

RETIREMENT COACH NEWS

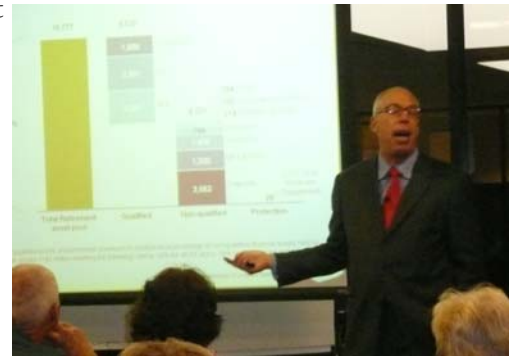
July 2009

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The monthly newsletter for seniors who want to stay on top of their game and make their retirement the very best it can be.

100 People Hear Dr. Gregory Salsbury at Town Hall Meeting

On June 25th, 100 clients and guests heard Dr. Salsbury discuss the looming retirement crisis in America: today's retirees are living considerably longer than their parents and face a serious threat of running out of money. The precipitous drop in the stock market from March of 2008 through March of 2009 (the S&P 500 Index lost 54%) only served to exacerbate the problem.



As Dr. Salsbury pointed out, once a person retires it is more important than ever to have some form of guaranteed income in their retirement portfolio. With government entitlement programs, like Social Security, facing critical funding shortfalls over the next twenty years, according to Dr. Salsbury, there is an increasing likelihood that many of those programs will face significant cut backs in the future, requiring more retirees to rely on their own savings and retirement accounts in order to maintain the lifestyle they enjoyed in their earlier years.

The Coach's Corner

by Don Hartmann, CSA, ChFC

The Need for Guaranteed Lifetime Income



When Dr. Gregory Salsbury spoke at our town hall meeting last month, he shared his concern (and that of many others) with the unsustainable cost of

federal government entitlement programs. For this reason, he stressed the need for retirees to have at least a portion of their retirement portfolio invested where they can get guaranteed income for life.

Fortunately, within the past 12 to 18 months a number of major life insurance companies have begun offering variable annuities that include Guaranteed Lifetime Income riders - and within the past several months, some major companies started offering a similar rider on fixed indexed annuities. As opposed to more traditional guaranteed income investments (such as CDs, government bonds and traditional fixed annuities), these new annuity riders offer an opportunity for your guaranteed income to keep pace with inflation.

As many of you already know, I have been an outspoken critic of many fixed indexed annuities (formerly known as equity indexed annuities) in the past; especially those that charged excessive withdrawal charges. Within the past year, however, there have been some dramatic changes in this product - not the least of

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Key Rates

Money Market Accounts	1.23%
Money Market Funds	0.12%
6-Month CD	1.43%
1-Year CD	1.92%
5-Year CD	3.00%
30-Year Mortgage	5.44%

Source:
Bankrate.com & Bloomberg

This Month

The Coach's Corner (continued from page 1)

which is the addition of these new Guaranteed Lifetime Income riders. As a result, for those conservative investors who simply cannot tolerate the risk of losing any of their investment capital (and those numbers have swelled as a result of the current steep recession) there is now a good alternative.

The Fixed Indexed Annuity (FIA) was first introduced back in 1996, and in the beginning these annuities were commonly called Equity Indexed Annuities. The concept was simple at first; rather than have an insurance company determine the amount of interest to be credited to the annuity each year, link the rate of interest to the performance of an equity index like the S&P 500 Index.

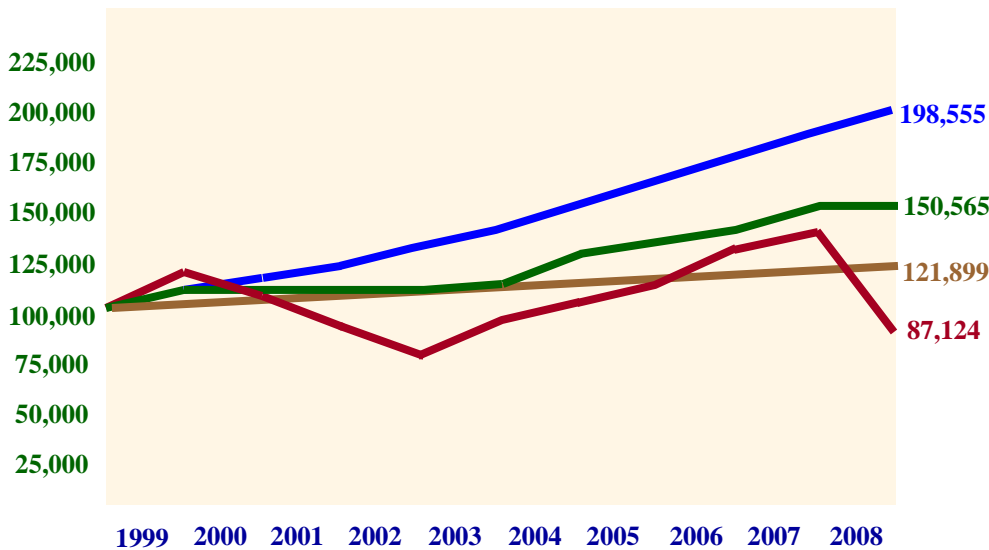
If the index was positive in any given year, the annuity contract was credited with a percentage of that gain. But what made this new annuity product so attractive was that in years when the index lost value, the annuity value remained constant. In other words, while the stock market might lose value from time to time, the annuity would never give up its gains or lose principal. The problem with using such annuities to fund retirement portfolios, however, was that in those negative years the annuity did not produce any income distributions. Now, with the recent introduction of these new riders, annuities can provide either 5%, 6% or 7% guaranteed annual income distributions for the rest of your life. The rate is determined by your age when you start taking the income.

