

# THE MAIN ADVISORY

Second Quarter 2016

*Piecing It All Together*

*www.MainAdvisory.com*

## Our 2016 Mission

**A**top our 2016 To-Do list sits the goal of insuring that everyone has up-to-date estate documents. My family completed an overhaul of wills, trusts, powers of attorney and living wills a couple years ago. Despite being relatively new, we recently dug them out for a review. Laws change and our lives change. It is important to be confident that the distributions and named executors/trustees remain relevant.

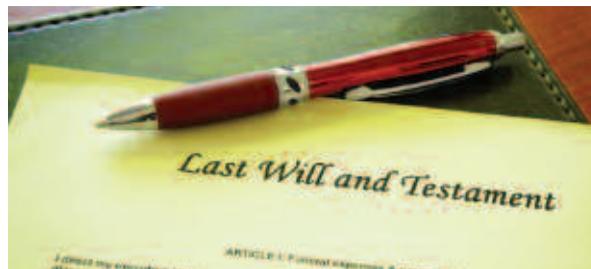
Laws related to estates have changed four times since 2003. Documents prepared prior to 2003 surely warrant a fresh look. Unfortunately, I've had experience over the years with inappropriate or outdated documents that are not discovered until the death of a family member or client. The lack of detail and direction often causes exceedingly more expense when settling the estate than the cost of crafting the document well from the outset and keeping it current.

Not only is it important to understand Federal estate laws, exemptions and taxes, but 20 states have their own set of rules. Many times the state exemptions fall well below the federal limits. Pennsylvania is one such state. I've often joked that Pennsylvania is a great state to retire to, but an expensive state for which to die. New Jersey has both an estate tax and an inheritance tax. For our Georgia readers, there are no state death taxes.

There is always a possibility of becoming physically or mentally unable to handle important affairs. So, it is critical to empower a trustworthy individual(s) to make financial and healthcare decisions on your behalf. The legal instrument permitting this authority is known as a Power of Attorney. We've assisted clients with the use of a Power of Attorney in many instances and often comment on what a relief it is to have the document in a time of heightened need.

In addition to updating wills, it is important to update the beneficiary designations on IRAs, 401ks, pensions, and life insurance. We are also embarking on preparing a "beneficiary audit" for each IRA account we oversee because minor children may not be "minors" any longer, family dynamics may have changed, and/or designees may have passed away, etc.

Next, double check the ownership titling for property deeds and automobiles. Joint ownership with a spouse typically makes a transfer of the assets smoother and may help avoid probate.



There is nothing more frustrating than not being able to locate a will upon the death of a loved one. Believe me, I've been involved in the search in the past and it is not a pleasant experience. Without a will, the estate cannot be properly

opened and the bills can mount quickly. Make copies of wills, trusts, real estate deeds, insurance policies, investment accounts and keep them in a safe place. Moreover, inform a spouse, or executor of your estate, where they are stored along with the location of the original will.

Communicate your wishes regarding your final arrangements and the charities that mean the most to you should you wish to leave legacy gifts. Be specific. Upon reviewing a will not so long ago, I came across language to the tune of "upon the death of the last beneficiary, the trustee may distribute the residual corpus of the trust to charities the grantor would have supported during his/her lifetime." Without specificity, a trustee may have reservations about making the gifts and the possibility of being challenged for the decision.

*Communicate your wishes regarding your final arrangements*

*(Continued on page 2) >>>*

**Assembling your financial puzzle one piece at a time.**

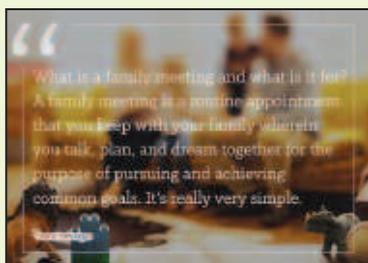
## Our 2016 Mission *(continued from Front Cover)*

Organize your financial affairs in such a way that will make it easy for a spouse or heirs to locate contact phone numbers and addresses to close accounts or suspend benefits. Find a secure location, even a password protected online vault, fireproof home safe to store the information. Here is a short list of suggested documents to store:

- Quarterly and annual investment statements.
- Healthcare Benefit Information
- Life Insurance Information
- Beneficiary designation forms or names of professionals who may also be retaining copies
- A copy of your Social Security Card, birth certificate, marriage license, divorce papers, military discharge papers (very important since a surviving spouse may be entitled to some benefits.)

