VOLUME 19 • ISSUE 9

FINANCIALink

Your Money Management Newsletter

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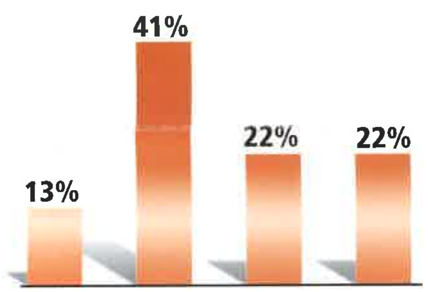
*Snap*SHOTS

RETIREMENT CONFIDENCE

Worker confidence in having enough money to live comfortably throughout retirement



Source: 2009 Retirement Confidence Survey, Employee Benefit Research Institute

Up FRONT

144 million

Consumers who have never ordered a copy of their credit reports, despite the fact that one can be obtained annually for free.

Source: *InvestmentNews,* May 4, 2009

Quick HITS

At the end of the first quarter of 2009, 41% of total mutual fund assets were invested in money market funds, compared with 30% a year earlier.[1]

The number of American millionaires fell nearly 30% in 2008.[2]

In 2016—one year earlier than estimated last year—Social Security tax revenues will begin to fall short of program outlays.[3]

Probate costs can eat up as much as 10% of an estate.[4]

In 2008, scammers unleashed an average of 28,000 new phishing e-mail campaigns a month.[5]

Sources:
1) *InvestmentNews*, May 4, 2009
2) *Journal of Financial Planning*, May 2009
3) Social Security Administration, 2009
4) *2009 Field Guide*, National Underwriter
5) apwg.org, 2008–2009

Practical insights for your **FINANCIAL GOALS**

Making Moves to the **MONEY MARKET**

At the end of the first quarter of 2009, 41% of total mutual fund assets were invested in money market funds, compared with 30% a year earlier.[1] Many investors move money into these funds in reaction to financial turmoil and changes in interest rates.

If you are seeking protection from market volatility, money market mutual funds can provide a place to stash your cash, but the lower risk doesn't come without its own considerations.

Money market funds are mutual funds that invest solely in cash-equivalent assets that are categorized as low-risk, low-return investments. These funds seek to preserve a value of $1 per share.

TEMPORARY PARKING

Because of their liquidity and low level of risk, money market funds can be a good place to "park" your investment dollars in some situations. If you are expecting to need a sum of cash in the near future or are looking for a place to put money while deciding where to invest it next, money market funds may be a good option.

A COUPLE OF CAVEATS

Although money market funds may provide some shelter from periods of market turmoil, their low rates of return may not make them ideal for long-term investing. Over the course of several years, meager gains could turn into net losses as inflation erodes the purchasing power of money.

Furthermore, pulling money out of the stock market during a crisis is an understandable emotional reaction. But this strategy may cause an investor to miss out on potential gains when the market recovers.

Money market funds can play an important role in a balanced portfolio that takes into account your savings goals, risk tolerance, and time horizon. However, you should consider carefully whether cash investments will help you reach your long-term goals.

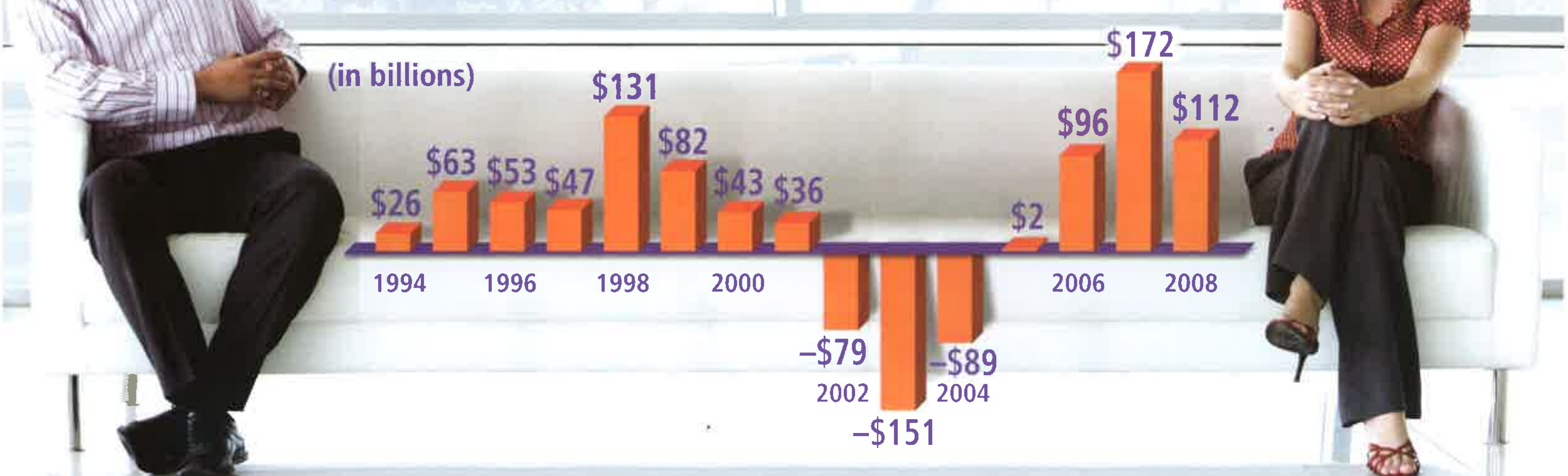
Money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in such a fund.

Mutual funds are sold only by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) *InvestmentNews*, May 4, 2009

Cash Equivalence?

Historically, net new cash to money market mutual funds has been related to market volatility and changes in interest rates.



