



## Reminder:

If you have not had your annual review with your advisor recently, then it is time to call and schedule your appointment!

## Woolman Financial Group

Tyler Haire  
Shane D. Houser  
Dan S. Scharlach  
Bradley K. Skiles  
Gary B. Woolman  
Brian K. Woolman

### Fort Wayne

825 South Barr Street, Suite 100  
Fort Wayne, Indiana 46802  
Ph: (260) 424-1125  
Fax: (260) 424-0937

### Warsaw

119 E. Center Street, Suite B3  
Warsaw, Indiana 46580  
Ph: (574) 269-6592  
Fax: (574) 269-2711

Visit us on the web: [www.woolman.com](http://www.woolman.com)

Securities and Investment Advisory Services offered through  
Securian Financial Services, Inc. Member FINRA/SIPC.  
825 South Barr Street, Suite 100,  
Fort Wayne, IN 46802 (260) 424-1125  
Woolman Financial Group is independently owned and operated  
DOFU: 300462 Tracking # 03-23-11

## Economic Discussion (Part 2 of 4): Benefits

By Brian Woolman

In last quarter's newsletter, we started off the year looking at taxes and how changes in Washington D.C. could potentially affect your financial life. We will shift gears this quarter and look at benefits that we receive from our government. We hope this brief article will spur on thought to look deeper into the issue of benefits.

To understand how this might affect your personal life, we need to first think about what these benefits are. We hear in the news about entitlements, these consist of: Social Security, Medicare, Medicaid, etc. According to a January 21, 2011 article in CNN Money, 76% of our federal spending is on those three areas and interest on our national debt. This being said, we may still need to address other areas as well. To give you a better understanding of these programs, let's take a look at the history behind them.

Social Security is probably the most well-known of these entitlements, so we will dial in on this particular benefit. The idea started as an idea for "social insurance." This was an idea that became popular in Europe before it came to the U.S. The idea really began gaining traction in 1912 when President Theodore Roosevelt made a speech to the Progressive Party. Many years later, at the height of the Great Depression, President Roosevelt's fifth cousin, Franklin Roosevelt signed the Social Security Act into law in 1935. The program faced many amendments over the years. As the program faced serious short-term financing issues, the largest change occurred in 1983, including raising the retirement age. ([www.ssa.gov](http://www.ssa.gov))

If you were to look at your most recent Social Security statement, we like to ask our clients if they have read the front page. Most have not. It will say that starting in 2015 (maybe 2016 depending on when you received it) benefits paid will be more



than revenue coming in to the program and by 2037 we will have exhausted the trust fund. At that point, they are estimating only being able to pay out \$0.76 of scheduled benefits. It goes on to state, "We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations" (Social Security Statement). The problem was that in 2010 we already started paying out more in benefits than we received. If they were six years off a relatively short-term projection, are they going to be accurate on a longer term projection looking out to 2037?

It is not only are we in trouble on the federal level, we are seeing it on television right now about the state governments. Our home state of Indiana, we have people picketing at the state house opposing right to work laws. And in Wisconsin, there is boisterous talk of taking away collective bargaining rights for public unions. Municipalities across the US, from New Jersey, to Illinois, to California are in trouble, fiscally speaking.

Last week we asked the question whether we will see higher taxes in the future. But, will we also see lower benefits? Do you think we just have a revenue problem, or is there a spending problem as well? What have you done in your financial life to offset a potential reduction in your benefits? Will raising taxes and cutting our spending be enough to tackle our federal and/or state government's financial problems? Next quarter we will look at an option that our government has if those two things do not do enough, inflation.



825 South Barr Street, Suite 100  
 Fort Wayne, IN 46802  
 P: (260) 424-1125  
 F: (260) 424-0937

**PRSR STD**  
 U.S. Postage  
**PAID**  
 Fort Wayne, IN  
 Permit #1420

## Timing is Everything by Brian Woolman

When should you save your money? This may seem like a strange question to you. Often times we hear pundits talk about how much to save, but don't talk about the order of when to save. While we at Woolman Financial Group feel that 15% is a good starting point, we also believe it is vital to save first, and then live off what is left over.

One of the ways we accomplish this is with the concept of the Wealth Coordination Account (WCA). Basically, what this is is a separate checking account at your local bank or credit union (usually preferable to be at the same institution you are currently at). Any monthly expenses (insurance premiums, debt payments, etc) and savings go into this WCA and the living expenses are then moved over into your personal account. Additionally, as debt payments are paid off, you are now capturing that former expense into your savings account with no extra work.

This is based off the economic principle, the propensity to consume, meaning that the more money is in one's hand, the more they will spend. By saving first, you have made sure that the money is saved and all the monthly bills are paid for before start spending your living expenses. Not only is there peace of mind, but by separating the two funds, you should be able to spend less time managing your money and more time enjoying your money.

[www.woolman.com](http://www.woolman.com) April 2011 • Volume 6.2

# WFG CLIENT FEATURE

## Empowering People to Live a Quality Life

By Gary Woolman

Your elderly mother fell down the stairs and was released from the hospital...who can help her with her medical needs and daily activities? You are the mother of an autistic child and you need someone who can help you out after school while also understanding the complexities of autism. Who do you call, and what if you need help right away? BrightStar Home Health Care is there for anyone, pediatric through geriatric, who has a medical or non-medical need 24 hours a day, seven days a week. This includes companion care, personal care, respite for caregivers, transportation, home support or skilled care. BrightStar takes pride in providing services that empower people to live well at every stage of life while providing support for their loved ones.

BrightStar was founded in 2002 as a family business and has since grown to provide a full range of temporary or permanent in-home healthcare, home care, childcare and medical staffing at 215 locations in 35 states. The Fort Wayne franchise opened in the fall of 2010 and is locally owned and operated by Steve and Stephanie Zishka and Tim Weir. Their service area includes the entire Northeast Indiana area covering approximately a 50 mile radius of Fort Wayne.

The staff consists of CNAs, LPNs, RNs and therapists. Those hired are insured, bonded, licensed and/or certified. Applicants are rigorously screened and background checks completed at the local, state, and federal level as well as through the BMV. This goes above and beyond the standard home healthcare company requirement to give you and your family peace of mind that the person taking care of you or your loved one is well qualified.

When talking with Jane Holliday, a WFG client and an Account Executive at Bright Star, she was excited to work for this local company that has such a high standard for quality and compassion. "I'm very impressed by the way they treat people. Their integrity is evident in everything they do."

If you are interested in more information or want to set up a free in-home living room visit to discuss a personalized plan of care for your loved one, you can call 260-918-0933 or check out their website at [www.brightstarcare.com](http://www.brightstarcare.com).

Woolman Financial Group is pleased to have highlighted such a quality company!

