Argus Financial Consultants

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Hello Everyone,

Spring is here, and we hope you are enjoying the warmer weather.

We are pleased to announce that Argus Financial Consultants is now on Facebook and LinkedIn! If you participate on either of these sites, please check out our new pages and network with us.

If you are inspired to read more financial information, visit our Learning Center at www.EyeOnArgus.com.

Please feel free to suggest topics by sending your suggestion to Joy at joy@eyeonargus.com.

Inside this issue:

ARGUS FINANCIAL CONSULTANTS

Excellence is Defined by the Success of Our Clients

Spring 2011

What Does Any Of This Have To Do With You?

The criminal thug who has ruled Libya for the last three decades is about to stamp out the rebellion and hold on to his throne, which might plunge his country into bloody chaos. Or he may be killed or driven out of the country, leaving it to jubilant but totally disorganized rebels with no experience of democracy—which might plunge the country into bloody chaos.

Japan is about to have a serious crisis of spreading radiation—unless it doesn't, because the damage is contained—but it will in any event take a very long time to rebuild from its earthquake and tsunami. Unless the recovery proceeds quickly, at the hands of Japan's highly disciplined and industrious people.

Portugal is about to default—unless it doesn't, because it gets bailed out by the European Central Bank, which will either come through with a bailout or it won't. Regardless of whether Portugal does default or not, Spain will be next. Unless it isn't.

Fourteen hundred dollar gold and four dollar gasoline are clearly signaling the collapse of the dollar and a huge upsurge in inflation. Of course, the fact that the world is willing to lend the U.S. Treasury all the money it wants for ten years at a paltry 3.4%—and to be paid interest and principal in dollars—clearly signals that inflation is quiescent and will not be flaring up any time in the foreseeable future.

Of these and other looming apocalypses (a fresh spring crop of which may have sprouted by the time you read this), we may with absolute certainty say two things. (1) They are either going to happen or they're not. (2) If they happen, your investments will lose market value as a result—unless of course they don't. (There is also the possibility that they will decline in value as each of these "crises" comes to a head, and then regain the temporarily lost value once each "crisis" is resolved.)

The outcome of these and many other "crises" over which journalism is currently shrieking and rending its garments is actually beside the point of this little essay, which seeks to pose one gentle question:

What does any of this have to do with you?

Let us say you are a 55-year-old couple, assiduously saving for retirement at (you hope and expect) 62. With only seven years to retirement, you have no time to lose, and every saved dollar has to be made to count. You know you have to be careful. You stay glued to CNN when you're not glued to CNBC, trying to make sense of all these conflicting viewpoints. Trying to invest wisely under terrible un-

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certainty. Trying, above all, not to make the one big mistake that might imperil your whole retirement.

Perhaps a little different perspective might be in order.

It's always a good idea to start with your life expectancy, because that's the best way to get a handle on your true investment time horizon. A 55-year-old couple aiming to retire in seven years might be forgiven for thinking they have a seven-year investing time horizon. In fact, one or the other of them—if not both—has an investing time horizon closer to 35 years, because if they don't smoke, that's roughly their life expectancy. (And that ignores your heirs; if you want some of the money to be there for them when you're gone, you've got an investing time horizon *even longer than your own life expectancy.)*

Over those next thirty-five years, what is anything that's going on in the world today going to matter? *What, finally, does it have to do with you?*

Thirty-five years ago, it was 1976. Inflation ran around six percent, unemployment was very nearly eight percent, a first-class postage stamp cost thirteen cents, a Ford Mustang cost $2400, the *Concorde* flew commercially for the first time, Jimmy Carter trounced Gerald Ford, and the S&P 500—with nervous investors watching it every minute of every business day—traded between 110 and 140. (As I write, it's—gulp—1313. That's either an omen…or it's not.)

Can you think of a single thing that people were worrying about then which matters now? Does it make any difference today whether you—or your mom and dad—bought the S&P 500 at 140 or 110, or both, or anywhere in between? *Where are the "crises" of yesteryear?*

There's a wonderful moment in the classic film comedy *Tootsie* when Dustin Hoffman appears for the first time on TV dressed and made up as a woman. At one point, the camera zooms in for a close-up, and everybody in the control room kind of screams. The director yells to the cameraman, "How far can you pull back?" And the cameraman asks, "How do you feel about Cleveland?"

How far can you pull back—from today's "crises," which supplanted yesterday's, and which will surely be replaced by tomorrow's? How do you make an intelligent long-term investment plan out of fear of today's "crisis," or dread of tomorrow's? Are you basing your investments on a headline, or on your lifetime? *What does any of this have to do with you?*

The opinions by Nick Murray voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

Insuring The Times of Your Life

If someone depends on you financially, you probably need life insurance. Here are some examples of specific life stages or life events that might trigger the need for life insurance.

