



## SECOND QUARTER 2010 CLIENT NEWSLETTER

### LETTER FROM THE PRESIDENT



Dear Clients and Friends,  
I hope and continue to pray that this newsletter finds each of you well.

From MSA, we are proud to introduce our most recent staff addition, Ms. Karen Long. Welcome Karen. Also, one of my long time friends, Ronnie Grubbs, recently opened a new INDEPENDENT Property and Casualty Agency and may be able to help you with your auto and/or homeowners needs. **See Page 3** for more information.

I realize there is much going on politically in our country right now and because of it there is much concern as to where this recent agenda leaves America and its financial future. I have heard what you ALL have been saying and I even recently made a trip to Washington myself and spoke with our Congressmen and women on your behalf. I've given you a brief overview of my trip in my legislative report found on **Page 6**. I have also added a Legislative section to our website for updates, **See Page 2** for details. I'd like to sum it up with a request that we all Pray for our Country and its leaders and that God will protect us. His people, and that He will equip those of us who are willing to take control of our own lives and prepare accordingly for how these changes will effect our individual families.

Friends, there has never been a more awesome and important time in this country's history, than there is TODAY, for each and every one of us to get our OWN PERSONAL financial portfolio's in order. It is time to KNOW that "we are not to be conformed to this world." We still live in the best country in the world and we can still make a difference in our own families lives. God is still in control and so are you, at least of yourself with your OWN financial portfolio.

As Americans we should be reminded: "that if it is meant to be, it is up to ME" (i.e. You.) Therefore, I would suggest to each of us that we get our own budgets in place and put them in writing. We should be diligent to be DEBT FREE. We also should make sure that we truly have a "NO RISK"

retirement strategy that is not market and/or government volatile. **Page 5** of this newsletter provides you a copy of the recent update to our Social Security Statements. There is no better time than NOW to begin a plan to stay INDEPENDENT. None of us should be reliant on the government to provide for us! Friends, they do not, are not and will not. The reality is, you should not rely on it and instead create your own retirement strategy

To assist our clients in this venture, I am very excited to inform you of our **NEW & IMPROVED** Website found at [www.msamentoring.com](http://www.msamentoring.com). It will be launched on April 2nd 2010. This website was created to equip you with the interactive tools that will help you "Be Financially INDEPENDENT"!! Our past and future newsletters will be available there for download. **See Page 2** of this newsletter for an overview of the site.

With the many questions WE ALL have regarding how these recent votes will effect America's delivery of and availability to. not to mention the cost of both "healthcare" and "health insurance" in this country, **See Page 6** for an update. Keep in mind it will take literally YEARS to create and implement any of the changes. Learn now, prepare for later, and stay tuned to the TRUTH of what type of solutions best suit you and your family and I promise to keep you informed as our newsletters continue and changes are made.

May each of you be diligent, prosperous and remember that the "TRUTH WILL SET YOU FREE!"

Finally, I wish you and your families a blessed Easter weekend. As an American in this country that was founded on the promises of Christian living, I pray you remember that Jesus is the reason for the season.

Respectfully submitted  
*Michele Powell*  
President



He came so that you can have real and eternal life, more and better life than you ever dreamed of.  
I John 10:10

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# MSA ANNOUNCES IT'S NEW WEBSITE

It was designed with a wealth of information FREE TO YOU!



Get to know the MSA staff and how they can assist you with all of your needs



Click here for access to "FREE" financial calculators & Resources. These include: Retirement Investment Education, Healthcare and **SO MUCH MORE**

View our monthly client newsletters & Legislative updates here. They are filled with a wealth of information!!



Sorry, for agents and staff only



Do you need Individual Short Term Health Or Dental Insurance or Non-Insurance Solutions such as a Manatee County Discount Card?  
***This is the place for you!!!***



Watch the "What to do we do" video. It will help you to understand the "strategies" we use to mentor you with your financial portfolio



MSA's Corporate office address Phone and fax and e-mails. There is also a map to help you find us wherever you are coming from!



Do you have travel Insurance for your next trip out of the country? Are your kids going on a mission trip this summer? Its inexpensive and super easy to get. Click here for an instant quote and online application. It's complete in minutes with a copy of your policy sent to your e-mail immediately.



