



AHP Financial Services Inc.

An Independent Registered Investment Advisor

Summer 2010 Newsletter

FINANCIAL PLANNING FOR WOMEN

Women are no longer just a powerful force in today's economy. It is estimated over 60% of the nation's wealth is controlled by women. Some may have inherited wealth and may or may not be employed. Some are corporate executives, entrepreneurs or middle management. They may be single, married or divorced. They may or may not have children. A woman's financial situation is often unique, and an individual approach to financial planning is essential. However, areas of common concern do exist.



Many women work outside the home. If so, they may have income tax problems, especially if they face higher taxes because they are single and unable to file a joint return. To address these problems, women should consider the following areas: the role of tax-advantaged investments to reduce their tax burden; the taxation and treatment of executive perks from their employer; the effect of age-related tax and Social Security provisions; and

the tax problems of a small business including choice of organization, the selection of a retirement plan and the taxes upon disposition of their business interest.

Closely related to income tax planning for women is investment planning. Investment selection and asset allocation involve much more than tax considerations. There are various questions women should consider. Do investment objectives line up with financial resources and needs? Is the investment advice they are receiving objective, reliable and in line with their goals, time horizon and risk tolerance? Will a trust help with their investment planning? Women who are too busy or unable to oversee the day-to-day management of their investments should consider a trust. A trust may provide the comfort that comes with knowing that financial affairs will be properly handled in all eventualities.

Estate planning, like tax and investment planning,

depends on individual circumstances. Whether a woman has built her own estate through work investments, or a business, or whether a woman has inherited a husband's estate is irrelevant. What matters is that she is aware of the estate planning options that are available. Unmarried or widowed, a single woman might use lifetime gifts to reduce her estate tax burden by using the gift tax annual exclusion and lifetime unified credit. Trusts may also be useful in a program of lifetime gifts, particularly where minor children or grandchildren are involved. Estate plan coordination, charitable contributions and life insurance can also be extremely important toward achieving estate planning goals.

For those women working for a large employer or inheriting their spouse's retirement plan, they will frequently be faced with decisions affecting retirement benefits. Those decisions may have a significant impact on their financial situation the remainder of their life. Critical questions may arise such as: which of the several distribution options provided by an employer's qualified retirement plan is best; will their retirement nest egg be adequate to maintain their present lifestyle; and what benefits will they be entitled to from Social Security, Medicare, and employer-sponsored plans?

No two women are alike nor are the financial predicaments in which women are likely to find themselves. As anyone can see, there are a variety of issues, problems and solutions to consider. Adopting a systematic and individualized approach with the aid of financial planning professionals can help to address and solve these problems while achieving a woman's investment, retirement and estate planning goals.*



Don't get scammed on the net! See page 2 for more information.

SPOTLIGHT ON CLIENT SUCCESS

Mid Michigan Computer Connection

Mid Michigan Computer Connection services all PCs and specializes in virus removal, data recovery and backup, with a 24-hour turnaround on most repairs.

Owner Bill Church founded the business, located at 222 E. Main Street in Midland, over 11 years ago. For more information, contact Bill at 989.832.6026.

Mid Michigan Computer Connection neither approves or disapproves of the advice and services of Raymond James.

MARKET UPDATE

Stock Market Returns

	4 Week	13 Week	YTD (8-2-10)
Dow Jones	10.35%	-2.37%	3.90%
Nasdaq	9.42%	-8.40%	0.86%
S&P 500	10.22%	-4.64%	2.09%
MSCI EAFE	12.69%	-1.31%	-2.26%

The Dow Jones industrial average is a price-weighted index of 30 actively traded blue chip stocks. The NASDAQ composite index is a market weighted index of over-the-counter stocks traded on the NASDAQ system. The S&P 500 index is a group of 500 stocks considered by many to be representative of the stock market in general. The MSCI (Morgan Stanley Capital International) and the EAFE (Europe, Australia, and Far East) are an index of 21 developed markets, but excludes those from the US and Canada. One cannot invest directly in an index. Past performance does not guarantee future results.

DON'T GET SCAMMED ON THE NET

The World Wide Web offers an almost endless array of investment opportunities. However, you should be aware that some of these authentic looking opportunities might not be legitimate. As always, it pays to be cautious before investing.

The North American Securities Administrators Association offers these tips to give scammers the boot:

- Don't assume that your on-line service screens investment claims.
- Steer clear of seldom-traded stocks that are hyped on-line. Swindlers will post multiple "alias" messages to spark a buying frenzy and send the price of the stock skyrocketing – artificially, of course.
- Insist on getting printed information before investing. Never buy anything based only on what you pull off the Internet.
- Never give your address, telephone number or credit card number to a stranger over the Internet.
- Make sure any investments you're considering are registered with the proper regulatory agency. If they're not, they cannot be sold to you legally.
- Don't assume that the person touting the investment is whom he or she claims. To sell, the person must be registered with your state's securities agency.*

For more information, visit www.nasaa.org.

FAIL TO PLAN OR PLAN TO SPEND?

At the end of each month, many Americans ask the following question: What happened to the money that I was going to save? One of the best ways to gain control of your money is by developing a written spending plan.

A spending plan can help you to:

- See where your money goes.
- Reduce unnecessary expenses.
- Evaluate needs and wants.
- Locate money in your budget for large expenses, emergencies and long-term goals.

Here's how to begin building your financial framework:

- Discover where your money goes. For one month make notes of all expenditures. Get out last year's checkbook register to determine what you paid for those items that are not predictable on a monthly basis (entertainment, hobbies, travel, etc.)
- Categorize your expenses by areas (i.e. food, clothing, childcare, utilities, and transportation). Write down everything, even the popcorn you had at the movies. You'll be surprised where those hard-earned dollars go.
- Prioritize your financial goals and determine how much you'll need to save each month. Think long-term and short-term goals.
- Bring your goals in line with your income (i.e. new car, less expensive car, wait another year for a car). Putting off a purchase is called "delayed gratification."
- Make the written plan realistic. Over a few months time you can get your spending on track and make progress toward your specific financial goals.*



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