Source: Investment Company Institute, 2009

ESTATE CONSERVATION *You Can Trust*

For many people concerned with preserving their estates, "probate" is a four-letter word. It can cause the courts to put a freeze on assets that could last until the probate process is completed. Probate records are open to the public, making it a privacy concern. Furthermore, probate can be costly. The estate may need to pay attorneys, appraisers, and court costs before assets can go to the heirs. In fact, probate costs can eat up as much as 10% of an estate.[1]

Certain types of assets, such as property held in a trust, are not considered part of an estate and can avoid the probate process. Trusts are popular estate conservation tools that can help facilitate the smooth transfer of estate assets and maintain the family's privacy.

A trust is a legal entity wherein a person (the grantor) gives ownership of his or her assets to a separate entity (the trust), which holds the property for the benefit of a third party (the beneficiary). A trust can contain any sort of property — money, stocks, bonds, real estate, business interests, personal possessions, etc.

Because assets in a trust are technically owned by the trust, they are not figured into the grantor's estate. The trust is overseen by a trustee, who must distribute the assets based on the stipulations outlined in the trust.

Different types of trusts can be used to distribute wealth in many different ways. Here are a few common types of trusts that can be established during your lifetime and/or in a will.

- **Living trusts** are established during the grantor's lifetime. The grantor can name himself as the trustee and name a co-trustee who can handle the affairs of the trust after the grantor's death.
- **Charitable trusts** can be established to pay a charity either a regular income for a set period or a lump sum at the end of the period. Heirs can also benefit from these types of trusts.
- **Incentive trusts** can be used to help future generations strive for worthwhile goals such as attaining higher education, starting a family, or working for a nonprofit organization.
- **Supplemental or special-needs trusts** can help provide for a child with physical or mental disabilities and help ensure that the child qualifies for government assistance programs.

The use of trusts involves a complex web of tax rules and regulations. You should consider the counsel of an experienced estate planning professional and your legal and tax advisors before implementing such strategies.

Your legacy is too important to potentially be left up to the courts to sort out.

1) *2009 Field Guide*, National Underwriter

Estimate the Value of Your Estate

Assets

Tangible assets *(home, furnishings, automobiles, real estate, jewelry, other valuables)*	$________
Investments *(stocks, bonds, mutual funds, businesses, annuities, retirement accounts)*	$________
Cash *(savings and checking accounts, money market funds, CDs, cash reserves)*	$________
Life insurance benefit	$________
Total assets	$________
Liabilities *(mortgages, bank loans, charge-account debt)*	$________
Net value of estate *(Subtract liabilities from total assets)*	$________

Phishing Exploits **FLU FEARS**

Ever the opportunists, scammers capitalized on the recent hysteria surrounding the H1N1 influenza virus by launching a massive campaign designed to seize control of consumers' computers and, in some cases, capture sensitive financial information.[1] Many Internet users received spam e-mails offering enticing (and fictitious) deals on swine flu vaccinations and other remedies.

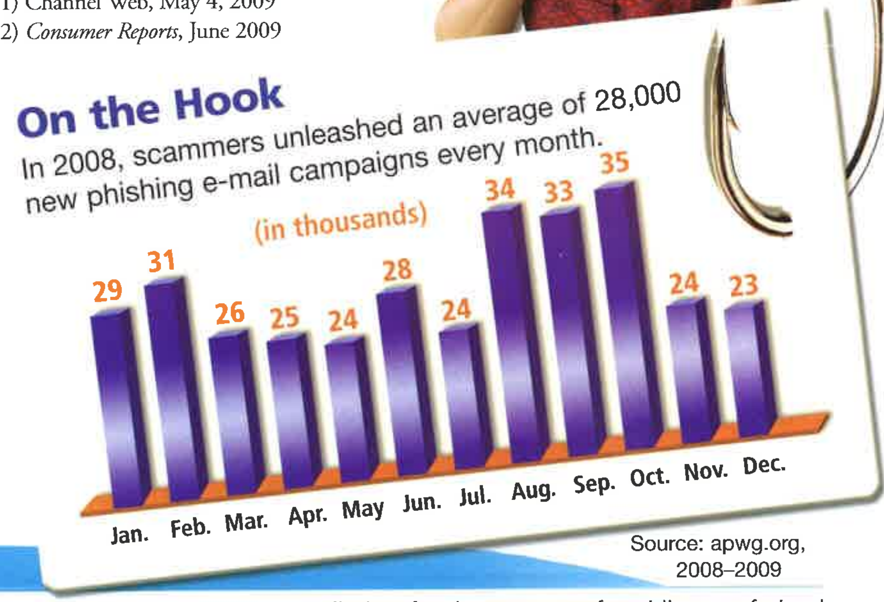
Taking advantage of the anxiety surrounding the H1N1 flu is only the latest wrinkle in a popular online scam known as phishing, which costs consumers more than $240 million a year.[2] Much like a fisherman who casts his line with a baited hook, phishers send out e-mails designed to trick recipients into giving up their personal information.

Phishing e-mails can take many guises, but the intent is usually the same: getting you to willingly click on a link, open an attachment, or give up your personal information.

Often, phishing e-mails will mimic the look of a legitimate communication from a bank, a popular online retailer, or the IRS. These e-mails prompt users to click on a hyperlink and then enter sensitive information (passwords, Social Security numbers, etc.) on a site that appears to be legitimate. You can often spot a phishing e-mail by its sloppy grammar and frequent misspellings.

In general, you should be suspicious of any unsolicited e-mails that instruct you to follow a link and enter personal information. If you believe your bank is attempting to contact you, either type the bank's Web address directly into the browser or call the bank directly by phone.

1) Channel Web, May 4, 2009
2) *Consumer Reports*, June 2009



How confident are you that you will have enough money to live comfortably throughout retirement? Call today to discuss strategies for funding a long retirement.

Working toward a better financial future,