In addition, many of these new riders include a bonus accumulation feature that guarantees that for each year you defer taking income distributions, the Guaranteed Minimum Income Base will increase by the greater of the annuity's earnings for that year or a net 7.0% (as indicated by the blue line on the graph below). In other words, for those who can delay taking income distributions for the first ten years, when the income distributions do start, they will be based on an amount that is at least twice as much as the original investment. The bottom line? These new riders make both fixed indexed and variable annuities a lot more appealing to those retirees who are concerned about running out of money.

Insurance Company Ratings are Important!

Since annuities are not insured by the Federal Deposit Insurance Corporation (FDIC) it is critical that an investor carefully review the financial strength and claims paying ability (credit rating) of the company issuing the annuity contract.

Therefore, we only recommend those companies that are rated either AA or AAA by the major credit rating agencies.



Today, more than ever, Lifetime Income Guarantees are important!

- S&P 500 Index Value
- Indexed Annuity Value
- Guaranteed Income Rider
- Minimum Guaranteed Annuity Value

Indexed Annuity values based on S&P 500 Index, Annual Point-to-point, 100% Participation with 8.0% Cap. Guaranteed Minimum Return equals 2.0% per annum.

The Fred of the Month

This column is based on Mark Sanborn's best selling book, *The Fred Factor*, wherein he explains that a *Fred* (named after his mailman) is someone who has demonstrated a passion in their work and life that can turn even the most ordinary of things into something extraordinary.

This month's Fred story is one that has gone around the world, and you may have already read it. But even if you have, it is worth reading again.

Mallory Holtman is from Ellensburg, WA, population 17,000 - 110 miles southeast of Seattle. She played softball for Central Washington University.

On April 27, 2008, the last regular season home game for the Wildcats, Central Washington faced the Western Oregon Wolves in a doubleheader. The Wildcats lost the opener 8-1, putting themselves one loss from elimination in the race for the NCAA playoffs. Mallory was hitting above .360 for her career, and she held the Great Northwest Athletic Conference's career record for home runs.

Game 2, top of the second, no score, Western Oregon runners on first and second. The Wolves' Sara Tucholsky stands in the batter's box. She is a backup right fielder in a hitting slump, starting this game as a defensive replacement. The curveball comes in at about 50 mph, as yellow as a grapefruit and just as large. Sara connects. There is a sound of vibrating aluminum as the ball sails toward the horizon, over the left-fielder, over the fence.

Mallory sees the ball disappear. Dang it, she thinks, walking from first base toward the pitcher's circle to huddle with her teammates. She sees the first two runners, but Sara is behind her and Mallory hears an awful noise.

On the first home-run trot of her life, Sara Tucholsky is heading for second base when her metal cleats catch in the dirt, and she looks down to see her right knee rippling like a wave. Sometimes there is a popping sound when a person tears an anterior cruciate ligament. Sara hears no sound. What

she feels is an immediate and concentrated pain unlike any she has had before. She falls to the dust, moaning, and the crowd goes silent. Sara crawls back to the base and holds it like a pillow. Breathing deeply, she asks the first base coach, "What do I do?" "Don't touch her," says the base umpire. By rule, if anyone from her team tries to help her, Sara will be called out.

Mallory knows what to do. "Hey," she says to the umpires, "can I help her out?" "What?" the umpire says. "Can I help her around the bases?" "Why would you want to do that?"

He consults with the other umpire, who says, "It's their field. If they want to do it, who am I to stop it?" The umpire turns back to Mallory. "All right," he says, "Do it."

Mallory scans the field for potential accomplices, locking eyes with shortstop, Liz Wallace, a Navy wife from Montana who can turn a double play with unusual speed. Liz puts down her glove. Yes, that's the right thing to do, she thinks, walking with Mallory toward Sara. She sees tears on Sara's cheeks.

