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Safe Money News and Facts You Should Know!

135 SE 32nd Place Ocala, FL 34471
Phone 352-690-9574
Hank@SafeMoneyMBA.info

Hank Progar, MBA

Hank's Thoughts … Can You Hear the Hissing Sound?

It's hard to be bearish in December.

This is the time of good cheer, dancing sugar plums and home-made eggnog. It's also the time of rising stock markets.

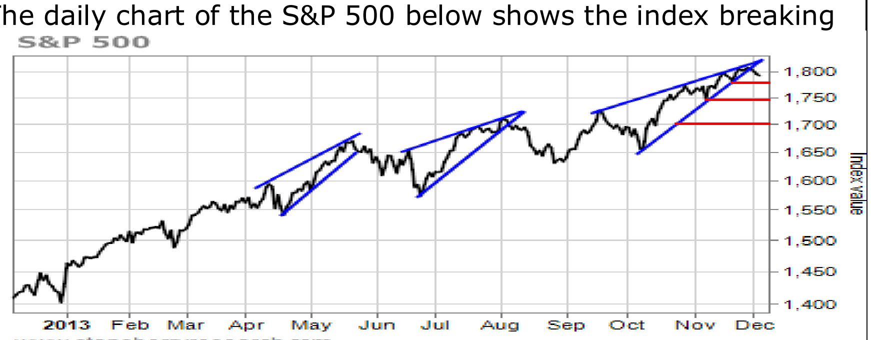
Kay, Bonnie and I were visiting our Sarasota transition office recently wanted to check out the holiday spirit in our local area.

Merry Christmas from downtown Main Street in Lake Wood Ranch.

More so than any other month of the year, December has a bullish bias. Going back to 1950, stocks showed gains in December 47 out of 63 years. That's 74% of the time.

So as I said, it's tough to be bearish during this time of year. But it's also tough to overlook this…

The daily chart of the S&P 500 below shows the index breaking



down from a bearish rising-wedge pattern.

If you are riding the Wall Street roller coaster, is it time

(Continued on page 2)

Can Medicare Advantage Plans Survive Obamacare Cuts?

Because of the Affordable Care Act (ACA), known as Obamacare, seniors enrolled in Medicare Advantage (MA) plans are paying higher premiums and experiencing a reduction in benefits and disrupted coverage. And that's just the beginning.

AHIP, a national health insurance association states ACA regulatory actions include more than $200 billion in Medicare Advantage payment cuts, most of which haven't gone into effect yet, and imposes a new health insurance tax that begins in 2014.

In addition to higher cost sharing at point of service, network sizes are being reduced to best handle cuts and preserve benefits.

In 2014 private insurance MA plans will begin to absorb a $220 per member annual premium tax in addition to 2% cuts resulting from sequestration.

Predictions for the future include less MA plans and smaller networks.

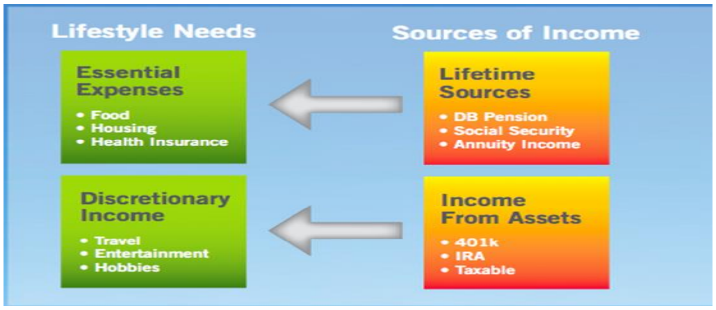
The solution for those who can afford it is to switch to a traditional Medicare Supplement/Medigap policy. This will eliminate network issues and enable keeping your doctor and going to specialists and medical facilities of your choice.

This means allocating more of your retirement dollars to "Essential Expenses."

More Interesting Facts *you* Should Know!

Hank's Thoughts (Continued from page 1)

to put on your crash helmet and guarantee your "Essential Expenses' shown in the chart below, are covered by lifetime income sources?



We are helping our clients get "retirement crash insurance" by putting some of their money in safe money strategies so they have peace of mind that essential expenses like food, housing, health and non-negotiable lifestyle enjoyment are covered for as long as they live.

