

CURRENT EVENTS

Scott was elected Treasurer of the Rotary Club of Fort Myers. The group encourages and fosters service to the community through its fellowship of business, professional and community leaders.

The American Red Cross of Lee County honored Scott with its annual Legacy Award at a ceremony on October 27, 2009. The Legacy Award is bestowed upon an individual who has demonstrated leadership and achievement in the development of charitable planned giving for community-based organizations.

Scott will present a financial planning seminar for the Lee Memorial Health System Foundation on Jan. 19, 2010. Topics to be covered include changes in federal tax laws, tax-saving strategies, the importance of Florida Homestead and more. Reservations are required and can be made by calling 239-985-3550.

Scott attended the Davis Advisors Investment Forum in New York City in December. During the two-day conference he attended sessions on strategies and research, and met with portfolio managers and research analysts.



Best wishes to Kathy Quiram, Client Information Associate, who was married in October, 2009.

Getting to Yes Despite Investing Differences

In a perfect world, both halves of a couple share the same investment goals and agree on the best way to try to reach them. It doesn't always work that way, though. One spouse may be risk-averse, while the other may be comfortable investing more aggressively. How can you bridge that gap?

First, define your goals

Making good investment decisions is difficult if you don't know what you're investing for. Making sure you're on the same page—or at least reading from the same book—when it comes to financial goal-setting is the first step toward dealing jointly with investments.



Make sure the game plan is clear

Making sure both spouses know how and (equally important) why their savings are invested in a certain way can help minimize marital blowback if investment choices don't work out as anticipated. Second-guessing rarely improves any relationship; making sure both partners understand from the beginning why an investment was chosen, as well as its risks and potential rewards, may help moderate the impulse to say "I told you so" later.

If you're the more aggressive investor...

Listen respectfully to your spouse's concerns. You may need to provide additional

information to increase his or her comfort level, but you won't know what to supply if you automatically dismiss any objections.

If you're enthusiastic about an investment, concealing potential pitfalls could make future joint decisions more difficult if your credibility suffers because of a loss. A more cautious spouse may help you remember to assess the risks involved.

Remember that you can make changes in your portfolio gradually; you don't have to become more aggressive all at once. And if you're an impulsive investor, try not to act until you can consult your partner—or be prepared to face the consequences.

If you're the more conservative investor...

If you're unfamiliar with a specific investment, research it. Though past performance is no guarantee of future returns, understanding how an investment typically has behaved in the past or how it compares to other investment possibilities could give you a better perspective on why your spouse is interested in it.

Consider whether there are investments that are less aggressive than what your spouse is proposing but that still push you out of your comfort zone and might represent a compromise position. For example, if you don't want to invest a large amount in a single stock, a mutual fund that invests in that sector might be a way to compromise. (Before investing in a mutual fund, carefully consider its investment objective, risks, charges, and expenses, which can be found in the prospectus available from the fund. Read it carefully before investing.)

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Planning for the Unknown: Changes in Washington in 2010

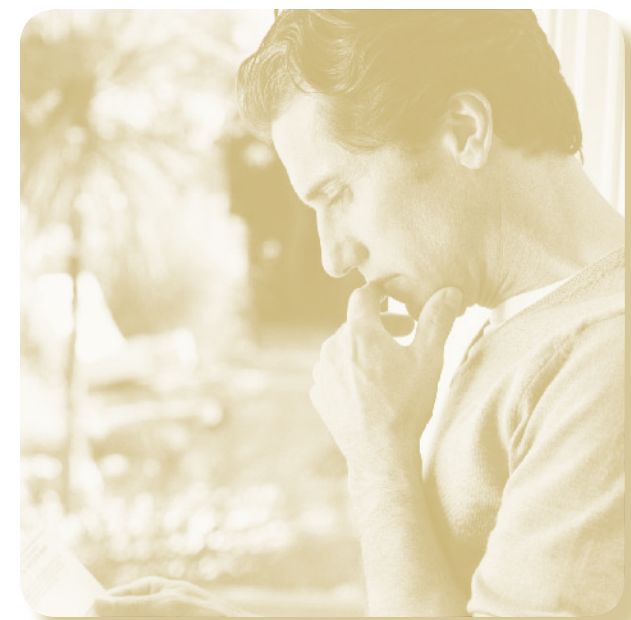
by A. Scott White, CFP®, ChFC, CLU

Many people have stopped planning for their financial futures because they don't know what changes might occur in Washington, DC. Health care, tax law changes and other elements that affect financial plans are in heated debate and no one knows the final outcome. However, not planning is far more dangerous than planning based on current data. A logical approach to the facts benefits your financial confidence—and your financial future.

Social Security offers retirement, survivor and disability benefits. However, each type of benefit is based on how much you have paid into Social Security over your lifetime and benefits are minimal. Very few experts predict any Social Security benefits to be more generous in the future; in fact, there are no proposed bills to change disability benefits.

As most retirees know, Medicare only covers acute care. If retirees need assistance with long-term care, Medicare won't help. It does not cover the custodial care, or daily living activities, which comprise the bulk of long-term care. Does anyone really think Medicare programs will be expanded?

What about protecting yourself from natural and manmade losses of property? We haven't seen any new proposed laws that fundamentally affect the way you should title your property, incorporate, or purchase property and



casualty insurance.

At this point, we don't foresee lower tax rates or new laws that protect surviving spouses from people taking advantage of them.

