



*Brought to you by Todd Minard, PGK, FICF*

# KNIGHTS OF COLUMBUS Financial Beacon

Summer 2015

**BREAK THE CYCLE  
OF FINANCIAL STRESS**  
A few simple guidelines to live by

**THE TWO WORDS**  
that should raise  
a red flag

**LIFE INSURANCE**  
A gift for the ages

Cover the basics of retirement  
with guaranteed income



## A MESSAGE from your agent

### **Dear Brother Knight:**

When you're looking for advice about insurance or financial matters in general, two words that should raise a red flag for you are "always" and "never."

ALWAYS buy this kind of life insurance—NEVER that kind. NEVER buy long-term care insurance until you're such-and-such age. ALWAYS invest in mutual funds instead of purchasing annuities. And so on. It's marketing nonsense.

These products are far too complex to make blanket statements about, especially because every family's needs are different.

So the next time you hear one of these "always" or "never" pronouncements about life insurance, long-term care insurance, annuities, or disability insurance, ask yourself whether the source of that information knows you and your family personally, and has your best interests at heart.

Now that I've warned you against automatically believing "always" and "never" statements regarding financial matters, let me offer an exception: I will *never* break the code of ethics I've signed, pledging to *always* present facts honestly and accurately for the benefit of members' decision-making.

That's part of the benefit of doing business with *your* Knights of Columbus.

Fraternally yours,

**Todd Minard**

## A gift for the ages

Think about a gift you could give your young children or grandchildren\* that they'll begin to appreciate as they become adults, and appreciate even more as they have children of their own. This gift is guaranteed to increase in value over the years. And, at a crucial time in the lives of your children's or grandchildren's families, this gift could be the difference between financial hardship and stability.

The gift that does all of this is permanent life insurance.

The idea of buying permanent (or "whole") life insurance for a child may seem unusual. But think about it: You're not really buying it for a child's youth—you're buying it to benefit the child's adulthood and future family, and *you're buying it when it is most affordable*, while they're young and healthy.

### **Policies can be fully paid before children reach adulthood**

For children, consider policies that will be fully paid around the time they reach adulthood. As adults, they can legally become the policy owner and designate beneficiaries.

A single-premium whole life (SPWL) policy, or a policy priced to be fully paid in 10 or 20 years, can be ideal, especially when the goal is to gift the policy in the future.

For example, when you purchase a SPWL policy, you immediately create cash value in addition to the death benefit. Other whole life policies build cash value more gradually, with each premium payment. In addition, as with other permanent life insurance policies, a SPWL policy can pay dividends that further increase the cash value and death benefit.

*(Dividends aren't guaranteed, but traditionally, Knights of Columbus permanent policies have generated favorable dividends.)*

Down the road, a policy's cash value and dividends may be tapped



for college tuition, down payments on a first home, or financial emergencies.

### **Guarantee the right to purchase more insurance later**

Even buying modest amounts of life insurance for children can give them important advantages.

If, as an adult, the recipient of this gift of life insurance develops a medical condition that prohibits him or her from purchasing life insurance, at least some protection for that person's family is already locked in.

Also, the "guaranteed purchase option" (GPO) feature on a child's permanent life insurance policy ensures the child will have the opportunity to purchase an additional death benefit coverage up to seven times before he or she reaches the age of 40, regardless of health.

Children won't understand this gift—and that's the way it should be. But to the adults they'll become, your thoughtfulness and foresight will be a meaningful legacy. ♦

*Gifts of life insurance should always be discussed with a licensed tax expert. If you'd like to know more about how to give life insurance as a gift, please give me a call.*

*\* To purchase a policy for your grandchildren, they must be your legal dependents, or children of a Knights of Columbus member.*

# Break the cycle of financial stress

A 2015 Bankrate report showed that almost four in 10 American households haven't saved enough to handle an unexpected expense such as a \$1,000 emergency room visit or a \$500 car repair.

Living paycheck to paycheck can be stressful—and stress itself can lead us to spend more on things we don't need.

If you or people you care about are in this situation, some basic lifestyle changes can make a huge difference. First, take the following “stress test.”

## Within the last two weeks, I have:

- Eaten fast food because I didn't have time to cook and/or I craved it.
- Purchased something indulgent (especially online) because I really needed something fun or cool that day.
- Paid considerably more for something than I had to, to avoid making another stop.
- Driven too fast because I was late.
- Bought something on credit I didn't absolutely need, and could have saved enough to buy in a few months or less.

