



CRISER | GOUGH | PARRISH

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“Working together for you.”

Criser, Gough, & Parrish

# The Advisor

Stephen M. Criser — Laura B. Parrish — Greg R. Gough

## Reduce Tax Stress Next Year

### **Organize your records.**

Once you're finished with this year's taxes, go back through and make a note of everything you're required to hand in, then set up a filing system that accounts for each category or item.

Once you've got the system set up, go through your receipts, bills, donations and so on every month and file everything away for next year's taxes

### **Make a tax plan.**

Talk to your tax preparer to see if there's anything you can do this year that will ease your tax burden next year.

### **File early.**

If you wind up owing money, it gives you a bit of breathing room to round up the cash before the payment deadline arrives.

You won't have to worry about last minute delays or forgotten records.

Filing early means that your preparer will also be far less rushed and therefore able to spend more time working with you and be more available for appointments and calls.

(Source: [www.slowdownfast.com/blog](http://www.slowdownfast.com/blog))

## Letter from Steve

It seems like 2008 is flying by yet there seems so much to do. I do want to draw your attention to a few items:

◇ Please remember that the federal mileage rate for business miles driven from July 1, 2008, through December 31, 2008, has increased to 58.5 cents per mile. With the price of gas, I wonder if this is sufficient.

◇ We are trying to improve our service by continuing to make these newsletters relevant and informative. We are also adding services and content to our website [www.crisergoughparrish.com](http://www.crisergoughparrish.com) (see page 4) and adding technology to try to stay ahead.

◇ We really want to be involved in your financial lives. Please let us help you when a problem crops up or it's time to get organized. Every person who reads this needs a will or trust, a savings and/or retirement plan, and direction in managing their finances.

Please think of us when you consider referring your friends and relatives who need financial help. Your referral means a great deal to us.

Our purpose is to have a positive and dynamic impact on the financial lives of our clients.

Thank you,

*Steve Criser, CPA*

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## Keys to Retirement Success

by **Greg Gough, ChFC**

**Abstract:** Follow some basic guidelines to improve your chances of having a comfortable retirement.

Remember the tortoise and the hare? Slow but steady works in investing too. If you want to retire with a comfortable nest egg, here are some simple rules that can get you there.

### 1. Pay Yourself First

Deciding to save regularly is a crucial first step. Sticking to a savings plan is certainly another. You're probably already participating in your company's retirement savings plan. But are you contributing to the fullest extent allowable? Remember that you could live in retirement for 25 years or more without any salary income. It could take a substantial amount of savings to carry you through for that long. If you have contributed the maximum to your qualified retirement plan, talk to your financial professional about other types of savings/investment plans.

### 2. Start Early

Compounded growth can work wonders for your savings—provided you give it time. Let's say, for example, that you begin saving \$100 a month at age 35. Compounded monthly at a hypothetical 8% per year, your savings can grow to \$149,036 by age 65. Pretty good, right? You can do better. Begin saving ten years earlier and the same \$100 a month can grow to \$349,101 – more than twice as much!<sup>1</sup>

### 3. Invest to Outpace Inflation

A common mistake is to play it too safe. Inflation could steadily erode your earnings. Historically, inflation has averaged between 3 and 5 percent over the last 90 years.<sup>2</sup> Your investments need to earn more than the inflation rate or your return will actually be going backward. At 4 percent, inflation could eat up half of your earnings over 18 years.

### 4. Diversify<sup>3</sup>

Knowledgeable investors allocate their money among different kinds of asset classes: money market funds, bonds and stocks. Within these asset classes, you may want to diversify further, for example, by investing in some stocks that have high growth potential and others that pay dividends. Your financial professional can help you determine the suitable amount to put into various asset classes, depending on your age, your risk tolerance, your time horizon and your goals. By sticking to an asset allocation plan, you limit your risk of exposure to just one asset class and can benefit from market shifts.

### 5. Invest According to Your Time Horizon

As you get closer to retirement, you have less time to recover from dips in the market. You may want to shift some assets into investments that tend to be more stable. But don't forget that you may need to live off your retirement funds for many years. Investing for some growth potential in your portfolio is usually a good idea.