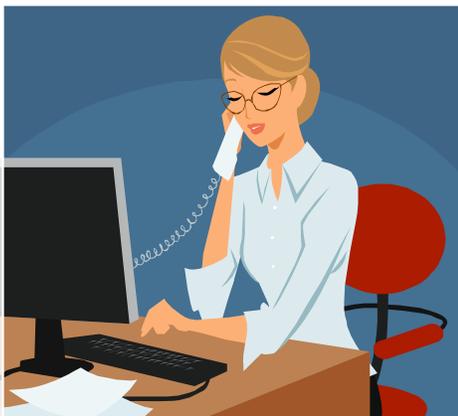
## MSA Corporate Staff



### *Welcome Karen Long*

*Karen joined the MSA family in January 2010 as our "Office Assistant."*

*She will help the Administrative team keep the office running as smoothly as possible. Karen is a welcomed addition to MSA.*



## MSA Referring Partners

**Ronnie  
Grubbs  
& Associates**



Ronnie Grubbs and Associates Independent Insurance Agency is a full service Property and Casualty independent insurance agency representing many different providers. This means that they will work to find the best insurance values to meet your unique needs from among several providers. Ronnie Grubbs and Associates has over 34 years experience in the insurance field. They provide insurance needs to Bradenton and the surrounding Manatee and Sarasota County areas.

Ronnie is from a Florida pioneer family, raised on a farm in Brooksville, Florida. He joined the Air Force in 1951 at the age of 18. He served 6 years in the USAF and after returning home, graduated from the Florida Highway Patrol Academy. He served as a Florida State Trooper for 9 years.

Ronnie opened a State Farm office and serviced an office for 33 years and 10 months before retirement. He opened the doors of this new agency January 1, 2010.

Ronnie Grubbs & Associates believe that you should understand all your options in order to choose policies that provide the coverage you need at rates you can afford, because it makes no sense to pay for coverage you don't need and all the insurance in the world does you no good if the premiums aren't affordable.

Ronnie Grubbs and Associates provide services in the following areas:

- |                       |                       |
|-----------------------|-----------------------|
| Renters Insurance     | Boat Insurance        |
| Automobile Insurance  | Homeowner's Insurance |
| Mobile Home Insurance | Commercial Insurance  |
| Flood Insurance       | Motorcycle Insurance  |

**Ronnie's office is located at:  
5615 26th Street West  
Bradenton, FL 34207  
941-758-8588**



The 40th US President  
1981-1989

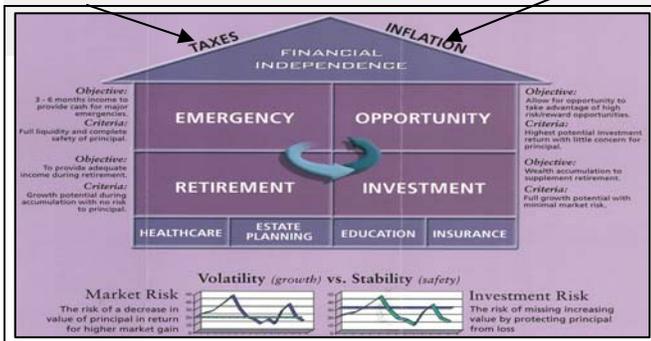
**"The power to tax is the power to destroy."**  
Ronald Reagan

**DO You know what income TAX bracket you are in?.....**

The **first ravaging element** to a client's **financial house that is part of MSA's "roof"** is understanding how **taxes** affect your portfolio. **Taxes** are often an overlooked element of a financial portfolio by a consumer. This is very unfortunate because it can be a true detriment to their "retirement strategy" **KNOWING** this is an element and being proactive to the element is a powerful tool. For example: Imagine if you needed \$4,000 a month in retirement income to come out of your portfolio to pay your household monthly expenses. If all of those dollars were taxable at retirement (like an IRA), you would actually have to pay income tax on those withdrawals at your tax bracket of 15% or 25% on the dollar. Therefore, if you needed \$4,000 to live on x 12 months, your annual withdrawal from your portfolio would be \$48,000 that you would have actually used and kept. But you would then have to take the additional 15% (aka \$7,200) or 25% (aka \$12,000) and send an **INCOME TAX CHECK** to Uncle Sam accordingly. That seems crazy but it is **VERY REAL** and because we allow our employer or an accountant to do our current income **tax** bookkeeping each year, Americans are totally disassociated from what **"TAX Bracket"** they are in. To find out what tax bracket you are in visit the IRS Website at [www.irs.gov](http://www.irs.gov)

