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Subject: Fall Update from Eric

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I hope that everyone had a fun filled Halloween & has had a chance to get outside to view the foliage. During this busy time, when the market is all over the place, as are most of us, please remember that financial reviews are always important. If you have any questions please to not hesitate to call or stop in.

Also I would like to welcome aboard my new administrative assistant in the Dover office, Melissa Harrington. I know she is looking forward to meeting everyone so swing in and say hello!

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Interesting Facts!

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If 99.9% were good enough...

- 12 newborns will be given to the wrong parents daily
- 114, 500 mismatched pairs of shoes will be shipped each year
- 18,322 pieces of mail will be mishandled every hour
- 2,000,000 documents will be lost by the IRS this year
- 2.5 million books will be shipped with the wrong covers

Getting on the Saving Track

While preparing a financial budget is a difficult task, committing to it over the long haul may be even more difficult. Here are a few tips to help you start your budget planning and get yourself on the savings track:

- 1) Watch what you spend. Begin the process by recording all your expenses, including living expenses, utilities, child care or elder care services, and necessities such as food, clothing, and medical care.
- 2) Treat savings like expenses. You will be more inclined to put money aside for savings if you treat it like an expense that must be made on a regular basis.
- 3) Allocate income in terms of percentages. Determine what percentage of your income goes to each expense, and then categorize these expenses as either fixed or flexible. Generally, flexible expenses, such as entertainment and eating out, erode earnings.
- 4) Prioritize your expenses. Take your list of expenses and rank them from most to least important. Eliminate the unimportant expenditures and redirect this money to a savings program.

Gradually, try to reduce unnecessary expenditures. As you eliminate expenditure amounts, write a check for a like amount and deposit it

into a special account.

Remember, putting yourself first means making your financial future and well being your top priority. A disciplined savings program can ultimately pay you dividends that will help solidify your financial future.

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Entrepreneurship & the New Retiree



For more and more retirees, retirement signals not the end of a career, but rather the beginning of a new phase-entrepreneurship. Many baby boomers view retirement as an opportunity to start a new chapter in life, and hope to use their hard-earned skills and knowledge to create their own independent businesses.

With increased longevity, retirement often accounts for 25%-30% of a person's life. According to the 2010 Retirement Confidence Survey conducted by the Employee Benefit Research Institute (EBRI), nearly three-quarters of workers surveyed (70%) plan to work in retirement. Financial reasons, such as earning money to pay bills and keeping health insurance or other benefits, are primary considerations, but large majorities also report that they intend to continue working to stay active and involved (92%) or for the enjoyment of working (86%).

Regardless of personal motivation, there are many advantages that those age 50 and older possess when starting their own business ventures. By retirement, mortgages have often been paid and children have graduated from college. With fewer financial obligations-and perhaps a cushion from a lifetime of saving-the retiree may have the opportunity to take his or her time in developing a strong business plan and concept. Retirees also have the ability to utilize the many business contacts and skills garnered over their working years to further product development, marketing, and sales. This can prove extremely useful for those who wish to use their experiences in a particular field to strike out on their own. Many retirees find the opportunities of their dreams during their golden years.

For example, prior to retirement, Bill and Helen Dawson (a hypothetical case) had thriving careers in accounting and travel services, respectively. After retiring, Bill and Helen quickly discovered they were not content to stay at home and felt that combining their skills would serve them well in their own business endeavor. Drawing upon Helen's years of customer service and Bill's bookkeeping finesse, the couple opened a bed and breakfast, which has allowed them to use their pre-existing expertise in a new and challenging way. If you want to use your years of wisdom to build your own company, here are some questions to consider:

1. Are you personally motivated? Building a business requires intense dedication. You will need to develop your own ideas, set your own schedule, and manage a variety of responsibilities.
2. Are you a "people" person? Running your own business will likely involve a great deal of interaction with various professionals and personality types. If you can harness the people skills you gained from four decades in the working world, you will be better prepared to handle difficult clients or professionals.