Discretionary expenses are "nice to do," but could be delayed or eliminated during times of extreme market volatility.

So go ahead and be cheery. Be merry and full of goodwill. And, be bullish if you like. But be careful, too. Given the look of this chart, stocks have more downside going forward.

Please call me at (352) 690-9574 and let's have a brief discussion to discover if there is anything we do that can benefit you.

As I mentioned in previous newsletters we are migrating our home base to Sarasota FL. We are expecting the right buyer for our Ocala home to arrive soon. Meanwhile we go back and forth working in both offices.

Our office and kitchen in Sarasota are well equipped. However, we are camping out in the rest of the home.

We started by getting a cheap inflatable mattress … like buying a penny stock. Our Scottish

assistant, Bonnie, thought she would test it and found it very much to her liking.

This worked for a while but the bed started to deflate like the S&P chart above and below. We put more air in our balloon … like the Feds printing money to put more air in the stock and bond market bubble.

We didn't hear the hissing sound of air leaking out. *Can you hear the hissing sound of the air leaking out of the stock/bond market balloon?*

One day we arrived and the air, like a stock price had retreated considerably. We had a thought to go shopping and get a new plan. However, we hoped we could hang on and get some more life out of our investment.

"Print more money … I mean put more air in the balloon, we said. *What will happen when the Feds printing presses stop?*

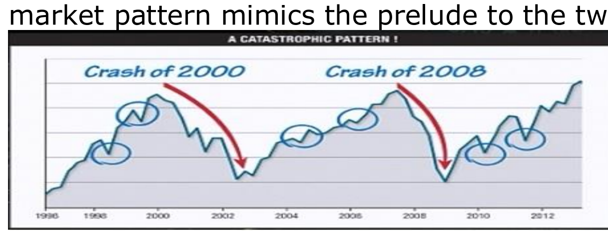
We went to bed that night and still couldn't hear the hissing sound, but in the middle of the night, our investment crashed. We found ourselves lying on the hard floor, as all of the air had escaped from our penny stock mattress.

Our bubble broke and we didn't catch it in time. Bonnie decided she could still enjoy this pile of

rubber and sheets and just made herself comfortable.

After we lost our first investment, we did some research and purchased a safer strategy for our essential need. It was higher priced but stronger stock. It gave us more peace of mind that we would still be OK in the morning.

On a more serious note, the current stock market pattern mimics the prelude to the two



(Continued on page 3)

Hank's Thoughts (Continued from page 2)

previous market sell-offs that cost Americans $5 trillion in 2000 and $7 trillion in 2008.

We only experienced pain for a day with our air mattress collapse. How many Americans in the above two crashes found these market collapses changed their life style, and possibly will experience pain for the rest of their lives?

As you can see, in the years prior to the Internet bubble that burst in 2000 and the financial collapse in 2008, the stock market suffered two significant setbacks.

Just as in those past cases, it is clear that we have not only suffered two significant setbacks in this market's rise, but it is also clear that we are close to the same tipping point at which those previous markets collapsed.

If you relate to these losses, it's not entirely your or my fault. We have been lied to by the media and financial advisors who profit solely from the stock market.

Kay & I lost 45% of our portfolio in 2000 … considerably less in 2008, as we had started shifting to safe money strategies, where you can't lose your principle.

As the past 13 years and two retirement-crushing collapses have proven, everything we've been told, or perhaps more appropriately, everything we have been "sold," about investing for retirement is dead wrong.

As we have so tragically learned:

- Real estate WILL NOT go up forever
- *Your home equity is NOT your retirement*
- Your money is NOT safe in a 401(k)
- *Buying and holding stocks IS NOT the best way to secure your future. And*
- Social Security WILL NOT cover your expenses when you retire

Tragically, many Americans have not learned those retirement-crushing lessons — especially those who are hopping aboard the stock-buying bandwagon right now as the market hovers around all-time highs.

The same wealth-crushing patterns are repeating themselves, and most investors, gurus and advisors are missing the warning signs again as the market continues to rise.

Wow! It's almost like déjà vu — except the sell-off hasn't hit yet.

Please call me and let's discuss how you can protect the money you can't afford to lose. Please pass this on to your family and friends.