Most of us can answer “yes” to at least one of these money-wasting activities, but be honest: Was it a rare occurrence or a long-term habit? These are typical things people do to relieve or avoid

stress. But instead, they make things worse.

Here's how you can start to reverse the cycle of financial stress.

### 1 Breathe

Stress is a natural reaction to immediate danger. That was helpful when humans were being chased by saber-toothed tigers, but as a reaction to money problems, not so much.

Avoid some stress-fueled purchases by getting into the habit of taking a deep breath before making the critical mouse click or card swipe. Feel your pulse (as in “impulse”) slow a bit.

This isn't intended as a pop psychology trick—the point is to become aware of the physical triggers of stress spending.

### 2 Get on schedule

The worst spending decisions are usually made in a hurry. If you have trouble managing your time, consider technology, such as smartphones and other mobile devices, that run programs designed to help you schedule and prioritize.

One of the best ways to save money is building enough time into your day to cook at home. Restaurants, drive-thrus, and processed convenience foods are a



serious financial drain.

### 3 Pay yourself first

Each month, you know you have to pay your big-ticket expenses first: mortgage/rent, car payment, insurance, utilities, etc. With what's left over, you buy the incidentals. Take a step back, however, and make one monthly payment your highest priority: the money you owe yourself.

Contributing to retirement savings, life insurance and an emergency savings fund shouldn't come out of “what's left over.”

Yes, this tactic means you may have to spend less on big-ticket items, and perhaps on incidentals. But over the long haul, you'll also have far less financial stress. ♦

## YOUR AGENT



### D. Todd Minard, PGK, FICF

📍 10009 Merton Ave.  
Oak Lawn IL 60453

☎️ **PHONE:** (708) 955-2362  
**FAX:** (760) 284-7257

✉️ **EMAIL:** todd.minard@kofc.org



### Family benefits & services

Knights of Columbus insurance consistently ranks at the top of the industry in financial stability and ethics. Please call to discuss these services:

- Financial needs analysis
- Life insurance
- Tax deferred fixed-rate annuities
- Long-term care insurance
- Retirement account rollovers
- Estate preservation
- Scholarships
- Family fraternal benefits
- Disability Insurance

Contact me today for information on long-term care insurance



## KNIGHTS OF COLUMBUS Financial Beacon

Knights of Columbus Supreme Office

**D. Todd Minard, PGK, FICF**

10009 Merton Ave.

Oak Lawn, IL 60453



### The document your family will be glad you left behind

In one place, you can assemble all the information your family would need to take care of basic financial matters in your absence. Your complimentary Knights of

Columbus Personal Planning Workbook helps you compile details about key contacts (attorneys, insurance agents, etc.), financial accounts, bills, passwords, the location of important documents, and more.



Contact me today for your complimentary Workbook.

Contact me today for information on long-term care insurance

## Cover your basic retirement needs with guaranteed income

The most important thing about Social Security benefits is that you can't outlive them; they provide a monthly payment you'll be able to count on as long as you live. But for most of us, Social Security alone won't provide a satisfactory standard of living.

Savings and retirement plans such as IRAs and 401(k) accounts can raise your standard of living in retirement—as long as that money lasts. One way you can convert some of your retirement funds into guaranteed income for life is with a Knights of Columbus annuity.

There are two good options. Single-premium immediate annuities, sometimes called "income annuities," are designed to provide a reliable, regular income for retirees. Deferred-income annuities have similar benefits, but for later on down the road.

As with all annuities, the single-premium immediate annuity and the

deferred-income annuity are insurance products. With the single-premium annuity, you pay a lump sum, and generally you can begin receiving payments the following month. With the deferred-income annuity, you set a future date on which to begin receiving payments. As with Social Security, you can select a payout option on your annuity so that you're guaranteed a payment every month for as long as you live.

To see whether an income annuity is right for you, start by estimating your basic monthly retirement expenses: housing, food, transportation, insurance, out-of-pocket medical expenses, etc.

Subtract from this total the guaranteed monthly income you can expect through Social Security (plus any defined-benefit pension plans or annuities you already have). What's left over is how much additional monthly



income you should consider generating with an income annuity.

With your basic monthly expenses covered by *guaranteed* income, you can use other retirement plan proceeds for the good stuff: travel, hobbies, indulging your loved ones on occasion—the things you've been working so hard for. Let me help. Please get in touch if you'd like to know more about the Knights of Columbus annuity options. ♦