"We're going to pick you up," Mallory says, "and carry you around the bases." Sara nods. "Thank you," she says, overwhelmed with relief. Mallory bends down and puts her left hand under Sara's left thigh and her right hand under Sara's left armpit, Liz does likewise on Sara's other side. They lift her off the ground. Mallory and Liz haul Sara toward second base, moving with awkward sideways steps. They must travel 180 feet. Don't trip, Mallory tells herself. "Thank you, guys," Sara says again. At 125 pounds, she does not feel heavy. "You hit it over the fence," Mallory says. "You deserve it."

Mallory lowers Sara's left foot to touch second base. "This has to look hilarious to everybody who's watching"; Liz says. "I wonder if they're laughing at us," Mallory says. The spectators do not laugh - they stand, their applause a mild hailstorm as Mallory lowers Sara's foot to third base.

Sara looks up to see her teammates standing at home plate, clapping for her. Beyond her



The picture that has been seen around the world



Mallory, Sara and Liz were honored at a Seattle Mariners game last summer.

As an acknowledgement of the impact she has had in the world of sports, when an athlete shows great sportsmanship in an event these days, it is often referred to as "a Mallory"

Hallmark Client is Ms. Senior Colorado

Last month, Carol Swanson, a Hallmark client since May 2006, participated in the Ms. Senior Colorado Pageant and would you believe - she won!! The theme of this year's pageant was "The Age of Elegance - the wisdom, grace and beauty of senior women". There were four categories of judging— Judges Interview, Poise and Grace (evening gown), Philosophy of Life and Talent. Her talent was a lyrical dance to "I Hope You Dance" (lyrical dance is a soft interpretive ballet).

When I spoke with Carol at the June 25th Town Hall Meeting, she said "My intention in entering was to have fun and create a new avenue through which to express, through dancing and performing. Winning was not the goal." As rehearsals proceeded, however, she thought to herself: "Hmm -I can see myself coming in 3rd or 4th." But she didn't think she had the level of talent to actually pull off a win.

As she was standing there and the runner ups were announced, and she wasn't one of them, she thought to herself - "Guess I didn't make the top 3." And then the winner was announced and it was Carol! "It took a minute to sink in" she said, "and then I jumped up and down like a little girl and did a Tony Robbins power move and then gracefully walked forward to be crowned. It was really fun!"

And now the responsibilities of the role become a reality. The national pageant is held in Atlantic City Oct 4-8 so there is work to be done to be ready for that. Carol is already booked for appearances with the Colorado Cameo Club twice in June and twice in July and she has been told there will be more appearances.

In summing it up, Carol told me: "This is a long ago



Carol Swanson
Ms. Senior Colorado 2009

Fred of the Month - continued from page 3

gratitude she feels a twinge of pride, because she has just hit the first home run of her career in what will prove to be her last at bat. As Sara is carried back to her dugout by her teammates, Mallory and Liz walk back to the pitcher's circle for a team huddle. They are still one loss from elimination.



Mallory Holtman

Mallory has two hits but no runs batted in. The score is still 4-2 when the game ends. Mallory walks off the field into the arms of her mother and father. "We're so proud of you, honey," they tell her, as always and the evening holds the promise of a trip to Outback Steakhouse. But right now the game is over, and her softball career will expire in seven days and the playoffs are forever out of reach. And Mallory Holtman weeps.

Even though Mallory's college softball career was over, the recognition she would receive for her remarkable act of sportsmanship would come from around the world, including numerous appearances on radio and national TV shows. Does this single act of sportsmanship qualify Mallory as a *Fred*? What makes you think she will stop there?

latent dream that has taken form and I intend to enjoy it to the fullest and use the opportunity to inspire and uplift many seniors this year as I represent Colorado."

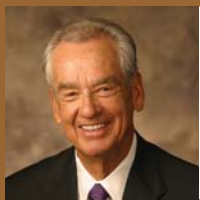
Carol is a lifestyle coach with a variety of both personal and professional clients. The only criteria she requires of her clients is that they are serious about moving their life forward and willing to do the work it takes to achieve success. Carol believes that her clients know deep inside what they need to do to create a satisfying life.

In a co-active style of coaching, Carol involves every client in recognizing and following their internal guidance. If you would like to learn more about her interesting career, you can check her web site at: 'lifebydesign.com'

We have always valued our relationship with Carol and her husband, John, and we wish her the very best in the competition in Atlantic City in October.

Referrals are the lifeblood of our business.

Your active goodwill in referring friends and co-workers to Hallmark is always greatly appreciated!



People often say that motivation doesn't last.
Well, neither does bathing –
that's why we recommend it daily.
~Zig Ziglar

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