



RFC FINANCIAL PLANNERS

Organize. Simplify. Plan.



MICHAEL D. RAUTIOLA, CFP®



ADAM J. FINCH, CFP®

CERTIFIED FINANCIAL PLANNER™ Professionals

Planning Points

Our free RFC quarterly newsletter

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OUR THOUGHTS:

Social Security

In the past we have spoken to a lot of you about Social Security (sometimes known as Social Insecurity), and how much we can depend on this entitlement. Those of you who have received your Social Security Statement this year would have seen a new disclosure by the government. Before the listing of each of your benefits you should have noticed an asterisk, for example: * Retirement. Hopefully you have read the asterisk regarding the dollar amount of your benefit. If not please take a moment to read it. You will find that it now says:

****Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2041, the payroll taxes collected will be enough to pay only about 75 percent of scheduled benefits.***

As your financial planner and investment manager we have been telling many of you who are still working that it's a good idea to step up your savings. Now is a great time to reconsider saving more if you haven't already done so. The best way to do this is to set up an ACH automatic monthly deposit from your checking account to your investment account. We can assist you in implementing this savings strategy or increase the amount for those of you who are already taking advantage of this easy saving method. Please call us at 734.272.4224 or toll-free at 800.203.9117 to get your plan started.

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BY THE NUMBERS:

NOT ENOUGH - The average retired American couple will receive a monthly Social Security benefit check of \$1,761 in 2008, equal to an annualized total of \$21,132 (source: Social Security Administration).

BIG BUCKS FOR THE FIFTH GRADER - The average cost for 1-year of college education at an in-state public college is \$13,589 for the 2007-08 school-year (cost includes tuition, fees, room and board). The total 1-year cost has increased +6.5% per year over the last 30 years. If that same annual rate of inflation continues into the future, then a 5th grader today will ultimately pay \$100,000 for his/her 4-years of public college education during the years 2015-19 (source: College Board).

PENSION LIVES ON - The maximum annual amount paid out by the Pension Benefit Guaranty Corporation (PBGC) for defined benefit pension plans that fail in 2008 will be \$51,750 to an individual retiring at age 65. In spite of the maximum benefit limitations imposed by the agency, over 90% of the 1.3 million Americans that had their plans taken over by the PBGC have not experienced any reduction to their monthly pension (source: PBGC).

CLUELESS - At the close of business on Wednesday 10/09/02, the S&P 500 bottomed at 777 before beginning a bull market run that gained +101% to peak at 1565 on 10/09/07, exactly 5 years to the day after the bear market bottom. The headline in the business section of USA Today on Thursday morning 10/10/02 was "Where's the Bottom, No End in Sight" (source: USA Today).

RFC NEWS:

We are beginning to host our first client events. Just recently we held two client appreciation wine tastings. One was in December at Andiamo Italia in Warren and another was in January at Grape Expectations in Plymouth. Our next event will be a wine tasting on Wednesday, April 23rd at the Sigma Financial corporate headquarters in Ann Arbor. For those who have attended, it was great to see you and we hope you had a fun evening. For those that couldn't make it, we're sorry we missed you, but look forward to seeing you at an upcoming event.

After our April event, we will begin organizing some future client education events. More details to come.

Our business continues to be successful because of great clients like you. If you know anyone else who is looking to simplify and organize their financial lives, please let us know. With their permission, we would be happy to contact them and introduce ourselves.

RFC Financial Planners

Toll Free: 800.203.9117

Local: 734.272.4224

Fax: 734.272.4223

3365 Washtenaw Ave., Suite 203

Ann Arbor, MI 48104

www.rfcfinancialplanners.com

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