



Hank Progar, MBA

# Safe Money News and Facts You Should Know!

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## Hank's Thoughts ... Recent Market Plunges - Healthy Pullbacks, or More Daunting?

Over the last four months the stock market has been up and down. The DOW fell sharply for several weeks three different times. It tested



and dropped below the 15,000 mark each time. At the time of this writing, the DOW has turned around again, but is still below its 50 day moving average.

Since March, when the DOW caught up with where it was in 2007 and in 2000, it has behaved like a roller coaster ... the same macro pattern we have seen over the last 13 years.

What this volatile market will do in this uncertain political and economical climate is anyone's guess.

What does all this mean? There are mixed views among different analysts. No one really knows. The real question is "How would you feel if the markets plunged about 50%, like during

*(Continued on page 2)*

## Yes, Money Can Buy Happiness... If You Spend It on Experiences

You won't find happiness at the mall in the form of a huge new TV or in the department store in the form of new clothes or a fancy coffee pot. They will not increase your overall happiness.

Spending money on experiences maximizes happiness, says Michael Norton, an associate professor at [Harvard Business School](http://www.harvard.edu) and co-author of *Happy Money: The Science of Smarter Spending*.

According to research published in *Health* magazine, people who spent money on [concert tickets](#) or planned dinner out were happier than those who spent money on tangible goods. One reason: they get more pleasure from bonding.

The pleasure begins as you anticipate the event, which can be as valuable as the event itself. Afterward, recalling it will [continue](#) to give you pleasure in the following weeks or months. Even if the event doesn't turn out to be as nice as you thought it would, it still counts. People tend to remember things as better than they actually were.

Enjoy the pleasure of giving. Giving to charities will make you feel good about yourself, but Dr. Norton's research finds that doing things for people you know makes you happiest.

Helping and serving others creates happiness. You'll love the joy rush from being able to brighten someone else's life.

So with the next bonus or tax refund remember that family travel, family activities, date nights and events that involve spending money on experiences will maximize your happiness.

# More Interesting Facts *you* Should Know!

## Hank's Thoughts (Continued from page 1)

the 2007 and 2000 time frames?"

How did you feel in 2008 and 2001 as the markets were falling? Did you lose money needed for necessary items then or in your retirement plan like food, shelter and health care. Or, was it discretionary money you could afford to have at risk?

How do you feel today? Do you have enough of your portfolio in safe money investments, where you can't lose your principle if the market did crash again?

We at Safe Money Millionaire can help you put a safety net under some of your money ... the money you can't afford to lose.

Lately, I have observed investment advisory sources which usually favor the stock market, go a different direction.

One example is Gina Martin Adams, a Wells Fargo strategist, who says, "Stocks are about to plunge." She is basing this on market fundamentals, like interest rates and corporate earnings forecasts.

First of all, Adams is highly skeptical about the rally that the market has enjoyed thus far.

**"It's all about emotion at this point.** The entirety of the S&P 500's increase this year has come via the **multiple**," Adams said. *"It's been simply through the amount that investors are willing to bid up the value of the future earnings stream."*

The S&P 500's price-earnings multiple has risen from 17 on Jan. 1 to nearly 20. That means the market has largely been rising due to investors' willingness to pay more for those earnings.

Another example is a Yahoo Finance article entitled "Tips to Ensure Your Retirement Income."

Some of their key points are planning for the income that you will need, minimizing tax liability in a climate of rising tax rates and insuring your earnings with life insurance.

I recently attended a webinar by market analyst, Jeff Clark, who has an 18 year successful track record using options to reduce risk in his portfolio. Jeff believes the market is poised for a 2008 type crash in 2014. Jeff looks for extremes in the markets and uses options to insure his portfolio when the market does crash.

Jeff bases his current prediction on three conditions, all of which must occur.

**1. Sudden sharp rise in interest rates.** He calls this condition met since the 30 year T-Bond has risen from 2.5% in August 2012 to 3.8% in August 2013. Temporarily rising interest rates were experienced in the years 1987, 1994, 2000, and 2007.

**2. Margin debt at an all time high.** Investors/speculators are betting the farm that stocks and mutual funds will soar. This is a contrarian indicator that the market is near the "Tipping Point."

**3. Decisive down turn in stock prices.** Stock and mutual fund prices typically bounce back one or more times when they fall through a major resistance point. The decisive downturn condition has not yet been met. We are seeing warning signs of market indecision based on economic and political uncertainty.

