learning to cook? Joining a book club? Busy retirees tend to be happier retirees. One study showed that the happiest retirees engage in three to four regular activities and the retirees with the busiest schedules tended to be the happiest. So while retirement can certainly be a time to relax, it should also be a time do the things you enjoy.

4. They are Active and Healthy

The importance of your health when it comes to your happiness can't be overstated. In fact, in a recent study, having good health was outranked financial security as the most important ingredient for a happy retirement, but the two are actually more intertwined than you might think. Health is both a financial and non-financial issue since significant medical expenses can put major stress on an otherwise solid financial plan. Not to mention, constant hospital and doctor visits aren't exactly the same as laying out at the beach or hitting the golf course. While you can't predict health concerns, the best step is preventative. Be sure to take care of yourself both now and in retirement. Eat well, exercise, and don't neglect your physical or mental health.

The Bottom Line

While financial security is a key ingredient for a successful retirement, be sure not to neglect the other non-financial considerations that make for a happy retirement.