

October 2018

Volume 7, Issue 10

# “If I Had A Crystal Ball...”

## Ah, yes....

The soon-to-be released documentary, “The Power of Zero,” chronicles the plight of the US economy in the coming months and years. A handful of us in the financial services industry were granted the unique opportunity to preview the 75 minute film, which will debut nationally in November in select markets. This is as close as I can get, to having a crystal ball.

I have always been “the glass is half full” type of individual, but this movie shocked and jolted every fiber in my body. It is riveting, sobering, and downright scary. What we have been discussing for years, may soon be upon us. As spending outpaces revenue by more than a trillion dollars ANNUALLY, the day of reckoning MUST come. Our kids and our grandkids stand to suffer the most, from an out-of-control government that refuses to put the brakes on unsustainable spending.

So what does all of this mean to YOU, our friends and clients?? TAXES ARE ON SALE...THEY ARE AT HISTORICALLY LOW RATES. Taxes MUST go up in the future, so paying the tax due TODAY, is our best advice. Re-consider how much you are “postponing” in qualified plans. Take a second look (maybe a first for many of you) at WHOLE LIFE INSURANCE, and ROTH accounts. The time to act is NOW.

Below is a link to “The Power of Zero” movie trailer. Buckle your seatbelts!!

<https://vimeo.com/284130572>

Your Team at Moore Financial Strategies  
October 2018

6711 E Camino Principal  
Tucson AZ 85715  
(520) 296-4464  
mark@moorefs.com

*“Providing the information you need to make informed financial decisions – none of my clients have ever lost a dime with my Safe Money Strategies!”*

Find us on the Web:  
[www.moorefs.com](http://www.moorefs.com)



Did you know?

*“In New York a bagel is not taxed if it's purchase whole...but has an 8% tax if it's sliced or served with a topping. But either whole or sliced is taxed if eaten on premises.”*

There's a rising tide flooding the American landscape.

Will YOUR hard-earned retirement savings be underwater?

# EXPERIENCE the POWER of ZERO



## One of the Most Pressing Problems in Retirement

Somewhere along the way our government figured out how easy it is to make big promises to the American people in exchange for votes. In doing so they have racked up trillions of dollars in debt. And this of course occurs at all levels: federal, state and local. Many Americans cheer these career politicians on as they further erode at the long-term viability of this nation. If any of us mere mortal citizens attempted such foolishness in managing our personal finances we'd be out on the streets in no time. If any business operated under the same fiscal standards they would go bankrupt.

At some point, in theory, the governments will need to repay all of those dollars they borrowed to bribe voters. However, since government does not have a "real job" they must get the money from taxes (in general). This is one of the greatest problems facing retirees today. Tax revenues are what the government uses to fund its expenses and obligations. Expenses are just what it takes to fund the day-to-day operating activities of government. Obligations include interest on debt, promises made to citizens through programs like Social Security, Medicare, and the Affordable Care Act.

Empirically, we are currently at a period of historically low tax rates. This suggests that in order for the government to meet its obligations in the future, it will be forced to raise tax rates.

*"This suggests that in order for the government to meet its obligations in the future, it will be forced to raise tax rates"*

### National Institute for Health:

*"Staying cognitively active throughout life—via social engagement or intellectual stimulation—is associated with a lower risk of Alzheimer's disease."*



Click [HERE](#) for instructions on how to play Sudoku!

		2				6	1
	3				4		
1			3	9		5	4
3					9		6
6		4	5	7	8		2
	5		6				1
	8	3		7	1		6
			8				7
	7	6				1	

(c) Daily Sudoku Ltd 2018. All rights reserved.

The late Milton Friedman, a free-market economist and Nobel laureate, liked to say that to spend is to tax. Meaning, the more our governments spend the more they will have to raise in taxes. At this point, it's a pretty unsustainable path that our nation is on. Career politicians will try to keep bribing voters with more goodies. No career politician wants to be honest and tell us that in order for the nation to prosper we have to cut spending. Likewise, no politician wants to be honest about raising taxes either. These principles of course apply to both political parties.

What happened in Greece and Spain is not impossible here, and if lawmakers don't start making better decisions, it is just what will beset a future Congress. Washington had plenty of time to address the gathering fiscal storm coming with the Baby Boomer's retirement. A recent Congressional Budget Office report shows things are getting worse and they will get a lot worse.

Until we the people can figure out a way to rein in our elected officials we had better do all we can to protect our assets and our families from rising taxes and a broken economy.



A Roth IRA is an individual retirement plan (a type of qualified retirement plan) that bears many similarities to the traditional IRA. The biggest distinction between the two is how they're taxed. Traditional IRA contributions are generally made with pretax dollars; you usually get a tax deduction on your contribution and pay income tax when you withdraw the money from the account during retirement. Conversely, Roth IRAs are funded with after-tax dollars; the contributions are not tax deductible, depending on your income and life situation. But when you start withdrawing funds, qualified distributions are tax free.

For those who qualify, you can also choose to change an existing qualified retirement plan, such as a 401(k) or a traditional IRA, to a Roth IRA. By doing so, you take money that is currently treated as tax-deferred and convert it into an account which grows tax-free. In order to make such a conversion, however, you must pay taxes on the amount you convert in that tax year the conversion is made. You can elect to convert some or all of an existing account.

Although there are income limits that impact the ability to make Roth IRA contributions, there are no income limits regarding Roth conversions. If you expect your tax rate to be higher in retirement than it is right now, a conversion is more likely to be the right move.

More and more companies—especially large ones—are adding Roth options to their 401(k) plans so that employees can start saving sooner in a more tax-advantaged environment. The Roth 401(k) is a workplace retirement savings account that combines the convenience of a traditional 401(k) with all the benefits of a Roth IRA. It's the best of both worlds!