**INFLATION:**

The **second ravaging element** and part of the "roof" is **"inflation"**. **Inflation** makes a huge difference in what our dollars will stretch to at retirement and can be understood in the same way that we understand compounding interest returns on our investments or **inflation** on the cost of goods. For example: In 1960 we could buy a house for \$20,000. In 2010 the average family home cost an American family \$150,000. That means that the cost of a home has inflated at a rate of 13% a year. ( $\$20,000 \times 13\% = \$2,600$  a year  $\times 50$  years = \$130,000 plus the original cost of \$20,000 = today's cost of \$150,000.) Our government tells us that the national **inflation** table is 3.10% right now. What that means is your overall income needs to grow up 3.10% a year for you to continue to live the same lifestyle you live today. If your income is not growing and/or your retirement dollars are not growing at least this much. **EVERY YEAR** then you will have to cut back in your lifestyle to address the lack of increase. So if you were making \$20,000 in 1960 you would have had to grow your income to \$51,000 this year to have maintained the life style that you were living in 1960. If we used this analogy looking at history and you increased your lifestyle since then yet are only making \$51,000 today then you most likely have **DEBT** to have accomplished this. That basically says to your financial portfolio that you are "captive" to debt now and are living over your means. It also says that you need to create a firm budget and look at your whole portfolio **ASAP**. By doing this, adjust what you can **DO NOW** and someday you may be able to so to retire.



**Do you have a Roof over your Financial House?**

The below shows an example of using our "Retirement Income Calculator " on the New MSA website .

Visit at [www.msamentoring.com](http://www.msamentoring.com)

This chart shows funding a Traditional IRA

|                                  |     |                                  |         |  |                  |
|----------------------------------|-----|----------------------------------|---------|--|------------------|
| Starting Balance                 | \$0 | Annual Contribution              | \$5,000 | Income before <b>taxes</b>                               | \$3305 per month |
| Current Age                      | 30  | Age at retirement                | 65      | Income after <b>taxes</b>                                | \$2479 per month |
| Rate if return before retirement | 6%  | Rate of return during retirement | 6%      | Value of income today with 3.10% annual <b>inflation</b> | \$851            |
| Current <b>tax</b> rate          | 25% | Retirement <b>tax</b> rate       | 25%     |  |                  |
| Increase deposits with inflation | yes | Savings <b>tax</b> deferred      | yes     |  |                  |

**For Example:**

Your retirement savings provides \$851 per month after **taxes** and inflation.

At age 65 your savings will provide \$3,305 per month for 35 years. **This is before taxes.**

After **taxes** you will have \$2,479 per month. In today's dollars, this is equivalent to \$851 with **3.10% annual inflation.**

# Retirement Strategies “Will YOU Retire?”



“The social security program, which became law in 1933 or 1934, as I recall, was initially predicated on the basis that it was not to be your total retirement income but as a base or a floor.”  
President Gerald Ford

Here is what our Government has to say about it today.....

## “What Social Security Means To You” (source: [www.socialsecurity.gov](http://www.socialsecurity.gov))

“**Social Security is for people of all ages:** We’re more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.”

“**Work to build a secure future:** Social Security is the largest source of income for most elderly Americans today, **but Social Security was never intended to be your only source of income when you retire.** You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire. Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit [www.mymoney.gov](http://www.mymoney.gov), a federal government website dedicated to teaching all Americans the basics of financial management.”

“**About Social Security’s future:** Social Security is a compact between generations. Since 1935, America has kept the promise of security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today’s younger workers are ready for retirement. **In 2016 we will begin paying more in benefits than we collect in taxes. Without changes, by 2037 the Social Security Trust Fund will be exhausted and there will be enough money to pay only about 76 cents for each dollar of scheduled benefits.** We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.”

“**Social Security on the Net:** Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*; use our Retirement Estimator to obtain immediate and personalized estimates of future benefits; and when you’re ready to apply for benefits, use the improved online application.”

Are you living a “debt free” lifestyle?  
Do you wonder where your money goes every month?



A **FREE** Budget worksheet is now available at the **new and improved** [www.msamentoring.com](http://www.msamentoring.com)



## Legislative Corner



### 2010 Capital Conference

[www.NAHU.org](http://www.NAHU.org)

As the Legislative Chair for the Sarasota Chapter of the Health Underwriters (GCHU), I attended the 2010 Annual Capital Conference in Washington, DC on March 8-10, 2010. Our trip was unique in timing as so much is going on in Washington regarding Healthcare and Health Insurance. We met with both the Congressional House as well as Senate, Democrats and Republicans, regarding your concerns and needs. The good thing is, every one, including the public, seemed to want some type of reform. The bad thing was my trip seemed to show me that politics are more important than what “the American public” wants and needs.

One of Bill Clinton’s Economists spoke with our group and showed us how he proved mathematically the House Bill is a train wreck and not in the best interest of the American people or this country. The numbers never lie, yet his own party seems to keep pushing a political agenda of who gets credit for what. The funny thing is, most of what will be implemented won’t happen until the year 2013 which is after the next Presidential election. There was an overwhelming atmosphere of division on this trip. I’ve always been taught that “a house divided will never stand” and we may very well be seeing this verse in action right now. **The root issue in America is the cost of care and the lack of income to pay for it.** Without recognition of that root issue, there is **NO** viable solution. Neither the House or Senate **addressed** the root issue. So we are **ALL** wasting a lot of energy, emotion and American money on **NOTHING** productive or in the interest of the American citizens. Why?.....

