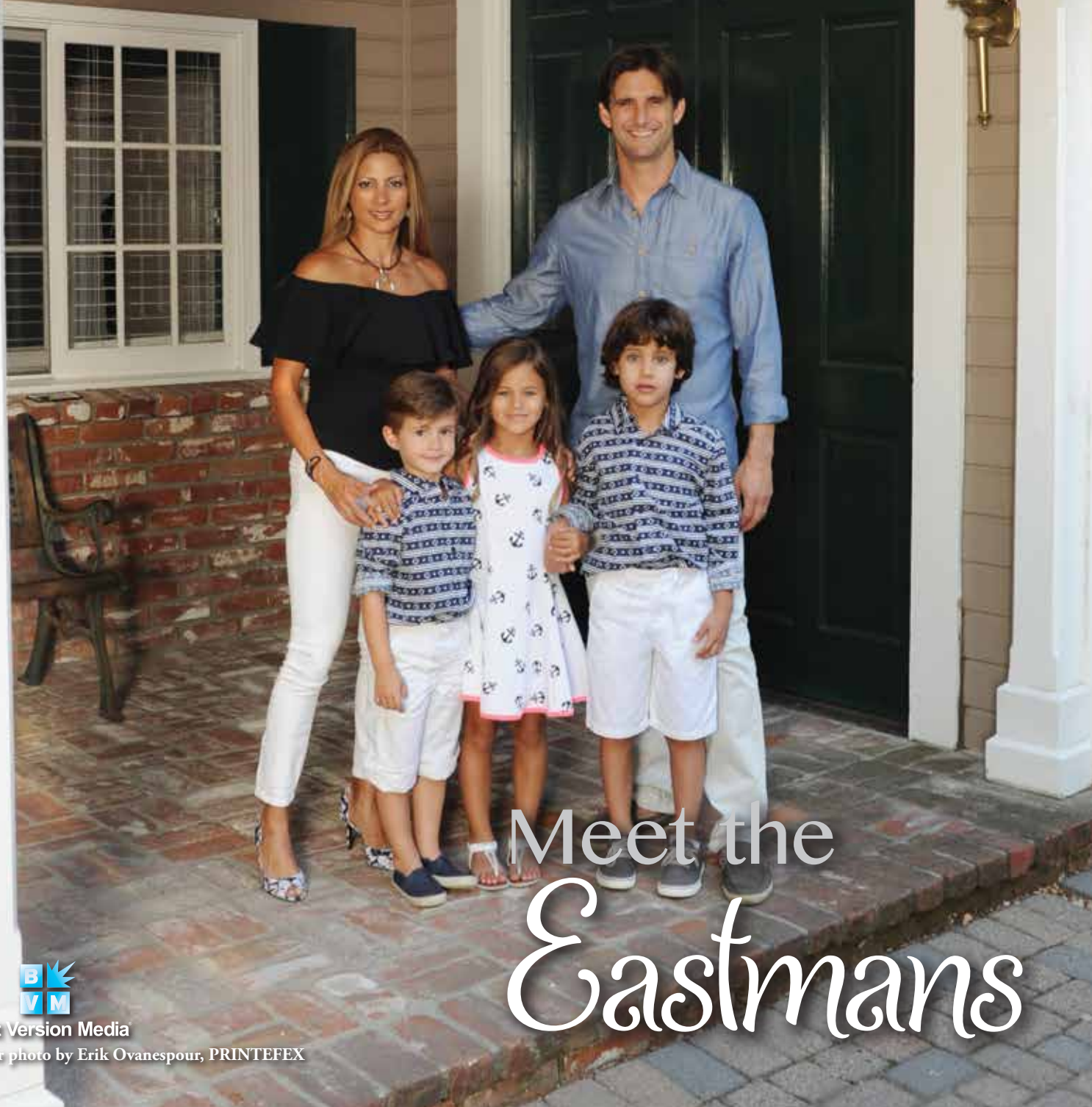


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NEIGHBORS

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Meet the
Eastmans



Best Version Media

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It's "Back to School" Time

By Brad Creger – President & CEO, BFF Financial, Inc.



With our children (and grandchildren) heading back to school we will naturally turn our attention to their educational needs. Interestingly, home economics or "Money 101" is not taught in our schools. Consequently, we learn what we know about money either from our parents, grandparents or on our own.

No matter how you initially learn about money... your financial education is never complete as new situations will arise which naturally trigger questions. My son Nick received a certificate at the end of last school year from his first grade teacher acknowledging his "amazing persistence until he got his questions answered." In thinking about this... I realized that someday he will make a great financial advisor.

So what does asking good questions have to do with financial advice? A lot of people are now taking some of their financial cues from TV but they misunderstand the difference between financial education and entertainment. Said differently, too many people including advisors don't question what they hear on TV.

More importantly, what's heard on TV is often taken at face value as true without considering who's speaking and the context or circumstances surrounding the statements being made. We consistently have heard from Janet Yellen that the U.S. economy is doing fine. But if our economy is doing as well as they say, why has The Fed left interest rates so low for so long? And why have other central banks introduced negative interest rates? Something doesn't quite add up.

I remember my father taught me that "actions speak louder than words"... so how does the actions of our central banks translate against what they are saying publicly? Is the U.S. economy really OK or is it a central bank (Fed) induced fantasy? Only time will tell. But one thing we can agree on is

these persistently low interest rates have negatively impacted conservative investors who (in the past) relied on interest income from their bank deposits to survive.

Unfortunately, in their "search for yield" (to offset low interest rates) many investors have re-positioned their portfolios to include high-dividend stocks and even high-risk corporate debt (i.e. junk bonds). In doing so these investors have taken on significantly higher risk which may not be fully understood until it's too late.

While "taking more risk equals more potential return" is something that we've all heard... you must ask yourself is taking more risk RIGHT NOW a good idea? One mantra repeated by die-hard Wall Street proponents is "There Is No Alternative" (or TINA). But is this true? Maybe, maybe not. Let me explain.

Interestingly, your investment options are actually dependent upon your financial advisor. If your advisor isn't both investment AND insurance licensed... or if they are not "dually registered" (i.e. working at a firm which is both licensed as a broker/dealer and a registered investment advisor) then you may have fewer alternatives. No matter your current financial situation, I believe that unnecessarily limiting your investment options is a bad idea.

Have you asked your financial advisor enough questions about how your wealth is currently managed and have you explored all of your risk-reduction options?

If you find that your investment opportunities are limited by where your current financial advisor works... you owe it to yourself and your family to do some "back-to-school shopping" and look into your investment alternatives.

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