

Safe Money Advisory



A Perfect Fence for Sitting

Houston, Texas

For Immediate Release

You're retired. You've accumulated a sizable and hard-earned nest egg to support you and your loved ones during the non-working years. But you're scared. Sure, you'd like to see your money grow in the stock market. But with bursts up and plunges down of 100... 200... and even 300 points in a single day, the market seems way too edgy a place to be betting your retirement assets right now. Plus, the dot.com meltdown of 2000 – 2002, when the S&P lost half its value, is still embedded in your memory. After all, one wrong spin of the roulette wheel and you might have to go back to work ... and then what?

What could cause that unfortunate roulette spin? Well for starters... the ever expanding credit crises... gold at \$800 an ounce, oil prices flirting with triple digits and controlled by people who don't much care for us, billions of dollars in quarterly write downs from some of the world's largest firms – including banks, record home foreclosures from sea-to-shining-sea, the U.S. dollar the *lowest it has ever been* against the euro, an enormous and growing trade deficit, a negative personal savings rate in the U.S., taxes and inflation both expected to go higher, and on and on and on...



Okay, so maybe now isn't an optimal time to be jumping into the market with both feet. But that doesn't change the fact that you're still retired and you still have a sizable retirement nest egg that has to go *somewhere*. You deserve an earnings rate that at least keeps up with inflation, but you cringe at the thought of losses. What to do!

How about CDs or money market funds? True, they're certainly safer than the stock market, but can you really afford to have your money barely keeping up with inflation *before* taxes and losing purchasing power *after* taxes? Plus, there's got to be a way to avoid current income taxes on earnings you don't plan to use until much later in retirement. Didn't you read somewhere that most money market mutual funds have a considerable percentage of their assets invested directly and indirectly in subprime mortgages and that they, too, are riskier now than ever before?

So where *should* you invest your retirement nest egg? There is probably no better alternative for safety-conscious retirees than a little known instrument called a "Fixed Indexed Annuity" (*FIA*). In a nutshell, FIAs come with guarantees no other asset class offers. Specifically, they are "linked" to a major stock market index such as the S&P 500 or the Dow. That means that when the index goes up, your interest rate gains are tied to the upside move. But if the index moves down... no matter how far down... you will be protected from any loss, plus you're guaranteed a minimum rate of interest regardless of what the market index does. The icing on the cake: they're tax deferred, meaning you'll pay no income taxes until the earnings are withdrawn and used.

In other words, FIAs give you an opportunity to profit from a bullish stock market should that happen, yet they provide a safety net if the market plummets. And while the upside is certainly important, the growth opportunity they offer is eclipsed by the safety they provide. Remember what happened to investors when the dot.com bubble burst just seven years ago? A lot of retirees were forced out of retirement and are still working today to recover their losses. With an FIA, that cannot happen.

Be sure to ask your financial advisor about them. Oh yes, don't believe all the biased press about FIAs because most are written by those who have a vested interest in your money remaining at risk in the market.

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December 2007