### *Organize your financial affairs*

- Pension or retirement account information and contact persons
- Homeowners policy and mortgages
- At least the prior year's tax return—2-3 years is preferable
- A detailed list of passwords and access to all online banking. The executor needs immediate access to determine what bills are being paid via auto-draft, etc. VERY CRITICAL in today's age of mobile and online banking.
- List of Digital Assets such as iTunes accounts, all social media pages, and photo libraries. Make sure the corresponding passwords are included.



A summer family vacation provides a good opportunity to share these ideas with family members. Having properly drafted documents isn't isolated to the mature or elderly. Those young high school graduates heading off to college should have a Healthcare Power of Attorney in place before leaving home in the event there is an illness or hospitalization while away at college. Without this document the medical professionals are reluctant to release information, even to parents.

My role as a financial advisor is to look out for the wellbeing of our clients from soup to nuts. We've developed rela-



*Darla D. Main, CFP®*

*President and CEO  
of Main Advisory, Inc.*

tionships with attorneys who can assist with the reviews and drafting of new, or updated, documents across the U.S. if you don't have an established relationship. We are here to help in this area and we'll likely be prodding in the upcoming months to obtain copies of your estate documents for our files. ■

## An Informative Tool for College Shoppers



Searching for the right college is a difficult task. Many parents have expressed the overwhelming task of sorting through the features and benefits of a multitude of options before them. Even after the decision is made to accept an offer, a good dose of "second guessing" often occurs.

The pricetag of a college education is expensive and mistakes can add up in costs beyond what was originally budgeted. Publications are filled with articles about the debt burden being carried by college graduates. Bernie Sanders, the 2016 Presidential candidate, has struck a chord with college age citizens with his acknowledgement that college is expensive and debt without jobs is a severe problem in the U.S.

The website <http://collegecompletionchronicle.com> contains statistics on approximately 3800 colleges and universities about graduation rates within a four or six year time frame. By drilling down on a specific state or school, you can find information as to the median SAT/ACT scores of students accepted, average student aid per undergraduate, faculty/student ratios, and much more. The site allows for comparisons between institutions. A bit of extra research could save a few thousand dollars.

## DEBT ...



I recently obtained these statistics about global debt from Tony Sagami, a writer for Mauldin Economics that are not only mind blowing but provide food for thought. Maybe, I should say inspire questions and contemplation.



Tony began by defining a Trillion Dollars in this manner. Assuming annual income is \$40,000, it would take:

*25 years to make \$1 Million*  
*25,000 years to make \$1 Billion*  
*25,000,000 years to make \$1 Trillion*

- Credit card debt in America will hit \$1 Trillion in 2016.
- American's added \$71 Billion of new debt in 2015
- The highest credit card debt resides with middle aged Americans. The average 45- to 54-year-old American owes \$9,000. This is 50% higher than the Millennials.
- In April 2016 total outstanding consumer credit, a measure of non-mortgage debt, increased by \$13.4 billion to \$3.6 trillion.
- Student-loan lending by the government now

stands at \$1.26 trillion as of April.

- Automobile loan balances popped across the \$1 Trillion threshold in the first quarter of 2016.

Trillions and Trillions of debt. Credit card interest rates averaging 15.19% per Creditcard.com. Interest on one year certificate of deposits is approximately 1.9%. What pops into your mind?

*"When you get in debt you become a slave."*  
-Andrew Jackson

*"Never spend your money before you have it."*  
-Thomas Jefferson

*"It is the debtor that is ruined by hard times."*  
-Rutherford B. Hayes

## Pittsburgh Penguins Bring Home Their Fourth Stanley Cup

I doubt there is a city in the world with more infatuation with their favorite sports teams than Pittsburgh. It seems you can find a Pirate baseball fan, Steeler football fan or a Penguin hockey fan in any town, airport or highway rest stop in the U.S. and abroad. A few years ago, I walked into a restaurant in Rome to immediately discover a framed Pittsburgh Steeler jersey hanging prominently on the wall. On another occasion, a gentleman passed by our table in Assisi wearing a Pirate cap. We struck up a conversation and discovered he lived near us and taught Italian at the local community college. Pittsburgh fans are loyal to the core.