Currently, two of the three conditions are met. Based on experience, Jeff has a gut feel we have 3 to 6 months for all three conditions to be met.

We work with banks, insurance companies and trust companies using a variety of safe money strategies. Our clients achieve reasonable and sometimes double digit returns without the risk of losing their principle investment.

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# This news is all about you...

## Hank's Thoughts (Continued from page 2)

You might benefit from a private Roth-like plan where you are in control ... not the government. You can grow your money tax advantage and withdraw income tax free.

**If this makes sense, call my office to set up a telephone appointment to discover if any of these safe money strategies can help you.**

## On Overcoming Obstacles

"Obstacles across our path can be spiritual flat tires -- disruptions in our lives seem to be disastrous at the time, but end by redirecting our lives in a meaningful way." -- *Bernie Siegal*

"You can't fly a kite unless you go against the wind and have a weight to keep it from turning somersaults. The same with man. No man will succeed unless he is ready to face and overcome difficulties and is prepared to assume responsibilities." -- *William J. H. Boetcker*

"It is a mistake to suppose that men succeed through success; they much oftener succeed through failures. Precept, study, advice and example could never have taught them so well as failure has done." -- *Samuel Smiles*

## Obamacare – "To Be or Not to Be?"

Healthcare is in the eye of a political whirlwind.

For years health insurance has been linked to the workplace. The assumption was that everyone worked for or owned a company, which provided guaranteed issue health insurance.

If someone was disabled and not able to work or waited until 65, Medicaid and Medicare filled the insurance gap.

The increase of independent entrepreneurs and early retirees, accelerated by our turbulent economy, left millions of Americans without health insurance. They were willing to pay for coverage, but could not get it because of pre-existing conditions.

The major advantage of Obamacare is that starting January 2014, health insurance coverage is guaranteed issue. Pre-existing conditions will not prevent anyone from getting coverage.

The cost of insurance might be an issue. And, if you don't get health insurance, you will pay a fine ... called a tax.

If an individual makes less than about \$45,000 ... a family of four less than about \$94,000, they will receive a subsidy ... or tax rebate.

With a \$17 trillion national debt and no balanced budget in place, where does the money come from to fund all of this?

For starters, insurance premiums will increase for everyone. If you are healthy enough to get coverage now and don't have it, get it. With most insurance companies, you will be able to get this lower premium for one year before you must jump into the Obamacare pool.

Medicare premiums are being increased depending upon your income to over 300%. At the same time Medicare Advantage plans are receiving cuts, thus increasing cost sharing for use of services.

The rest must come from all our tax dollars.

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Florida's Credible Source of Health & Wealth Information  
Helping You Think About Your Money ... And Make Smart  
Choices To Protect Your Hard Earned Assets.

## Washington?



## Know the Signs of Heat Exhaustion, Heat Stroke

Exposure to excessive heat can cause the body to lose its ability to cool. Your temperature can reach 104 degrees or higher in 10 to 15 minutes.

The symptoms of heat exhaustion include profuse sweating, muscle cramps, intense thirst, dizziness, nausea, fatigue and headache. If you experience any of these, drink plenty of water or other cool nonalcoholic fluids, and get to a cool or shady place.

If symptoms don't improve, or if you have any of these heat [stroke symptoms](#), seek immediate emergency medical attention.

Heat stroke affects the brain, so the person may be confused, or agitated. If not treated promptly, heatstroke can lead to seizures, coma and death.

## On Attitude

"Dream as if you'll live forever. Live as if you'll die today." -- **James Dean**

"No life is so hard that you can't make it easier by the way you take it." -- **Ellen Glasgow**

"It is our attitude at the beginning of a difficult task which, more than anything else, will affect its successful outcome." -- **William James**

## Thank You for Your Referrals

There's no question I have the BEST customers on the entire planet.

My business is built on word of mouth advertising and I'd like to thank those who were kind enough to recommend my services to their friends.

Although we focus on protecting and optimizing your retirement plan, I want to give a special THANK YOU to those who have recommended me to help your family and friends with their Medicare options.

There are 10,000 Baby Boomers turning 65 every day who are more confused about Medicare than their retirement plan. Because of its importance in your overall retirement picture, we want to help them cut through the smoke and make the right choices to protect the nest egg they have already earned!

*Thank you soooo much!*

**Disclosure** - Information provided in this article does not constitute legal, taxation, or investment advice.

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