3. Do you have the ability to think quickly? Representing your own company can mean that you will have to provide answers and decisions at a fast pace, and sometimes under pressure.
4. Do you have passion and stamina? It is often said that you must love what you do. Realize at the start of the enterprise that a good deal of time and effort may be required, but also know that the rewards can make your labors worthwhile.
5. Are you organized? Thorough organization and planning can lead to continued business success. Finances, invoices, and schedules are just a few of the tasks at which you must be or become proficient. According to the Small Business Administration (SBA), poor planning is responsible for a majority of failed business attempts.
6. Is your motivation level high? A business requires a lot of work, and it can be physically and emotionally stressful. Those who are highly motivated often do well under stress because their "hunger" drives them forward.
7. Will your family be supportive? A new business can consume a lot of your time, mental energy, and sometimes, capital. Make sure to tell your family what they can realistically expect the experience to be like, and gain their support and trust.

There are many advantages to self-employment. The chance to be your own boss, experience the payoff of your own hard work, and harness the limitless financial and growth potential, all combine to make entrepreneurship an exciting and educational adventure. Interestingly, a lack of experience often accounts for many small business failures. Therefore, a lifetime of knowledge can put you far ahead of the game before it even begins, and many of today's retirees welcome the challenge.

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Credit Card Blues

Credit card debt is a major problem in the United States. According to the Consumer Federation of America (2009), 80% of all households have at least one credit card. With over one billion cards in circulation, the average household has about a dozen credit cards. For households that carry a balance, the average credit card debt is more than \$10,000.



It is not uncommon or difficult for credit card use to get out of hand. In fact, our society promotes credit card use through incentive programs, loyalty programs, promotions, and advertising. Consequently, many consumers find themselves struggling to make even their minimum monthly payments. Regardless, new credit card offers arrive in the mail constantly, along with those checks inviting consumers to go ahead and "take that vacation" or "make those home improvements." At first, it may seem tantalizing. But buying regularly on credit can quickly become a vicious cycle, creating a case of the credit card blues.

Warning Signs

The following warning signs may be an indication of the credit card

blues:

- You use credit cards to pay for basic needs, like food and gas.
- You are only able to pay the minimum balance due on your cards each month.
- You're paying above-average interest rates and can't find lower rates because of your credit score.
- You aren't able to contribute to a savings account or IRA.
- You don't know how much you charge or how much you owe.
- You lose sleep over your mounting debt.
- You transfer balances frequently to avoid credit card payments.

If any of these sound familiar, take heart-you are not alone! However, it's important that you take action now and create a plan to pay down your debt and avoid exacerbating the problem. You don't have to resign yourself to living with the credit card blues.

Getting Back on Your Feet

To begin, make and maintain a worksheet to track your credit card use. You may do this by hand, using different colored markers for different creditors, or on the computer-whatever feels most comfortable. On your worksheet, include the names of your creditors, the last date of each payment, the annual interest rates, the minimum monthly payments, and the total amounts due.

Here are more simple steps to help you get back on your feet:

- Create a financial budget. Once you look at your expenses and figure out where all your money is going, you can look for areas where you can cut back, even temporarily, to free up some of your cash for credit card payments.
- Set up a repayment schedule and stick with it! Start paying the debts that carry the highest finance charges first.
- Don't charge any more until your present debts are under control.
- Reduce your finance charges by using cards with the lowest possible rates.
- Avoid using checks that arrive in the mail from your credit card company. The value of each check you use will be added to your existing debt-plus extra transaction fees!

Of course, there are times when using credit is unavoidable. If you must use credit, try the following:

- Keep your cards in a safe place when you aren't using them.
- Reduce the number of credit cards you carry to one or two.
- Keep your cards separate from your purse or wallet to prevent theft.
- Never give your credit card number out on the telephone, particularly if you did not place the call.
- If you have carbon receipts from your purchases, make sure all are properly destroyed by shredding.
- Shred all unsolicited and unwanted credit cards.
- Use your credit cards only for essential purchases and pay the balance as quickly as possible to avoid additional interest or late payments.

Remember, if you're charging more than you're paying, your credit card debt will always continue to increase. A meeting with your financial professionals can help you develop strategies for improving your spending, saving, and debt habits.

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