Married or Getting Married

Most families depend on two incomes to make ends meet. If you died suddenly, would your spouse have enough money to cover your funeral costs, credit card balances, outstanding loans and daily living expenses?

A Parent or About to Become One

is arguably the most rewarding ng a person can do in life. But it's so one of the most expensive. If you died tomorrow, would your spouse have the financial wherewithal to provide your children ne opportunities you always dreamed they'd have? From diapers to diplomas, would there be enough income to pay for day care, a college education and everything in between? Even parents who don't work outside the home need life insurance because they provide services that would be expensive to replace, such as child care, transportation and household chores. And what about single parents? They need life insurance more than anyone because their children rely on them for everything.

A Homeowner

If you're like most people, your home is your most significant financial asset. Life insurance can protect your investment and spare your family the disruption of being forced to find a new, less expensive place to live. Plus, it can provide the funds needed to help family members maintain the lifestyle to which they're accustomed.

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Changing Jobs

If you've recently been promoted or changed jobs, it's a good time to re-evaluate your life insurance coverage. Why? You may not realize it, but when your income rises, your spending tends to rise, too. Updating your life insurance coverage can help ensure that your family would be able to maintain its new and improved lifestyle if something were to happen to you.

Retired or Planning for Retirement

If your children are on their own and your mortgage is paid off, you may feel your need for life insurance has passed. But if you died today, your spouse could outlive you by 10, 20 or 30 years. It's certainly possible nowadays. Would your spouse have to make drastic lifestyle adjustments to make ends meet? Adequate life insurance coverage can help widows and widowers avoid financial struggles in retirement.

Single

Most single people don't have a pressing need for life insurance because no one depends on them financially. But there are exceptions. If you're providing financial support for aging parents or siblings, or if you're carrying significant debt you wouldn't want passed on to family members, you should consider life insurance.

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Life Insurance Quick Estimator

Income

1. **Annual before tax income your family would need if you died today.** Typically between 60% and 80% of total income. Include all salaries, dividends, interest and any other sources of income. $____________________
2. **Annual income available to your family from other sources.** Include dividends, interest, and spouse's earnings (Social Security may be available). $____________________
3. **Annual income to be replaced** (Subtract line 2 from line 1). $____________________
4. **Capital needed for income** (Multiply line 3 by the appropriate factor below). $____________________

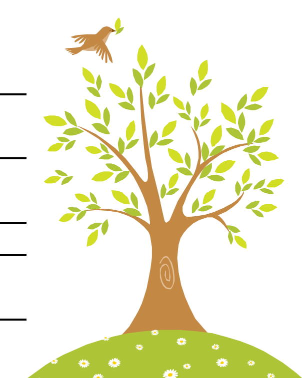
Years Income Needed	10	15	20	25	30	35	40	45	50
Factor	8.8	12.4	15.4	18.1	20.4	22.4	24.1	25.6	26.9

Expenses

5. **Funeral and other final expenses.** Typically the greater of $15,000 or 4% of your estate. $____________________
6. **Mortgage and other outstanding debts.** Include mortgage balance, credit card debt, car loans, home equity loans, etc. $____________________
7. **College costs.** 2007-2008 average annual costs at four-year colleges and universities: public – $17,336; private – $35,374. (Annual Amount X Number of Years in College = Total Cost). $____________________
8. **Total capital required** (Add lines 4, 5, 6 and 7). $____________________

Assets

9. **Savings and investments.** Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc. $____________________
10. **Retirement savings.** IRAs, 401(k) plans, SEPs, pension and profit sharing plans. $____________________
11. **Present amount of life insurance.** Include group insurance and personal insurance purchased on your own. $____________________
12. **Total of all assets** (Add lines 9, 10 and 11). $____________________
13. **Estimated amount of additional life insurance needed** (Subtract line 12 from line 8). $____________________



Securities offered through LPL Financial, Member FINRA/SIPC.

Chilled Lemonade Dessert

Ingredients:

3 cups boiling water

1 pkg (8 oz) cream cheese, softened

1 tub (8 oz) whipped topping, thawed

2 pkg (4-serving size) lemon flavor gelatin

1 can (6 oz) frozen lemonade concentrate, thawed

Directions:

Stir boiling water into dry gelatin mixes in large bowl until completely dissolved, at least 2 minutes. Set aside.

Beat cream cheese and lemonade concentrate in large bowl on low speed until well blended. Add gelatin and mix well. Refrigerate until thickened (a spoon drawn through leaves a definite impression), about 2 hours.

Add whipped topping and stir with a wire whisk until well blended. Pour into serving bowl. Refrigerate until firm, about 4 hours.

Garnish with berries and lemon slices just before serving if desired.

Strawberry-Lemonade Dessert

Prepare as directed, using strawberry flavor gelatin. Garnish with sliced fresh strawberries.

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