

IN THIS ISSUE...

Securing Your Financial Life
A Budget Is Your Savings Plan's
Best Friend
Financial Conversations Before Marriage
Talking to Your Family about
Your Estate Plan
Financial Data
News and Announcements



RB CAPITAL MANAGEMENT, LLC

986 W. Alluvial, Suite 101
Fresno, CA 93711
(559) 432-6100
(559) 432-6110 Fax
rob@rbcapitalmanagement.com
www.rbcapitalmanagement.com



Rob Ballan
Portfolio Manager

THE BULLDOG BULLETIN 2ND QUARTER 2014

SECURING YOUR FINANCIAL LIFE

While there might not be much we can do on an individual level to reduce crime, war, or even stock market corrections, we can take all appropriate steps to mitigate the risks under our control. If you're looking for ways to increase your financial security, consider the following tips:

○ **GET YOUR ESTATE IN ORDER.** While dealing with your own mortality is often difficult, it is one of the most important things you can do to ensure your family can survive financially in the event of your death. Make sure your will re-

flects your current desires for the disposition of your assets and names a guardian for your minor children. You should also consider a durable power of attorney, which designates someone to control your financial affairs if you become incapacitated, and a health care proxy, which delegates health care decisions when you are unable to make them.

○ **REVIEW YOUR PORTFOLIO.** If you're saving for goals that are decades away, stocks probably should continue to hold a major position in your portfolio. The

lesson we should learn from recent stock market fluctuations is that our portfolios should be diversified. A properly diversified portfolio will help protect its value during market declines, while still offering higher return potential.

○ **TAKE ANOTHER LOOK AT YOUR LIFE INSURANCE.** You need to purchase an appropriate amount of insurance to protect your family in the event of your death. The amount needed will depend on your current net worth, the lifestyle you want to provide for your family, and your personal circumstances and desires. Since your insurance needs will change over time, assess your insurance coverage periodically, especially after major events in your life.

○ **OBTAIN SUFFICIENT DISABILITY INCOME INSURANCE.** You should consider disability income insurance if your current assets won't support you until age 65. Many companies provide short-term disability insurance, which covers 100% of your salary for three to six months. Long-term disability insurance is typically less common and less generous.

A BUDGET IS YOUR SAVINGS PLAN'S BEST FRIEND

Your budget holds your savings plan together and is the key to maintaining healthy savings. A budget also shows you where your money is going every month so that you can ensure you are bringing in more than is going out and saving enough to meet your goals.

4 STEPS TO CREATING A BUDGET AND STICKING TO IT

1. **TRACK WHERE YOUR MONEY GOES**
— If you don't know already, it may take three to four months for

you to get a really good idea of where you spend money and how much you spend. You can track your expenses using your bank statements, receipts, or logging it into a journal or smartphone app. Add up the total for each month and then average it out. For example, if you spent \$200 on groceries one month, \$300 the next, and \$250 the next, your average would be about \$250 a month. That gives you a good base to start building a budget you can stick to.

CONTINUED ON PAGE 3

CONTINUED ON PAGE 2

Copyright © Integrated Concepts 2014. Some articles in this newsletter were prepared by Integrated Concepts, a separate, nonaffiliated business entity. This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. The appropriate professional advisers should be consulted before implementing any options presented. No party assumes liability for any loss or damage resulting from errors or omissions or reliance on or use of this material.

SECURING YOUR

CONTINUED FROM PAGE 1

Thus, even if you have long-term disability insurance at work, you may want to obtain additional coverage. Your available resources and disability benefits should equal at least 60% of your pretax salary.

- **MAKE SURE YOU HAVE AN EMERGENCY CASH RESERVE.** Consider setting aside at least three to six months of living expenses, although the exact amount will depend on your age, health, job outlook, and borrowing capacity. This can help tide you over in case of a job layoff, short-term disability, or large, unexpected expenditure.
- **CONSIDER LONG-TERM-CARE INSURANCE.** This coverage may be especially important for women, who tend to outlive their husbands. You should probably purchase the insurance while you are in your 50s or 60s. After that, the premiums get much more expensive. Also, if you develop a serious health condition, you may not be able to purchase the insurance.
- **PROTECT YOUR FINANCIAL IDENTITY.** While you typically won't have to pay for anything charged by an identity thief, you will have to work to restore your credit and to ensure all fraudulent accounts are closed. That can be time consuming as well as expensive. To help protect your financial identity, only give out your Social Security number when it is required, shred financial documents, cut up old credit cards, and review your credit reports periodically.
- **KEEP YOUR HOMEOWNERS INSURANCE UP TO DATE.** Review your homeowners policy carefully so you understand what would happen if your home was totally destroyed. It is your responsibility to make sure you have adequate policy limits, so inform your insurance company when you make major improvements, get an infla-

FINANCIAL CONVERSATIONS BEFORE MARRIAGE

Money is one of the leading causes of divorce in America. Having a conversation about money — not just about how much you have, but about how you value it — is indeed a key to a long, happy union.