There are some similarities between traditional 401(k) and Roth 401(k) options. Companies can offer a match through either, and these options also have a \$18,500 contribution limit. But that's where the similarities end.

The biggest difference between a traditional 401(k) and a Roth 401(k) is how your contributions are taxed. When you put money into a traditional 401(k), you're using pretax dollars. That means the money goes into your 401(k) before you pay taxes on it. Those taxes are then deferred until you make withdrawals from your 401(k) in retirement.

On the other hand, your contributions to a Roth 401(k) are made with after-tax dollars, meaning you invest that money in your Roth 401(k) after you pay taxes on it. It's a little more expensive on the front end, but trust me when I tell you it's worth it. Why? Because you get the benefit of tax-free growth on your contributions. So when you start withdrawing money at retirement, you won't have to pay a single penny in taxes.

### Did you know?

*"The concept of retirement income first came about in 1883 when Chancellor Otto Von Bismarck of Germany offered a pension to any nonworking citizen over age 65"*



## Make Money as an Online Mock Juror!

As attorneys prepare for trial, they often seek feedback on their case from people similar to those who may eventually sit on the jury they choose for the case. They can create a mock jury in the community where their case will be tried for that feedback, but that is very expensive. Companies offering mock juror services online allow lawyers to try out their case for much less. They typically pay \$10 to \$60 to online jurors. Most companies will only have occasional work for online jurors. Sign up for more than one online juror company to find more work. Here are 7 to check out: eJury.com, JuryTalk.com, OnlineVerdict.com, ResolutionResearch.com, SignUpDirect.com, VirtualJury.com, JuryTest.Net

## Green Tea: How Good is it Really?

For many, no drink is more synonymous with good health than green tea, the ancient Chinese beverage known for its soothing aroma and abundance of antioxidants. By some estimates, Americans drink nearly 10 billion servings of green tea each year. But a new report by an independent laboratory shows that green tea can vary widely from one cup to the next. Some bottled varieties appear to be little more than sugar water, containing little of the antioxidants that have given the beverage its good name. And some green tea leaves, particularly those from China, are contaminated with lead. Green tea leaves containing lead probably originate in China, where studies have found that industrial pollution causes the leaves in some regions to gather substantial amounts of lead. Leaves from Japan are less of a problem.

The researchers found that the majority of the lead stays with the leaves and pose little threat to consumers.

However, another form of consuming green tea is on the rise. Matcha is powdered green tea leaves. Touted for its many health benefits less publicized is the fact that when eating the matcha you are consuming the entire leaf. It's wise to make certain that the leaf being used are from sources other than China, even if the matcha is listed as organic.



Overall, there are many health benefits to green tea whether in powder or tea form. In addition to providing small amounts of vitamins and minerals, matcha is rich in antioxidants called polyphenols, which have been tied to protection against heart disease and cancer, as well as better blood sugar regulation, blood pressure reduction, and anti-aging. Another polyphenol in matcha called EGCG has been shown in research to boost metabolism, and slow or halt the growth of cancer cells. In one Swiss study, MRIs revealed that people who drank green tea had greater activity in the working-memory area of their brains. Green tea has also been shown to help block the formation of plaques that are linked to Alzheimer's disease. Green tea seems to help keep blood sugar stable in people with diabetes. Because catechins lower cholesterol and blood pressure, they can help protect against the damage a high-fat diet can cause.



*Be sure and tune in every Saturday morning or afternoon to "Smart Money Moves"*

5-6 AM - on 104.1 FM

7-8 AM - on 790 KNST AM

12-1 PM - on 104.1 FM (also now 3-4PM!)

[www.1041kqth.com](http://www.1041kqth.com)

[www.790KNST.com](http://www.790KNST.com)

[www.1041kqth.com](http://www.1041kqth.com)



## Limited Time Only

 **3.60%<sup>1</sup> Interest Rate**

For a limited time, **Fidelity & Guaranty Life** is increasing the initial interest rate for the **FG Guarantee-Platinum<sup>®</sup> 5**, a single premium fixed deferred annuity, to **3.60%** for new annuity contracts issued on or after **March 14, 2018**. This initial rate is subject to change at our sole discretion **at any time**. This initial rate is guaranteed for the **first 5 contract years only** and is thereafter subject to change.

**Along with this competitive initial interest rate, FG Guarantee-Platinum 5 offers:**

- Free withdrawals of all accumulated interest
- 30-day surrender charge free window after each 5-year rate guarantee period

**Contact us today for more information!**

<sup>1</sup>This initial interest rate is effective for new annuities with a minimum premium deposit of \$20,000 issued on or after March 14, 2018 for the first 5 contract years only. Thereafter, the company may declare at its sole discretion a new rate which could be lower. This initial rate is also subject to change for new contracts at our sole discretion at ANY TIME. Surrender charges and market value adjustments apply to withdrawals in excess of the accrued interest during the “guarantee periods” which are 5 years. There is a 30 day window at the end of each 5 year guarantee period where you may withdraw all or part of your annuity value without application of surrender charges or market value adjustment. A new guarantee period and surrender charge period will begin after the end of the previous ones. The surrender charge is 9 percent in the first year and declines by 1 percent each year for the next four years and repeats for each successive period. Annuities are long-term savings vehicles that are subject to limitations and conditions, state availability and certain suitability requirements. Please see the applicable product brochure that is available from your licensed insurance professional for details.

Annuity contracts issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA. [www.fglife.com](http://www.fglife.com). No bank guarantee. Not FDIC/NCUA/NCUSIF insured. May lose value if surrendered early. Subject to state availability.

Product form numbers: FGL SPDA-MY-F (7-04) ICC14-1095 (06-14); et al.