

You May Have More To Be Thankful For Than You Realize

According to the latest surveys, the average American household has less than two months of household expenses in liquid cash reserves to help them meet financial emergencies, like a layoff or illness.

Our average BOY client has 6 months or more of household expenses available in their BOY system to help them meet financial emergencies.

Check your latest annual statements or give me a call for the latest numbers. You may be surprised how much you actually have.

Many of you have already used your plans to help you deal with financial problems. I personally have used my plans to help out twice this year when we had \$2,000 of unexpected car repair bills.

Even if you are just starting out with your BOY plans, you should still be thankful for what you have done.

You are doing the opposite of what 95% of Americans are doing today. You are strengthening your financial security safety net to meet whatever financial trouble comes along. Your available cash is growing instead of taking a hit because of the stock market.

The longer you pay into your plans, the more security you will create for yourself and your family.

Your plans have also been designed to enable you to reduce or skip some of your payments, if you are forced to. Several of you have already had to do this. Even though payments were reduced or skipped you are still continuing along the path you started on even though some bad things happened to you.

This is the kind of thing I live for.

When I used to do traditional financial planning with my clients, financial setbacks always seemed to spell disaster on their planning. The security you are creating for yourself may be even more important in the next few years. I think it is safe to say that we are not done with bad news in the financial markets or corporate downsizing and layoffs.

Follow Up On My Wife's Plan

In September's newsletter, I sent you copies of the past 5 years of annual statements on her oldest plan and explained a few things about them. In talking with a bunch of you over the past few months, it dawned on me that I overwhelmed many of you with all the paper. I am not good

at Excel spread sheets. I asked Eileen to see if she could put together a summary of the numbers into a spreadsheet.

Below is a table that summarizes the basics of those sheets.

Policy Year Ending	Monthly Premium	Amount of Death Benefit Total	Cash Value Total	Annual Cash Value Incremental Growth	Base Policy Dividend	Level Premium Paid-Up Additions Rider Current Dividend
8/25/04	\$400.00	\$97,813.56	\$5,264.18	\$0.00	\$314.48	\$64.72
8/25/05	\$400.00	\$104,571.04	\$9,734.29	\$4,470.11	\$471.48	\$83.58
8/25/06	\$400.00	\$111,374.73	\$14,387.58	\$4,653.29	\$522.65	\$128.71
8/25/07	\$400.00	\$118,259.46	\$19,329.37	\$4,941.79	\$588.65	\$176.21
8/25/08	\$400.00	\$124,985.68	\$24,467.67	\$5,138.30	\$610.56	\$181.99

As you can see, the results get better and better every year. The past 2 years the cash value has increased by more than the amount paid in premiums. These trends will continue regardless of what happens in the stock or real estate markets.

I am happy to go over this “real life” example with you in detail. Just let me know.



Have a Merry Christmas and a Happy New Year!

DECEMBER 2008 NEWSLETTER
 ALAN J. ECKSTRAND, CLU, ChFC, CRPC
 ALAN J. ECKSTRAND, LLC
 977 EAST MAIN STREET, SUITE 2
 TORRINGTON, CT 06790
 PHONE: (860) 496-1941
 TOLL FREE: (866) 496-4677
 FAX: (860) 496-4677
 Email: alan@thefinancefixer.com