

Information from Financial Services and CFS\* to help keep your financial life in balance

## Consumer Sense

### Planning for The Future

According to the National Bureau of Economic Research, December 2007 marks the beginning of the economic recession. Unfortunately, the recession is not only affecting the United States but has transformed itself into a full-scale global economic crisis. The effects of the economic turmoil include increasing layoffs, falling home prices and loss of consumer confidence. As if a global recession isn't bad enough, the retirement benefits program that assists millions of Americans may be in jeopardy as well. With the grim findings recently published by the Social Security Board of Trustees, laying out and executing a carefully structured financial plan has never been more important.

### 2009 Social Security Findings

The May 2009 annual report published by the Social Security Board of Trustees paints a bleak picture of the future sustainability of Social Security's capacity to pay future benefits. The major issues currently

affecting the trust fund assets may be attributed to both the economic recession and simple demographics. With unemployment numbers rising, there are fewer workers contributing to the Social Security Trust Fund. At the same time, as 78 million Baby Boomers move into retirement, not only will their contributions to the Fund come to an end, but their demand for benefits will hit record levels. As a result, the Board expects a cash flow deficit beginning in 2016. If immediate steps are not taken, it is predicted that trust fund assets will be exhausted in 2037. Fortunately there is hope. If immediate changes are put into place, the system may be able to remain solvent and continue to provide long-term benefits. Resolutions proposed by the Social Security Board of Trustees include an immediate 16 percent increase in the payroll tax, and/or immediate reduction in benefits.

### Well Structured Retirement Plan

Regardless of the long term viability of the Social Security Trust Fund, Social Security benefits should only be viewed as a small part of a well structured retirement plan. With the wide range of investment products and services available, choosing the correct mix of investments is a necessary, and often daunting, task.

### Get Help From Our Financial Professionals

Our financial professionals can help you determine the financial path to follow in pursuit of your short-term and long-term financial goals. He or she will work with you to identify investment goals and develop and implement a well structured investment plan. To schedule an appointment with one of our investment representatives, ask a branch staff member or go to our credit union website.

Sources: <http://www.nber.org/cgi-bin/printit?uri=/cycles/dec2008.html>;  
<http://www.socialsecurity.gov/OACT/TRSUM/index.html>

## Have You Read...

**Social Security Demystified: The Social Security and Medicare Handbook: What You Need to Know Explained Simply** by V.R. Leonard. This book does a great job reviewing the provisions of the Social Security Act, regulations issued under the Act, and recent case decisions (rulings).

### Interested in Learning More?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!



Brian Fee

Gregg Ridge

Financial Services  
610-480-9996 [www.fmfcu.org](http://www.fmfcu.org)

Do you have a topic you'd like to see covered in future *In Balance* newsletters? Email your questions and comments to us at: [investmentctr@fmfcu.org](mailto:investmentctr@fmfcu.org)

\* Securities offered through CUSO Financial Services, L.P. (CFS, an independent broker/dealer, (Member [FINRA/SIPC](#)). Registered Representatives are independent representatives registered through CFS. The products offered are not NCUA/NCUSIF or otherwise insured; are not obligations of FMFCU; and are not guaranteed by FMFCU and may lose value.