It's important to know about and work through money issues before you tie the knot. So as you sit down to have the money conversation with your future spouse, be open and honest. It's not about who's a spendthrift and who's a penny pincher; it's about seeing if you can work those differences out.

5 KEY ITEMS TO COVER IN THE TALK

1. GOALS — Goal setting offers you a point of measurement to keep your financial plan on track; goals define where you are heading. So if your spouse has very different goals than you do, you'll end up heading in different directions. Share with each other the financial goals you currently have set. Talk about the financial goals you envision setting once you're married.

2. BUDGET — Show each other your current budgets. You'll get a view into each other's philosophies about earning and spending, as well as an idea of where you both stand financially. Talk about how you'll combine your incomes and your expenses into a single household budget. Take the opportunity to draft a budget that you can both

feel comfortable living by.

3. DEBT — Look at each other's credit reports to see not only how much debt the other person has (and what kinds of debt it is), but also to see how responsible the other has been to date in paying down that debt. Just as you did with the budget, take each person's debts and combine them, then make a plan for paying it off.

4. SAVINGS — Savings is one of the linchpins in a sound financial plan. So ask your future spouse about his/her savings. Does he/she have three to six months of living expenses tucked away in an easily accessible rainy day fund? Is he/she saving for any particular future goal — like a special trip or a new car? How much has he/she already saved for retirement? Combine your incomes and your expenses and determine how much you as a couple will likely need for retirement; then make a plan for how you'll save accordingly.

5. THE BIG DAY — Traditionally, the bride's parents footed the bill, but it is increasingly common for the bride and groom together to pay for some or all of their own wedding. If that's the case for you, think about the value of a big, fancy wedding, and think about the other ways you could use that money. Come to a mutual consensus about a realistic budget for your wedding and stick to it, just as you do your day-to-day budget. ○○○

tion rider for your policy, and make sure your policy covers the total cost of rebuilding your home.

- **PROTECT YOUR HOME.** Obtain a good security system for your home. Make sure all doors are metal or solid wood with dead-bolt locks, use bars or locks to secure sliding glass doors, and keep all entrances well lit.

- **PROPERLY STORE IMPORTANT DOCUMENTS.** Documents that you might need when the bank is closed, such as passports, birth certificates, wills, or insurance policies, can be kept in a fireproof home safe. Other documents, such as deeds, stock certificates, and titles, should be kept in a safe deposit box in a bank.

Please call if you'd like to review these tips in more detail. ○○○

A BUDGET

CONTINUED FROM PAGE 1

2. PUT YOUR BUDGET ON PAPER —

Once you've tracked your expenses, use a spreadsheet or online/mobile application to put your budget on paper. In the expenses column, include all expenses: groceries, gas, housing, clothing, entertainment, gifts, and so on. If you spent money on it, it should be in your budget. In another column, input your income. If you have a salary, you can input how much you receive each paycheck; but if your income varies, you can use the average of the last three months. Subtract your expenses from your income to see how much money you have left every month. If you have a negative number, you know you need to make some changes in your budget. If you have a positive number, that can be the amount of money you save each month.

3. KEEP LOOKING FOR WAYS TO INCREASE YOUR SAVINGS —

Almost all expenditure categories offer potential for savings. With essential expenses with fixed amounts, such as your mortgage, taxes, and insurance, you may be able to refinance your mortgage, find strategies to help reduce taxes, or comparison shop your insurance to reduce premiums. Essential expenses that vary in amount, such as food, medical care, and utilities, can usually be reduced by altering your spending or living habits. For instance, you can actively shop for food with coupons, exercise to get in better health, or use energy-



TALKING TO YOUR FAMILY ABOUT YOUR ESTATE PLAN

In many families, finances and estate talks are taboo. Other families laugh and make jokes like, "Well, guess who just lost their inheritance!" No matter what kind of family dynamics exist in your life, talking about what will happen after a person dies can be a painful and scary discussion, but a necessary one. It's important to talk with your loved ones about what you want, what they want, and what is laid out in your will.

○ **KEEP IT LIGHT** — Keeping the conversation light but to the point can help keep the conversation on track and productive. There may also be tensions that arise through the process — maybe multiple people want the same thing, or someone gets offended by how you've decided to split your money. You might consider having conversations with people individually to avoid upset.

○ **TALK OPENLY AND HONESTLY** — A decision you have made may hurt someone's feelings, or there may be things you don't want to tell people about, but it is crucial to be open and honest with your beneficiaries. If you have children from more than one marriage, being open and honest with all of them is especially crucial.

saving light bulbs through your house. Discretionary expenses, such as entertainment, dining out, clothing, travel, and charitable contributions, typically offer the most potential for spending reductions. Dining out four times a week? Reduce it to two, go to less expensive restaurants, and save the difference.

4. **REEVALUATE** — It is critical to reevaluate your budget after the first few months to ensure that it

○ **DISCUSS VALUES, NOT JUST VALUABLES** — When you die, how do you want people to remember you? What parts of you do you want to live on? This may include traditions, values, family names, rituals, religious beliefs, and so on. This is an important matter to bring up during this discussion with your family. Think back on times that have meant a great deal to your family or traditions that have brought you great joy. Maybe it's very important to you to have your grandmother's name passed on from generation to generation. Talk about these things with your family to share how you feel and to see how they feel.

