

Retirement Facts *(Continued from page 2)*

If inflation were 3%, and one wanted to adjust the \$50,000 to keep up with the price increases, \$1 million would be needed. *Caveat:* Achieving a consistent 5% rate of return for 25 years would be a remarkable feat for the ordinary investor, especially if beginning in today's environment of very low interest rates. If the rate of return is lower, more capital will be needed to generate the same income.

Medical and long-term care

The Benefits Consulting arm of Fidelity Investments has estimated that a couple retiring in 2011 will incur \$230,000 in medical costs not covered by Medicare over the course of their retirement. This figure does not include the cost of long-term care, which, according to the National Clearinghouse for Long-Term Care Information, an estimated 70% of seniors will need at some point before they die. Average annual costs for long-term care vary widely around the country, but they can easily reach six figures. The average length of a stay in a nursing home is 2.4 years, reports the Virginia Long Term Care Partnership.

Planning for a secure retirement is a daunting task. The facts speak for themselves.

For more information on or assistance with planning your retirement, please contact us at (785) 267-8402.

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CoreFirst Bank & Trust
Investment Management Group
3035 SW Topeka Blvd.
Topeka, KS 66611

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Sound Investments

Economic Thoughts

The recession officially ended in June 2009. However, not everyone agrees with the official dating. The economic news at the end of July was notably grim:

- Growth in the gross domestic product (GDP) in the second quarter of the year was a scant 1.3%.
- GDP growth for the first quarter of 2011 was revised downward, to a barely perceptible 0.4%, so that in the first half of the year the economy grew less than 1%.
- Revised figures show that the recession was deeper than previously announced, the distance to “back to normal” is longer than policymakers realized.

In July, manufacturers had their weakest month in two years. Unemployment remains the most stubborn problem. For the recession that ended in 2009, unemployment declined only 1%, and the number of active workers (the labor force participation rate) is actually lower now than when the recession ended!

Very low growth rates make the economy far more sensitive to external shocks, such as the Japanese earthquake earlier this year, or spikes in energy prices.

Investors may want to assume a defensive posture until the economic indicators turn up again. Each situation is different – to determine what is best in your particular case, contact our professionals at (785) 267-8402.

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**CoreFirst
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Ask A Trust Officer



Dear Bob:

I have two grown children, both married. One couple is financially secure; the other is less so. Candidly, I don't trust the spouse of my child who is struggling. Is there something I can do to keep that child's inheritance from the spouse's hands? How do I treat the children differently without provoking a family feud?

ing a family feud?

DEAR DISCRIMINATING:

The best way to protect an inheritance is by using a trust, giving the beneficiary a financial resource instead of financial assets. The trust may distribute income to the beneficiary each year but include restrictions on principal distributions. For example, the trust might be invaded for medical or education expenses, or to purchase a home, or upon reaching certain milestones. The trust beneficiaries may be limited to your descendants, excluding sons-in-law and daughters-in-law.

The terms of a trust are not normally made public, but are known only to the creator of the trust, the trustee and the beneficiaries. Accordingly, if you have two trusts for your two children, you may provide different restrictions for each. They don't have to be told about the differences.

Do you have a question concerning wealth management or trusts? Call Bob Derstein at (785) 267-8475.

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Retirement Facts

When you hear about the challenges of building a financially secure retirement, or think about your own plans, here are some facts to keep in mind.

Replacement rates

The usual rule of thumb in projecting a retirement income stream is that 80% of pre-retirement income will be needed. According to the Social Security Administration, Social Security benefits replace just 40% of income for the average beneficiary. Unfortunately, 34% of retirees rely on Social Security for 90% of their retirement income, which necessarily means that they've experienced a big drop in their standard of living.

Early retirement

Again from the Social Security Administration, someone who earned an annual income of \$50,000 and who retired this year at age 62 could expect about a \$1,000 monthly benefit. If that person waited to age 70 to retire, the benefit would be boosted to about \$1,951 per month. Nevertheless, a startling 72% of Social Security recipients began drawing their benefits at age 62, the earliest year of eligibility.

Capital requirements

To achieve an annual income of \$50,000 per year for 25 years, assuming a 5% rate of return and no inflation, one would need to start with \$740,000.

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Meet Our Staff



Joseph "Joe" Jennings, a financial advisor at CoreFirst Investment Services, is no stranger to hard work. At the age of 12, Joe started his own lawn mowing business maintaining 43 lawns in his home town of Lakin, KS. When not busy with that he worked with local farmers and did road work for the county.

Joe learned his work ethic from his parents, who not only encouraged hard work, but taught him the value of honesty and living by the golden rule. These principles are very important to Joe, especially now in working with his customers. Additionally, Joe welcomes change, which is the part of his job he likes the most, "No two days are ever the same, especially when it comes to helping people plan for their future."

Joe left the comfort of home when he moved to Topeka to attend Washburn University. It was there that Joe found his true passion for business and finance. He graduated in 2005 with a bachelor's degree in business administration with an emphasis in finance and marketing.

Joe worked a variety of jobs while attending college, from changing oil at Jiffy Lube to remodeling apartment complexes. In 2005, he made his way to CoreFirst, starting as a personal banker before joining the investment department in 2007, where he received his Series 7 and 63 licenses, as well as various life and health licenses.

While he is a boots and jeans guy at home, Joe cleans up well, enjoying his business role of helping clients find solutions to achieve their goals. On weekends, he returns to his roots. An avid outdoorsman, he's always eager to share his latest hunting and fishing story.

In addition to working hard, Joe gives back to his community, volunteering for Big Brothers Big Sisters as well as Junior Achievement. He's also an Eagle Scout and a member of Order of the Arrow.

Joe describes himself as frugal, to the point that he "could make Abe Lincoln scream!" He dreams of buying acreage in the country and sees himself spending his free time there with family.

Joe comes from a small town so close to Colorado that the city next to them was in a different time zone (making for interesting scheduling of high school games). He chose CoreFirst because it is family-oriented with an intimate feel rather than an overwhelming corporate environment. We are certainly glad we fit the bill for Joe, because he definitely fits right in with CoreFirst!

Investment Products:

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not Guaranteed By Any Government Agency		Not A Bank Deposit

Charter Club

Are you 55+ and looking for something exciting to do? Check out these upcoming events available through the Charter Club. Contact Kathy Snelling at 785.267.8732 for more information.

- **Kansas City Tour**
Kansas City, Missouri
September 14, 2011—Day
- **Move Over Mrs. Markham**
New Dinner Theatre
October 12, 2011—Evening
- **A New York City Holiday—Currently Waitlisted**
New York, New York
November 17-20, 2011
- **Christmas at Resurrection**
Leawood, Kansas
December 10, 2011—Matinee