Currently about 85% of Americans are covered by a health insurance program. Since 1986 the 15% that aren't covered can not be denied medical care. Since everyone in this country is already entitled to medical care, the debate to me is all about who collects premiums for the cost of this care and what procedures are covered. We still need to incorporate healthcare insurance into your financial planning. Like any good plan, if your costs diminish, we'll adjust the plan.

Even if none of these bad things happens, how will proposed changes in Washington affect what we want for our future? For example, will proposed changes affect how you pay for your children or grandchildren's college education—or provide for income during your retirement? Although the federal government currently offers a number of programs for financial assistance, most current discussion focuses on expanding these types of programs to the unemployed. So unless your children or grandchildren are unemployed, you shouldn't expect much more relief.

Finally, no one knows what the future estate tax rate will be or the size of an estate exemption. For nine of the past ten years, we've had either the estate tax rate change or a change in the per person exemption on the size of the estate. An estate plan can accommodate changes in the tax rate or exemption amount.

In short, there's nothing to lose with financial planning. A well-considered financial plan can help you navigate the future more peacefully, regardless of the sea changes in Washington, DC. ■

A. Scott White



Getting to Yes *continued...*

What if you still can't agree?

You could consider investing a certain percentage of your combined resources aggressively, an equal percentage conservatively, and a third percentage in a middle-ground choice. This would give each partner equal input and control of the decision-making process, even if one has a larger balance in his or her individual account.

Another approach is to use separate asset allocations to balance competing interests. If both spouses have workplace retirement plans, the risk-taker could invest the largest portion of his or her plan in an aggressive choice and put a smaller portion in an option with which a spouse is comfortable. The conservative partner would invest the bulk of his or her money in a relatively conservative choice and put a smaller piece in a more aggressive selection on which you both agree.

Or you could divide responsibility for specific goals. The more conservative half could be responsible for the money that's being saved for a house down payment in five years. The other partner could take charge of longer-term goals that may benefit from taking greater risk in pursuit of potentially higher returns. You also could consider setting a predetermined limit on how much the risk-taker can put into riskier investments.

Finally, a neutral third party with some expertise and a dispassionate view of the situation may be able to help work through differences. ■

Source: Forefield

Early Retirement... *continued...*

fect Medicare benefits, depending on your age. If your employer offers continued health care coverage as part of the deal, how long will you receive it? Through retirement, or only until Medicare kicks in at age 65? Consider whether you can purchase your own health insurance through your employer or if you can afford private insurance.

After you've added up your income and expenses, you'll have a clearer idea of what your retirement will look like.

The next element to examine is the offer itself and what you might be sacrificing by taking it. Assuming you're one of the lucky ones with a pension, you'll need to review it, any matching 401(k) funds, and even bonuses to accurately assess the package and its merits. For example, will you get a severance package? Severance packages are frequently offered to make early retirement more palatable. This amount could be based on years of service. However, will it cover you during a transition period? Also, how will it be paid—lump sum or periodic installments? Regardless, you'll most likely have to pay taxes on the amount you receive.

Depending on your age and eligibility, early retirement could also affect your Social Security benefit. Social Security is based on your

average earnings over 30 to 35 years of work, so fewer years of work and the salary increases you might have received could produce a smaller benefit than planned.

Finally, there's the whole emotional aspect of retirement. You may be relieved to end the day-to-day grind, especially if the going has been rough lately. However, it may feel like an abrupt end to what you considered a longer career. No matter which side of the fence you're on, you'll want to accept the circumstances and your reactions without letting them impact your decision.

If you decide to stay because it's a viable option, you may want to think about your workload and working environment. If you're the only person left, you may not enjoy work nearly as much, and you may have missed the only chance to leave with a severance package.

Taking early retirement comes with a host of tax implications and financial planning issues that can be complex and confusing. A Certified Financial Planner™ can help you sort through your options so you can make the best decision possible. ■

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A. Scott White in Top Financial Advisory Group

For the third consecutive year, Scott was named to the Raymond James Financial Services Executive Council in recognition of outstanding client service and exemplary professional growth. He qualified out of more than 3,200 Raymond James financial advisors nationwide. Membership is based mainly on assets under management, education, credentials and fiscal year production. Requalification is required annually.

Scott said he is pleased to receive this recognition. "The past year, in particular, was a challenging one because of the market's volatility. Our clients continued to adhere to their investment policy decisions, and we appreciated the opportunity to continue to serve them," he said. ■

**Should You Take Early Retirement?
How to Decide.**

by A. Scott White, CFP®, ChFC, CLU

So you've been offered early retirement from your company. Whether this is a rude awakening or an anticipated event, you've got some thinking to do before you make a final decision.

Since it's fairly certain your company isn't making the offer solely for your benefit, it's important to assess the reasoning and its severity. Downsizing and cutbacks happen, but if bonus cuts and salary freezes are included, you could end up being laid off in the not-so-distant future whether you accept the offer or not. Such circumstances make lucid deliberation and awareness ever more important. For example, paying attention to official company announcements might help you avoid missing the only chance you get for early retirement.

One of the aspects to consider is the status of your retirement plans before the offer was made. If you had a rosy financial outlook for your retirement, early retirement might be just the ticket to start a new phase of your life. If not, you'll need to closely examine your current finances now and for the future.



For example, what will your income be and how much will you need to enjoy your retirement? Living expenses are just the beginning if you have children heading into college, a large outstanding mortgage or unexpected events. Unfortunately, taxes and inflation will continue to be a part of your financial picture, as will health care and insurance.

With longer life spans and increasing health care costs, health insurance is even more important than ever. Review the package carefully for health coverage and benefits and even how it might af-

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