

“Just the Facts Ma’am, Just the Facts!”

By: Mark Charnet

Most of you would remember Joe Friday from the television series *Dragnet* and his famous line reprinted above. I have been told by many of you, via email, that my column is read with great anticipation, each issue and for that I am sincerely grateful. I have also been told that sometimes a column of short concise facts would be appreciated and welcomed. With that thought in mind let me give you a compilation of some short far-reaching facts and their sources that should motivate you to take a very long and serious look at your portfolio, your savings and your emergency funds.

Taxes paid - In 2008, the top 0.1% of US taxpayers paid 18.5% of all federal income taxes paid in this country. The top 1% of US taxpayers paid 38% of all federal income taxes paid in this country. The bottom 75% of taxpayers paid 13.7% of all federal income taxes *Source: Internal Revenue Service*

18.3% of the nation’s personal income came from the government via Social Security, food stamps, unemployment benefits or other programs in 2010 – a record high. Wages accounted for the lowest share of income – 51% since the government began keeping track in 1929. *Source USA Today*

The total debt of the US government has increased by \$6 trillion in the last 5 years and by \$8.5 trillion in the last decade. The total debt of the government was \$14.27 trillion as of 3/31/11. Our nation’s total debt is the sum of the money we owe our creditors plus surplus funds from Social Security and Medicare that have been invested in Treasury securities, i.e., intergovernmental debt. *Source: Treasury Department*

According to the Federal Government as of February 2010 there were 14.9 million unemployed, or 9.7% of the available work force. This figure is understated by the number not seeking unemployment benefits, who have given up looking for jobs, newly entered in the work force (i.e. graduated students, etc.), the retired, etc. *Source: <http://wiki.answers.com>*

The December unemployment report, the Bureau of Labor Statistics said the number of people out of work for 27 weeks or more hit 6.1 million Americans, or 40 percent of all 15.3 million jobless. This is the most since 1948, when the data was first recorded, according to the Department of Labor. On average, it now takes 20.5 weeks to find a new job – double the amount of time in the 1982-83 Recession. *Source: Christian Science Monitor*

The number of unemployed persons, at 13.7 million, changed little in April. The unemployment rate edged up from 8.8 to 9.0 percent over the month but was 0.8 percentage point lower than in November. The labor force also was little changed in April. Among the major worker groups, the unemployment rates for adult men (8.8 percent), adult women (7.9 percent), teenagers (24.9 percent), whites (8.0 percent), blacks (16.1 percent), and Hispanics (11.8 percent) showed little change in April. The jobless rate for Asians was 6.4 percent, not seasonally adjusted. *Source: Bureau of Labor Statistics US Dept. of Labor*

Today, New Jersey faces perhaps the most challenging budget in our history. The effects of a structural budget deficit and the ongoing national recession have deteriorated our fiscal outlook and produced a \$10.7 billion deficit – over one-third of our projected revenues. Our state continues to grapple with an unemployment rate of nearly 10%, the highest tax burden in the country, and the worst climate for business development in America. *Source: Fiscal Year 2011 Budget of Chris Christie Governor of NJ Transmitted to the First Annual Session Two Hundred Fourteenth Legislature*

There have been increasing concerns about the fate of United States' prized triple-A sovereign debt rating. While Standard and Poor's recently downgraded its U.S. debt outlook to negative from stable, implying that a ratings cut could happen in two years, one independent Ratings agency has given the U.S. sovereign rating a "C". "A 'C' is equivalent to approximately a triple-B on the S&P, Moody's and Fitch scales. It's two notches above junk and one notch above the equivalent of a single A," Martin Weiss, President of Weiss Ratings. *Source: CNBC May 3, 2011.*

TRENTON — New Jersey's bond rating was downgraded Wednesday by Standard & Poor's, a move that could add significantly to the state's borrowing costs and focuses even more attention on public-employee pension and health care payments. The agency dropped New Jersey to a rating that is among the lowest in the country. According to S&P, the only states with worse credit ratings are California and Illinois, widely considered to be in the steepest financial trouble. *Source: NJ.com Statehouse Bureau Staff.*

The oldest baby boomers began turning 65 this year and an estimated 7,000 to 10,000 Americans a day are expected to reach this milestone. *Source: Investment News*

Price of a gallon of fuel in our Nation May 10, 2011 *Source: AAA*

	Regular	Mid	Premium	Diesel	
Current Avg.	\$3.951	\$4.096	\$4.224	\$4.148	Highest Recorded Average Price:
Yesterday Avg.	\$3.960	\$4.104	\$4.231	\$4.155	Regular Unleaded 07/17/2008 \$4.114
Week Ago Avg.	\$3.967	\$4.104	\$4.233	\$4.161	Diesel 07/17/2008 \$4.845
Month Ago Avg.	\$3.761	\$3.896	\$4.023	\$4.053	
Year Ago Avg.	\$2.908	\$3.088	\$3.199	\$3.124	

Folks, what do these facts and figures mean to you? Let me give you my insight. First, there is no money at either the State of NJ level or the Federal Government. When there is no money in a corporation, it is declared bankrupt. Since we cannot allow the government to fail, there are only two choices available for survival and to regain control and they are: 1. Cut benefits to some and 2. Raise taxes on others. If you are a recipient of government money each month, be prepared for a pay-cut. If you have or earn money, be prepared for multiple major tax increases! How do you defend against tax multiple major tax increases? Invest in tax-free and tax-deferred savings and investment vehicles. Further, these vehicles should be insured by solvent, highly rated insurance carriers that offer lifetime and joint lifetime (spousal income protection) guaranteed* income streams that can be initiated or postponed by you at any time (not them). They must also offer access to at least 90% of your total account value at any time you request it in case of an emergency need. If you are unfamiliar with investment alternatives that offer these features, it is imperative that you find out now! If the predictors of doom and gloom are accurate and there are many more today than ever before, a major portion of your portfolio needs to be safe, secure, liquid and positioned for bad news, while simultaneously positioned for growth during the Bull Markets. Can all of this be done? Yes! Portfolio protection, which I'll call portfolio insurance, is not optional in my opinion. With all of the bad news and facts listed above, can you afford to be ill-prepared? The Trinity Method of Investing© is a concept that has never been more needed than in the economic situation we all face today. Protection from the 5 forces of portfolio demise, lifetime income guarantees, liquidity, growth for the future and tax advantages, if these are features you desire for your portfolio and the funds you are and will be depending on

for your retirement years, you owe it to yourself and family to get all of the facts and figures, design attributes and implementation strategies or you could dismiss it, under the guise that it sounds “too good to be true”. If you invest the time to learn more, I’ll invest the time to teach you. The call is free, the appointment is free and the knowledge you acquire is priceless! Call me for a no obligation appointment today!

*Mark E. Charnet is President and Founder of American Prosperity Group. APG is the Premier Retirement and Estate Planning Franchise in the United States with 15 offices in 8 states. Mr. Charnet has nearly thirty years of experience in the Retirement and Estate Planning fields. Creator of the Trinity Method of Investing®, Mark encourages your inquiries and can be reached at: 800-929-3374 or 973-831-4424 or via email, markcharnet@1APG.com Check out our website: www.1APG.com Interested in a career in retirement and estate planning? Check out this website: www.APGFranchise.com *Guarantees are based on the claims paying ability of the insurance company selected. Securities through: BCG Securities, Inc. Member SIPC, FINRA and a Registered Investment Advisor.*