○ **HAVE A PROFESSIONAL PRESENT** — Having your estate planner present can be very helpful and, in some cases, necessary. In many cases, a professional has a better understanding of how estate planning works and can assist by answering any questions your loved ones may have. You might have a family-only conversation first and then a second conversation with your family and the estate planning professional. ○○○

fits your needs and goals. If you find that you are continuously spending more money than budgeted for necessities such as gas, groceries, or school supplies, adjust your budget. Once you get past the first few months with a new budget, reevaluate every six months or as needed. Anytime your income changes, adjust your budget. Anytime you add or get rid of an expense, adjust your budget. ○○○

FINANCIAL DATA

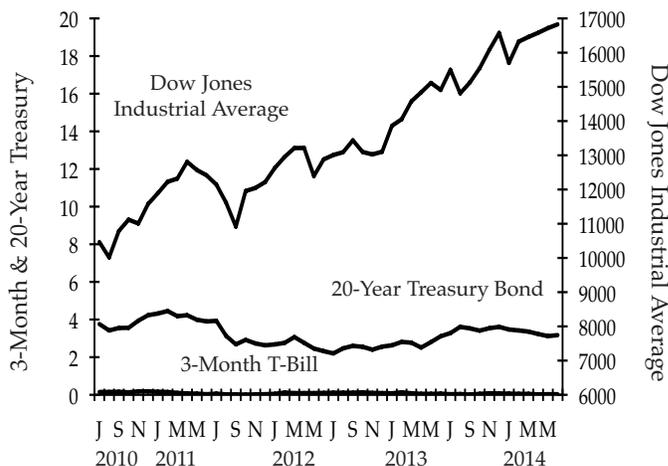
Indicator	Month-end				
	Apr-14	May-14	Jun-14	Dec-13	Jun-13
Prime rate	3.25	3.25	3.25	3.25	3.25
Money market rate	0.41	0.40	0.43	0.43	0.45
3-month T-bill yield	0.02	0.03	0.03	0.07	0.06
20-year T-bond yield	3.23	3.12	3.17	3.61	3.11
Dow Jones Corp.	2.88	2.69	2.71	3.11	3.18
30-year fixed mortgage	3.90	3.71	3.71	4.21	3.87
GDP (adj. annual rate)#	+4.10	+2.60	-2.90	+2.60	+1.10

Indicator	Month-end			% Change	
	Apr-14	May-14	Jun-14	YTD	12 Mon.
Dow Jones Industrials	16580.84	16717.17	16826.60	1.5%	12.9%
Standard & Poor's 500	1883.95	1923.57	1960.23	6.1%	22.0%
Nasdaq Composite	4114.56	4242.62	4408.18	5.5%	29.5%
Gold	1288.50	1250.50	1315.00	9.4%	10.3%
Consumer price index@	236.30	237.10	237.90	2.1%	2.1%
Unemployment rate@	6.70	6.30	6.30	-10.0%	-17.1%
Index of leading ind.@	101.00	101.20	101.70	3.5%	6.7%

— 3rd, 4th, 1st quarter @ — Mar, Apr, May Sources: *Barron's*, *Wall Street Journal*

4-YEAR SUMMARY OF DOW JONES INDUSTRIAL AVERAGE, 3-MONTH T-BILL & 20-YEAR TREASURY BOND YIELD

JULY 2010 TO JUNE 2014



Past performance is not a guarantee of future results.

NEWS AND ANNOUNCEMENTS

50 OR OLDER? DON'T FORGET ABOUT CATCH-UP CONTRIBUTIONS

If you're 50 years or older, make sure you take advantage of the catch-up options for contributions to IRAs, 401(k)s, and other tax-advantaged, defined-contribution retirement plans.

For IRAs — both traditional and Roth — you can contribute an extra \$1,000 a year beyond the standard limit of \$5,500. But for workplace qualified plans, the catch-up provisions are even more generous. For 401(k) plans, the catch-up allowance is \$5,500 — raising the total limit for the older age group to \$23,000 in 2014.

You can do even better if you take advantage of the catch-up provisions in both an IRA *and* a workplace plan. If you're 50 and work until you're 70 (at which time your Social Security benefits reach their maximum), contributing the maximum in an IRA and a 401(k) at a steady 7% annual return could add more than \$265,000 to your

nest egg.

Where do you find the money to contribute these extra amounts? That's an entirely different subject, but you can start by reducing the luxuries in your lifestyle: dining out less frequently, buying a cheaper car, taking less-extravagant vacations, canceling some subscriptions, cutting back on the premium cable TV channels, or using a cheaper data plan for your cell phone. You could also consider refinancing your mortgage (rates are at historical lows), making your home more energy efficient, and ensuring you take advantage of every tax break you can find on your tax return.

A combination of smarter investing, working a bit longer, and raising your retirement plan contributions may go a long way to creating a brighter outlook. If you're not sure how to put the right action plan together, please call to discuss. ○○○

FR2014-0210-0145

GRANTLAND®