For example, twenty years ago a 50 year old could get their annual physical for \$50 (low) to \$500 (high.)

This included: Blood test, Urine analysis, X-Ray and Lab tests

Today, the cost for that same 50 year old is \$500 (low) to \$15,000 (high)

This includes: Blood test, Urine analysis, Chest X-Ray, Lab tests, Glaucoma, Thyroid/TSH

Women: Bone density, Mammogram, PAP

Men: PSA, Rectal Exam/DRE

From the doctor and providers perspective, they feel without TORT reform they are forced to be proactive in ordering the extra tests that twenty years ago were not necessary for fear of being sued if they missed something. I spoke with an MD upon my return from Washinton who confirmed this and a Podiatrist who said that in his field, they will not accept a client without insurance. This is because if they remove an ingrown nail that gets infected and the client does not come back since they do not have insurance, that the practice fears the client will sue them for the cost of care to treat the infections which could be thousands of dollars.

Two things are necessary: 1.)TORT Reform (stop suits) 2.)Control the cost of care. They work hand in hand

It is really simple. Both can be summed up with less litigation and more truth and ownership.

Since we now have the first fruits of a Socialized America, I’ve decided to add a Legislative update to my website found at [www.msamentoring.com](http://www.msamentoring.com) so you can be proactive to your plans during implementation. You can find a simple timeline chart to spell out the basics of the new Socialized Systems and how or if they affect or benefit you. Unfortunately I noticed the only thing that seems consistent immediately, to me is the cost and in addition our tax dollars are paying for litigation costs to see if one side will work with the other, it seems preposterous to say this is what is good for us “Americans”. Stay tuned to [www.msamentoring.com](http://www.msamentoring.com).

Respectfully submitted,

*Michele*

**May is Disability Awareness month**  
**MSA "Spotlights" DISABILITY INSURANCE**

**Why People DO NOT Buy Disability Insurance**

They don't think they will use it.  
They don't understand it  
They don't think they can afford it  
They forget the impact of an accident

**YOUR Funding Alternatives**

**Cash:** How long will your savings last?  
Was it intended for another purpose?

**Borrow:** Would a bank consider a person with a disability a good loan prospect?  
How long could family & friends help?

**Employer:** Does your employer have a sick pay plan? When does it kick-in? How long does it last?

**Workers Comp:** Some limited benefits if hurt on the job. What about majority of illnesses, accidents & injuries that occur away from & off your job?

**Social Security:** Very limited benefits, very difficult to qualify for, must wait 5 months at least, toughest definition of disability

**Other Insurance:** Health insurance and long term care insurance typically pay providers for medical bills, not you for your living expenses & your bills

OR

**DISABILITY INCOME INSURANCE**  
**Immediate, fully funded plan to pay**  
**your bills as you recover**

**YOUR Financial snapshot**

|   |   |
|---|---|
| <p><b><u>Today: Healthy</u></b></p> <p>Gross Income: \$ _____</p> <p>Mortgage: \$ _____</p> <p>Alimony: \$ _____</p> <p>Utilities \$ _____</p> <p>Food: \$ _____</p> <p>Phones \$ _____</p> <p>Insurance \$ _____</p> <p>Car Payment \$ _____</p> <p>Child Care: \$ _____</p> <p>Entertainment: \$ _____</p> <p>Cable \$ _____</p> <p>Other: \$ _____</p> <p>TOTAL EXPENSES:<br/>\$ _____</p> | <p><b><u>If Tomorrow your Income Stops</u></b></p> <p>Gross Income= \$0</p> <p>TOTAL EXPENSES<br/>\$ _____</p> <div style="text-align: center; margin-top: 20px;">  </div> |
|---|---|

**Most Disability Policies Cover:**

Partial, Total and Residual Disability, and Automatic Increases  
other options may include:  
additional catastrophic coverage, future increase  
Options, social insurance rider and more

6513 14th Street West # 139  
Bradenton, FL 34207  
www.msamentoring.com



## IMPORTANT NEWSLETTER NOTICE

Effective next quarter, MSA will be mailing a shortened version of our newsletter. You will be able to see the newsletter in it's entirety from the new MSA Website at [www.msamentoring.com](http://www.msamentoring.com).



If you would like to receive the quarterly newsletter via e-mail, please call the office at 941-753-0031 and update your contact information.