

# Wise Money Newsletter

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HELPING YOU NAVIGATE THE ROAD TO AND THROUGH RETIREMENT



## 4 Dumb Money Mistakes & How to Avoid Them!

When it comes to managing money, we all know what we *should* do and what we *shouldn't* do! However sometimes we make mistakes, and sometimes those mistakes have a cost to them. Listed below are some common money mistakes that can cost you big!

**Paying your bills late.** A lot of people make the dumb mistake of paying a bill or bills late, not because they don't have the money, they just forget, time gets the better of them. This mistake can have steep costs, late fees, penalties, etc... The worst part is it is completely avoidable. The easy fix to this is set reminders on your computer, cell phone or on a calendar. Did you know that if you pay your credit card or other bills late consistently they will raise your interest rates and then can raise any credit based service fees!

**Bounce a check.** Never write a check that will bounce or try to float a check! Never write a check for an amount of money that you know you don't have in your bank account. This is common sense. This mistake can cost you big time. The average return check fees are \$35.00 per transaction. So for example, you have a \$100.00 in your account. You have 2 \$25 debit transactions, and \$100 check written. If that check hits first, your account now goes to 0 and when those debit transactions go through, you're in the hole for around \$120.00. Those 2 bounced transactions cost you \$70.00. ...*Continued on top of page 2*

## 4 Reasons, Everyone Should Have Life Insurance!

With a large majority of Americans believing that it's important to provide for their families after they are gone, why are so many Americans dropping or reducing their life insurance coverage. Especially, when experts say that most people with life insurance may not have enough coverage for their families to avoid financial hardship, if they were to die unexpectedly.<sup>2</sup>

Let's say your children are grown and/or you have substantial assets. Should life insurance still play a role in your overall financial picture?

The primary reason to own life insurance is to cover expenses that would otherwise fall onto dependents that may not have the means to pay them. This might paint a picture in your mind of a young widow who needs money to raise small children. But don't let this traditional definition blind you to the bigger picture.

Here are a few reasons to consider keeping or getting life insurance....

### Retirement Income

A spouse who is suddenly faced with a smaller income may be tempted to cut back on retirement contributions. Proceeds from a life insurance policy can help ensure that a surviving spouse has money for retirement.

....*Continued on bottom of page 2*

JUNE 2013

Join Me

Saturday's From 7:30  
AM – 8:00 AM



Special guest interviews every week! Get all the latest information on retirement and how to make sure you stay that way!

### Interesting Facts

Michael Jordan makes more money from Nike annually than all of the Nike factory workers in Malaysia combined.

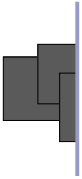
The first baseball caps were made of straw.

Tug of War was an Olympic event between 1900 and 1920.

The king of hearts is the only king without a moustache on a standard playing card!

The state sport of Maryland is Jousting.

Pittsburgh is the only city where all major sports teams have the same colors: Black and gold.



*Are You Positioned To Capture The Stock Market Coming Upturn?  
 ...With Safety & Guarantees? Call now for your **FREE** report  
 ‘Retirement Survival in a Today’s Volatile Market’*

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**Join Me for an  
 Educational Discussion  
 and Free Dinner!**



*Has your retirement  
 plan changed to meet  
 the times?*

Planning for retirement today is much different than it was even 5 or 10 years ago. The stock market rises and plummets in reaction to events a half a world away. People are living longer than ever, meaning their money needs to last longer. Record government deficits and record government spending will almost certainly lead to higher taxes and inflation. **Many retirement plans are simply no longer suitable for today’s volatile economic conditions.** Find out why!

**RSVP Required  
 800.696.8083  
 Don’t Miss This One**

\*\*Current clients welcome to attend with the company of a qualified guest\*\*

**4 Dumb Money Mistakes & How to Avoid Them!**

How to avoid this: 1. Don't write checks for more than you have in your account. 2. Sign up for overdraft protection. If you do withdraw more money than you have in your account, the overdraft amount will be automatically added to your credit card or taken from your savings account.

**Credit Card balances.** This all too common mistake affects a majority of the population. Many people believe that carrying a balance on your credit card is good for your credit. The truth is, carrying a balance not only doesn't improve your credit score, but in some cases, it could lower it. The best way to manage your credit cards is to pay off your balance in full each month, if you can. If you can't, be sure to pay more than the minimum so that you're not paying outrageous interest fees. How to avoid this... **STOP USING CREDIT CARDS!**

**Not save.** It's extremely important to have an emergency fund ready to go when you need it. I'm not saying you should have thousands and thousands of dollars. Life happens and sometimes, saving that much just isn't possible. But putting away just a small amount each month could add up to more than \$1,000 over the course of the year. And in the event of an emergency, you'll be happy you have it.

**4 Reasons, Everyone Should Have Life Insurance!**

**Education (Children and Grandchildren)**

One consequence of losing an income earner is the possibility that their children may not be able to afford college. Life insurance can also be helpful in cases where grandparents had hoped to help pay college costs

**Estate Taxes**

Given the uncertainty surrounding the future of the federal estate tax, we expect that some form of taxation will be in place. Life insurance proceeds can be used to help pay any estate taxes and probate costs.

**A Final Gift**

Life insurance proceeds represent a great opportunity to make a significant charitable contribution or leave an inheritance for loved ones.

As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications.

Before you take any specific action, be sure to consult with your tax professional or give us a call 801.892.HELP!

*“I detest life-insurance agents; they always argue that I shall someday die, which is not so” -Stephen Leacock*