



News You Can Use

Gloud Insurance

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Becoming Your Own Bank

I sent some information on this subject to many of you earlier in the month and I just have to write about so I hope not to bore you but I find it fascinating. I know my father would have liked to have this type of financial knowledge to implement and pass off to his children.

We have all been taught the only way to invest for retirement is to take risk in a market where the "Pirates of Manhattan" hold all the cards. With billions of dollars being spent to convince us that our financial future rest with them. If the financial disaster of 2008 taught us anything is that these financial institution have gotten rich from fees and insider information they have garnered from their investment activities. And then there are the advisors who convince us to "stay the course" when we are getting fleeced by the pirates. They have convinced us to not open our statements because its too depressing.

What I have done because I am sick and tired of being fleeced is look for safe havens to grow my retirement nest egg without the roller coaster ride of the markets. And Becoming Your Own Bank or (BYOB) is another vehicle I can offer to my clients. Now I'll say right up front, I don't think this is not for everyone. Because even though I can be a coach to a client, there needs to be some motivation to educate yourself on this concept. Most of us are used to going to an advisor and giving them your monthly investment and just periodically look at the statement to make sure we still have money there. However, even though BYOB is not difficult to understand and manage, it flies in the face of what you have been taught by the financial "Talking Heads" like Orman and Ramsey. Without having a thorough understanding of this concept you would not be committed to it.

If you have a 401K go take a look at the statement. Calculate your contributions then add your employers contributions and subtract that amount from the balance. Now look at what you have earned versus how long you have been it the plan. Do you get a good feeling? Does retirement look like a possibility? I dare say less than 1% of folks in reading this will say yes.

There are several good books you can read to start the education process. Becoming You Own Banker by Nelson Nash, and Barry Dyke's Pirates of Manhattan. You will soon discover interesting facts like:

The largest banks in the U.S own billions of dollars of cash value life insurance on the lives of their employees. The cash surrender values is in the hundreds of millions of dollars! It seems that banks of all sizes feel that cash value life insurance is a great way to fund the pension plans of their top executives.

J.C Penney and Walt Disney both used loans from their life insurance policies to bail them out of business troubles when no bank would lend them money. When the stock market crashed in 1929, J.C. Penny was almost wiped out. He used a loan from his \$3,000,000 life insurance policy to help him rebound from financial trouble. At the time, no banker would loan him money because he was "too much of a risk". Walt Disney used a loan from his \$100,000 life insurance policy to finance the study to find the best location for Disneyland. His brother and the bankers thought he was crazy to want to build an amusement park like Disneyland. They said it could not be done.

The list goes on and on. I strongly suggest you put some effort into this. It will be well worth your time.

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"The highest form of ignorance is to reject something you know nothing about." –

Dr. Wayne Dyer

"The problem in America isn't so much what people don't know; the problem is what people think they know that just ain't so". — Will Rogers



If You Have To Be Sure

“How can I be sure it will work?” he asked.

“You can’t. You can never be sure. If you have to be sure, do nothing.”

Are you sure? Do you have to be sure? What if you’re not? And you do nothing?

Do you have to be sure you’ll get the appointment before you ask for it? How will you know? Ask or do nothing?

Will she buy? Should you ask? Are you afraid to ask? Do you need to be sure she’ll say yes before you ask? Ask or do nothing?

Did you have to be sure the job offer from across the country would have to work out before you accepted it? Did you go or stay? Are things different than you expected?

Want to start your own business? Want to be sure it will work out before you give up the security of your other job, make the investment, and put your future in jeopardy? Think that’ll ever happen?

New definition of “bull market”:

A random market movement

causing an investor to mistake

himself for a financial genius

“The best time to plant a tree is twenty

years ago. The second best time is today”

-African Proverb

The Market...The Last Decade

Sam Stoval, the S&P’s Chief Strategist was quoted saying, “ I’ve lost a bet, I’ve lost my keys, but I’ve never lost a decade.—until now”. The S&P 500 ended the past decade down almost 25% below where it was ten years earlier. And that was not factoring in the 29% inflation we experienced during the decade.