The only thing most people see is a stock market that is relentlessly trying to play "catch-up" for the wealth they lost in 2000 and 2008. They have no idea why the market is climbing, or why it is destined to crash as the previous rallies did.

Most people simply can't take another 53% hit to their retirement accounts as they did during the last crash. Nor can they afford to wait another four years just to break even, or endure another 13 years of almost zero growth from the stock market. They are already on thin ice financially.

It's all because they are no better off than they were in 2000. In fact, they're worse off — despite the market's recent gains.

Then there is Wall Street's "Fuzzy Math" which causes many people to jump into the market with both feet at time when they should be running for cover. I just finished listening to a Schwab financial advisor who thinks we are just are bouncing around the optimism line, but not near a bubble.

She went on to say if you look back 5 years from 2012 the S&P return was -3%. If you look back 5 yrs from 2013 we see a 100% return by just taking 2008 out of the equation and start counting from the bottom of the crash.

That would be great if "they" returned the money you lost in 2008! This is the kind of marketing math you can expect to see and hear from optimistic financial advisors who are hoping to get your, money under management.

Unfortunately, many hopeful investors will buy this kind of logic and jump on the bandwagon.

If the amount of money you lost was painful and was a lot of money to you, think back to that point in time. Wouldn't you rather have had a strategy where you could not have lost money when the market crashed, yet make money when the market went back up?

Consider this scenario from the real standpoint…. Your money.

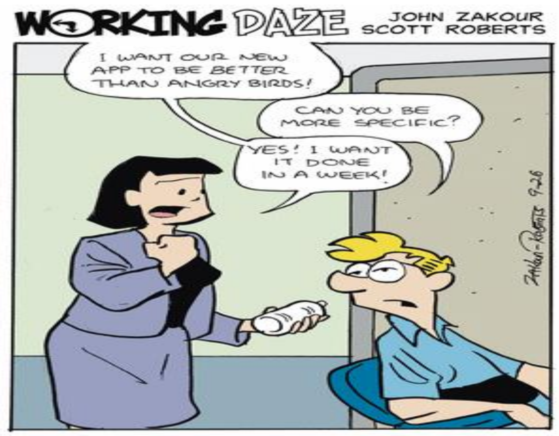
The S&P went from a value of 1565 in Oct 2007 to 1807 in Aug 2013 … 15.5% growth peak to peak. This represents approximately 2.6% per year, assuming you rode the Wall Street roller coaster all the way.

If you look back to the peak index value of 1527 in March 2000, the growth to Aug 2013 = 18.3%. This is approximately 1.4% per year, assuming you rode the Wall Street roller coaster all the way.

(Continued on page 4)

Hank Progar, MBA
AIM $afe Money Advisors
(352) 690-9574
Toll Free: (888) 820-SAVE
FAX: (813) 354-3520
Main Web Site: AIMSafely.com
Financial Concepts and Strategies: HankProgar.com
Finance Your Way To Wealth: ManageYourFinancialPlan.com
Retirement Savings Videos: SafeMoneyMBA.info

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



Sorry, no recipes or light human interest articles this issue. These are serious times , even thought it is a holiday season. Enjoy… but be introspective.

Hank's Thoughts (Continued from page 3)

Can you build a viable retirement fund or even out pace inflation with a 1.4% long term annual growth?

With a conservative estimate of 3% for real inflation, you know the answer.

Obviously, if you got out of the market at the top in 2000 and 2007 and got back In at the respective bottoms you would have done very well.

Do you know any one who did this?

There is lots of uncertainty in Washington and around the globe. There are reasons for the market to increase and reasons for the market to crash,. No one can say for sure. Only God knows what will happen.

Suppose you could make money when the market increases and not lose any money when the market decreases? Do you think you would have more money in your account to enhance your live style and increase your peace of mind regarding a secure financial future.

I assume you you have a busy schedule. If any of this resonates with you, carve 20 minutes out of your schedule and let's talk. Please call me to coordinate our calendars.

I can't guarantee anything we have would be a fit for you. It's OK to tell me 'No.' *In fact, the only fee for our brief financial review is your commitment that you will tell me if there is no fit.*

If on the other hand we mutually feel there might be a fit, we can schedule some more time.

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.*

Please check with a qualified tax advisor when making financial decisions.