

# Worth Considering

helping you navigate your financial future

**AMG, inc**

from Assets Management Group, Inc • Anne Smith, President



## Financial Resolutions for 2012

Here's the thing about most financial resolutions: **They don't usually last even until the end of January.** That's because making a permanent change in our behavior requires both time and a steely resolve. But I've found that we can develop financial character one action at a time.

So in that vein, here are some financial practices to take you from pauper to prince or princess if you add one each year. If you've already got one down, move to the next on the list.

**#1 MOST CRITICAL: Resolve to become (and stay) debt free.** Now, I'm not Dave Ramsey, but there's a reason why he's become so popular: his approach works. I'd say that you can have a fixed-rate fixed-year traditional mortgage on your house — but nothing else, please. No equity line of credit on your house. No car payments. Certainly no credit card debt. Because you simply have to learn to live within your income — which, unfortunately, sometimes means going without. The millionaires among us really are frugal. So learn to enjoy that process, and it's a fantastic start.

**#2 Automate your savings (AKA Pay Yourself First).** You can start by getting the entire match if your company offers a 401(k) plan. Usually this translates to saving 5% of your salary while the company contributes a 4% match, which is the fastest way to get an 80% return on your money. Most Americans forgo this match, believing they need to spend 100% of their salary. But you can learn to think like a millionaire and live well on 95% of what you make. If you don't have a 401(k) plan, act like you do, and sock away 5% automatically.

**#3 Fully fund your 2012 Roth IRA.** This is \$5,000 in 2012 and \$6,000 if you are older than age 50. If you can't manage the entire amount in January, put in \$416 monthly. Automating deposits in an employer-defined contribution plan is easy. Fortunately, automating saving in a Roth IRA or a taxable savings plan is equally painless. Most brokers offer an automatic money link between your checking account and an investment account. Set your savings on autopilot, baby!

**Remember — these steps build off one another, so if you already have done the first 3, here's your next step:**

**#4 Save another 5% in a taxable investment account.** Automating savings is great, automating investment is even greater. Key word here: automate. At this point, you're hitting a mark of saving 15-20% of your income. That's a fast-track to long-term prosperity.

*Anne Smith*



## All-Inclusive Vacation Deals... Are They Really for You?

Although all-inclusive vacations have been around for some years, it's perhaps only more recently that they've become such big business. After all, they make it far easier for holidaymakers to budget for their annual vacations, and they ensure that struggling hotels reap the full extent of their guests' custom. If you're traveling abroad, though, and really want to get a proper taste of the country you're visiting, then an all-inclusive deal may not be to your best advantage.

One of the most enjoyable things about visiting foreign lands for many people is experiencing the host country's gastronomic delights, and while some all-inclusive hotels do try to serve up the local fare, more often what's on offer tends to be multinational cuisine that would appeal to guests from a range of different nations. Even if the dishes are all local specialties, the style of cooking is generally the same, so vacationers don't really get to experience the full range of culinary delights that might be available at different types of local establishments.

Drinks, too, form part of the all-inclusive package, so that guests are encouraged never to set foot outside the hotel complex to go elsewhere. Once again, however, this can mean they miss out on experiencing the local customs and way of life, not to mention the opportunity to explore their surroundings.

Think carefully about all-inclusive package deals or you could leave your host country knowing nothing more about it than when you arrived.

## Did you know?

Although Ian Fleming is better known as the author of the James Bond novels, he did also write just one children's book – none other than the famous and much-loved *Chitty Chitty Bang Bang!*

If you're tempted to think that all watermelons are round or oval, then think again. Some cunning Japanese farmers put their fruit in square, tempered glass cases while it's still growing so that it turns out cube shaped. The reason? Because it stacks better and saves space in the refrigerator.

Ronald McDonald, the hamburger-happy clown, first appeared in a TV ad as long ago as 1963.

A rat can live without water for around two weeks, but a camel can go only five to seven days before it needs a drink.

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### Sometimes Something's Just Gotta Give

Whether you're chasing around between two or three different jobs, trying to maintain a standard of living that used to be achievable doing just one, or burning the candle at both ends to fit in numerous extracurricular activities as well as holding down a full-time job, sometimes there just comes a point where something's got to give.

Although it might be easy to assume that a constant state of activity means forward progression, when things start to get too frantic, all that dashing around can easily become self-defeating. Not only does the body become exhausted, but as the brain goes into overload, mistakes start to be made, things begin to be forgotten and it becomes impossible to give your best to anything that you attempt. Far from moving forward, what often happens is that you end up spending most of your time sorting out the muddles that have been created due to time pressures and the inability to stay organized.

Both mind and body need time to relax, so if your life has started to look like one endless merry-go-round and offers no respite, bear in mind that sometimes you can achieve more by doing less. Focus on what's most important and give anything else the old heave-ho!



Far and away the best prize that life has to offer is the chance to work hard at work worth doing. - Theodore Roosevelt

### Why Does Hair Turn Gray?

We all know that graying hair is part of the aging process, but have you ever wondered why your luscious locks gradually change from black, red, brown or blonde to silver, gray or white?

Each hair is made up of two parts – the external colored part known as the shaft and the root, which is enclosed in a hair follicle. Within each follicle are pigment cells that continuously produce a chemical called melanin. As well as being the chemical that makes skin turn darker when exposed to the sun, melanin is also responsible for giving hair its color during our younger years. As we grow older, however, the pigment cells inside the follicle start to die off, so that the hair increasingly appears silver, gray or white. Once ten or more years have passed since the appearance of the first gray hair, all the pigment cells die and the hair becomes completely gray or white.

Although aging is the most common reason for hair to turn gray, other factors such as anemia, thyroid problems, poor nutrition and a lack of vitamin B can also promote the graying effect.

In the majority of people, the first gray hairs tend to appear when they are in their 30s or 40s, but there are those who experience the first signs when they are still in their teens. Usually, though, genetic factors dictate the age at which we start to go gray, so you know who to blame!