In fact, according to a Wall Street Journal story by Tom Lauricella, 12/20/2009, **since the end of 1999, the S&P 500 stock index has lost an average of 3.3% a year**, on an inflation-adjusted basis, even after including dividends, according to the data compiled by Charles Jones, finance professor at North Carolina State University. **Furthermore, the typical equity mutual fund investor has actually been losing one percent a year for the past 20 years, after adjusting for inflation**, according to the research group, Dalbar, Inc.

Here is another shocking fact according to Robert Arnott, *Journal of Indexes*, May/June 2009 Issue, For the last **40 years**, ordinary long-term treasury bonds have outpaced investing in the stock market! So what does that mean for you who has their nest— egg in the market for the risk you take? Four decades of sleepless nights and retirement dreams.

So it the answer to hire the expert financial advisor? **Eighty percent** of all investment advisors and mutual funds do worse than the overall market, and many do so with significant more risk, according to Hulbert Financial digest, The Motley Fool. What more proof (besides your statement) do we need that conventional financial and retirement planning strategies don’t work for the majority of people.

Break free from the belief that you must accept risk, volatility, and unpredictability in order to grow a sizable nest—egg. There are other financial vehicles that can give you the peace of mind you seek and deserve.

Consumer Credit Card Debt Has Dropped In Recent Times

Several studies reveal the fact that outstanding consumer credit card debt has dropped in recent times. Apparently, it may signify that the consumers have finally learned to manage their finances and credit responsibly.

As per several recent studies, credit card debt has dropped by about 12% in May from that of April 2010. The figure shows that the debt has fallen down to about \$838 billion in May 2010 from a record high of about \$958 billion in the year 2008. Studies also reveal that consumer debt related to credit cards has fallen from about \$969 billion in the fourth quarter of 2008 to about \$876 billion during the same period in 2009.

However, the overall scenario is not as hopeful as it seems. According to a research carried out by CardHub.com, a credit card comparison website, the reason behind credit card debt reduction is not because of the fact that the consumers have turned to frugal living so as to pay off existing dues. Instead, there have been many charge-offs in the recent times, which is the primary reason behind the drop in credit card debt.

Researches reveal that over the course of 2009, total outstanding credit card debt has dropped by \$93 billion, out of which, \$83 billion has been due to charge-offs. It signifies that there has actually been only a 10% decrease in consumer credit card debt. In other words, consumers have been able to pay back less than \$10 billion. They have been racking up huge amounts in new debt and have been defaulting on the old ones.

As per Papadimitriou, the CEO of Cardhub.com, it's a sign of financial health when consumers are able to pay back more. In comparison, charge-offs occur when the debt is 180 days past due or when the consumers declare bankruptcy. Papadimitriou has further pointed out that bank charge-offs have reached their highest rate in the third quarter of 2009 since 1985.

However, industry experts are optimistic that the consumers would be able to reduce credit card debt more in near future. A number of federal regulations for the credit card companies have become effective in the first quarter of 2010 and many more are about to come into effect during the month of August. The experts believe these regulations will help consumers repay outstanding balances much more than what they've been paying back in recent times.

Today's Lesson

If you want to succeed in sales, if you want to make the income you want, don't wait for the knock on the door. It's not coming. Create your own sales opportunities.

Don't wait for the sales manager to pull out his last motivational threat: "Get busy or you're fired!" When you hear this, you're only twelve inches from the ground. Good luck on sticking that landing.



Holeseller

Selling is pretty basic. Don't tell the customer what you have. Ask them what they want. Sell the hole, deliver the product.



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Please remember that the information in this publication is intended to be helpful & informative in nature; but not to be relied upon as advice. As with all planning, a comprehensive review & evaluation of your current portfolio is the best way to determine needs. If we can assist you in the process of finding answers and solutions to your own personal and financial strategies, please let us know.

They Had A Dream

Jerry Seinfeld wasn't sure a show about nothing would last. Then he laughed. Lance Armstrong wasn't sure he could overcome cancer. He sped on. Columbus wasn't sure what would happen when he reached the edge of the earth. But he sailed. Neil Armstrong and Buzz Aldrin weren't sure they could ever lift off that desolate landscape. But they blasted into history. Martin Luther King wasn't sure he could change America. Then he marched.

Opportunity presents itself to everyone. Those who reap its rewards are those who can act without being sure. It's called courage. The combination exists. It's yours for the finding. It's your choice: do something – or do nothing?