### 2016 Victory



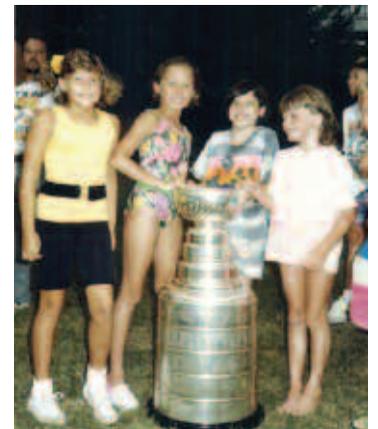
On June 8th, the Penguins won the matchup against the Sharks to bring home the Stanley Cup for the 4th time. Wearing black and gold sports attire at work was totally acceptable during the playoffs. The mayor and city officials organized a celebration parade with over 400,000 in attendance. The excitement was contagious.

The first Penguin Stanley Cup victory was in 1991. One of the assistant coaches to the team lived a few houses from us and was "keeper of the cup". The arrival of the cup drew the children in the photo (one being my oldest) out of the swimming pool for an opportunity to touch the cup. The only thing missing that evening was fireworks.

The Pens won the Stanley Cup again in 1992, 2009 and now 2016. Regardless of whether they win or lose, the fans are unswerving in their devotion. Perhaps, this is one of the reasons Pittsburgh often gets nominated as one of the best cities in the U.S. to live and raise a family.

Now, let's go Bucs.....

### 1991 Stanley Cup



# STAFF NEWS

## Darla Main - President, Main Advisory, Inc.



Summers are filled with birthday celebrations in our family. My husband, Glenn, is first on the list. He and I attempt to let them quietly pass, but to no avail. Then, it's Rebecca, Brian, Elliot, Mason, Mac, Emily and Micah, all between June 5th and September 11th. Oh, and there are four anniversaries, too.

Elliot and Mason turn three in July. Elliot wants a cake with a firetruck rescuing a cat in a tree. We are still trying to figure out where he got the idea. Mason is having a bowling party, complete with pizza and a surprise birthday cake. Mac will turn five in August and he has requested an Oreo cookie cake. We'll gather around while Micah enjoys his first "smash cake". He loves to eat, so I'm guessing he won't share his cake, so his momma will have to buy two.

I will be investing in wrapping paper and weight loss programs for the remainder of the summer. But, it is all worth it. These are the moments that make precious memories.

## Nancy Diel - Client Services



Now that summer has officially started, I am hoping I can get some relaxation time in; which means my kids need to slow down on their activities. Jake, a senior, is still deciding on which colleges to visit this summer. He also, needs to figure out what he wants to study. Abby goes to Nationals with her gymnastic team in Pigeon Forge, TN at the end of June. We are planning a day in Dollywood and a Dixie Stampede! Later, Abby will be

volunteering with our church as a helper for vacation bible school.

Every 4th of July we join my parents, and my sister and her family, at my parent's condo in Marco Island, FL. My husband and I will celebrate our 20th wedding anniversary while in Marco Island. I am looking forward to family time, putting my feet in the sand with a good book in hand! I just finished John O'Leary's book, On Fire. What a wonderful inspirational book. I highly recommend reading it.

## THERE'S AN APP FOR THAT!



**V**iber is my lifesaver when traveling. Viber is a mobile application that allows you to make phone calls and send text messages to all other Viber users for free! Once you and your friends install Viber, you can use it to talk and message as much as you want. Talk, message, and talk and message some more - for free! Viber works on most Android, iPhone, Windows Phone, Nokia and Bada devices, and is also available for Mac and Windows.

I have called the U.S. from locations as far removed as Petra, Jordan and near the sea of Galilea in Israel and calls are as clear as if I phoned next door. Viber offers what is known as "Viber-Out" whereby you can buy credits very cheaply that will allow you calls to landlines

or mobile phones of non Viber users.



Once the Viber app is downloaded and registered to your phone or device, your contacts that also use the Viber app will automatically be highlighted. Notifications will be sent as you continue to invite a wider circle of friends.

Having the Viber app has saved me from the most laborious and frustrating task of working with the various mobile phone providers to add international calling features to our plan. I totally endorse this app. Try it, you won't be disappointed. ■