



RetirementProject.org

Three Fixed Income Questions Seniors Should Ask Their Financial Advisor, Bank, and or Insurance Agent

With thought-provoking books and guides, enlightening workshops and presentations, and Retirement Wellness Programs for employers, The Retirement Project is positioned as one of the leaders in developing the future direction of retirement planning through new approaches, tools, and practices.

For too long individual investors have been handicapped in the retirement planning process. Our goal is to level the playing field and help consumers design and live a more meaningful and purpose driven retirement.

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1) Is this product guaranteed and if so what is the guaranteeing party's financial strength? Just being guaranteed isn't enough anymore. Many financial products including annuities are guaranteed by a company's financial health, not the government. Many Seniors are lulled into these products by bank financial professional which can give the client the misunderstanding that the bank / FDIC is insuring the investment when they are not.

2) Can this investment lose any principal? Many conservative investors are discouraged by the low rates that CD's are offering and often times don't want to tie their money up to 2- 5 years for a decent rate. So when an advisor offers a rate anywhere from 3 -7% in a "safe" bond fund, it seems like a logical choice. However, bond funds carry hidden expense and when interest rates rise, bond fund holders will lose principal.

3) If I want 100% of my money back, how quickly can it be put back in my account and are there any fees associated with moving it back? In this environment, I suggest seniors focus on liquidity and control. Since we don't know what the future holds, it's important not to sacrifice control for a percentage point or two.

The message is:

1) Don't stretch for yield

2) If it's sounds too good to be true it's too good to be true

"I'm more interested in the return of my money than the return on it... Will Rogers

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