### 6. Avoid Dipping Into Your Tax-Deferred Savings

You'll net less than you think because the withdrawn funds become taxable income. And in many instances you could face an additional 10% federal tax penalty if you are not yet age 59 1/2. Plus, any money you spend now is money you won't have later. And you could miss out on years of compounded earnings. If you need the money temporarily, it may be a good decision to take a plan loan (if permitted) and repay it promptly.<sup>4</sup>

### 7. Avoid Trying to Time the Market

When the market is hot, many people are tempted to play the stock market with their retirement savings. If you're one of them, consider setting aside a small amount that you can afford to lose and use this

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“allowance” to play the market. For the bulk of your retirement investments, stick to your asset allocation plan.<sup>5</sup> Don’t shift funds from one account to another simply because one showed higher returns. Performance in the immediate past is no indicator of the long-term future. The market frequently undergoes sudden and dramatic shifts.

## 8. Think Long Term

Don't be alarmed by day-to-day swings in the stock market. For most of us, steady investing, compounded earnings and maintaining a planned asset allocation<sup>5</sup> are the keys to successful retirement planning. Decide on an appropriate long-term mix of investments and try to stay the course. Slow but steady is the best way to get where you're going.

1. This example is a hypothetical intended for illustrative purposes only and is not indicative of the actual performance of any particular product. These figures are not intended to represent the performance of any specific investment, insurance contract, or other financial product. This example does not take into account the impact of any fees or taxes.

2. US Dept of Labor monthly Consumer Price Index, [bls.gov/cpi](http://bls.gov/cpi)

3. Diversification does not eliminate the risk of experiencing investment losses.

4. Withdrawals are reported as income and are subject to ordinary income tax treatment (as opposed to capital gain or dividend income) and if made prior to age 59 ½ may be subject to an additional 10% federal income tax penalty. In addition, company imposed surrender charges may apply to certain withdrawals.

5. Asset allocation is a method of diversification which positions assets among major investment categories. This tool may be used in an effort to manage risk and enhance returns. However, it does not guarantee a profit or protect against loss.

This material is not intended as tax or legal advice. You should consult with your personal financial, tax or legal advisor regarding your specific situation before implementing any estate or business strategy.

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## Possible Travel Club Scam

District Attorney Nola Foulston warns consumers of a possible scam involving the purchase of memberships in a travel club. The Office of the District Attorney is currently investigating and asks that anyone who recently attended any such seminar call the Consumer Fraud Division of the District Attorney's Office at 316-660-3653.

The events appear to be as follows:

1. A consumer receives a phone call or postcard by mail inviting him/her to attend a seminar held at a local hotel to learn more about investing in a travel club.
2. At the seminar, the consumer is encouraged to purchase “travel credits” for a dollar amount. The consumer is told that these credits are renewed every year for a level annual amount and available to the consumer until the age of 72.
3. The presenter promises to provide the consumer a “kit” that includes a user ID and password to access travel websites so as to purchase discounted travel packages and apply the member's credits to further reduce the price of the travel package.
4. The consumer does not receive a user ID or password. Moreover, the travel websites to which the consumer is referred require a password and user ID. Some of the websites are under construction. Blog sites report that even after one has the ability to access the travel websites, the purchased product is essentially worthless due to the consumer's inability to access certain companies, inability to redeem coupons, and limited travel packages to choose from.

Pursuant to federal regulations imposed on practitioners who render tax advice (“Circular 230”), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

(Source: 6/24/08 press release via Sedgwick County eNews, [www.sedgwick.org](http://www.sedgwick.org))

## Have You Checked Out Our Website Lately?

We have added a few items to our website,  
[www.crisergoughparrish.com](http://www.crisergoughparrish.com).

Click on the “Calculators” button and you will find the following:

### **Mortgage Calculators**

- ◇ Mortgage Loan Calculator
- ◇ Mortgage Comparison: 15 vs. 30
- ◇ Mortgage Payoff
- ◇ Mortgage Qualifier
- ◇ Rent vs. Buy
- ◇ Refinance Breakeven

### **Credit Cards and Debt Management**

- ◇ Credit Card Payoff
- ◇ Accelerated Debt Payoff
- ◇ How Much Do You Owe?
- ◇ Credit Card Minimum Payments

### **Personal Finance**

- ◇ Home Budget Analysis
- ◇ Student Budget
- ◇ Currency Converter
- ◇ Net Worth
- ◇ Life Expectancy

### **Savings Calculators**

- ◇ Certificate of Deposit Calculator
- ◇ Savings Calculator
- ◇ Emergency Saving Calculator
- ◇ Savings, Taxes & Inflation
- ◇ Growth Calculator

### **Retirement Calculators**

- ◇ Retirement Income
- ◇ 401(k) Savings Calculator
- ◇ Social Security Benefits
- ◇ Roth vs. Traditional IRA
- ◇ Tax Refund Tracker

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