

News You Can Use

A Member Service of the American Association of Daily Money Managers

Email: info@aadmm.com Website: www.aadmm.com

DATE: March 4, 2009

MEMBERS IN THE NEWS

Family elders may need help with their finances. An Associated Press article by Eileen AJ Connelly featured here in the last edition of *AADMM News You Can Use* was picked up by the *CourierPost* (South Jersey) and posted on their website on Feb. 19. “Family members who do not live near elderly relatives or encounter resistance may consider bringing in a bookkeeping service or a daily money manager. **Roberta Gosier, president of the American Association of Daily Money Managers**, explained a daily money manager will meet with the person and help them get their financial affairs in order. Typically, visits take place a couple of times a month, she said, and most of the time they get permission from the client and don't need a power or attorney or other legal arrangement. . . . Her organization has created a certification program intended to qualify credentials and standards of practice.” [Family elders may need help with their finances](#)

NEWS YOU CAN USE

Should I Pay Myself a Salary From My Business? (*WomenEntrepreneur.com*, Feb. 23, '09).
“**Q:** I started my business last year, and it's beginning to make some real money. Should I pay myself a salary or reinvest the money back into the company? **A:** . . . unless you have investments or other income streams, you'll probably want to start paying yourself a salary from your business as soon as your company can afford it. You need to recognize that your company is a business, not a hobby, and that its goal is to make a profit. ‘You should not be building a business if the model does not lead to sustainable operating income and cash flow out of which a salary can be taken in a reasonable period of time,’ says Frances Spark of Spark Consulting LLC, a New York firm that provides business consulting, operational restructuring and interim CFO and COO services to entrepreneurs and small to mid-size companies.” [Should I Pay Myself a Salary From My Business?](#)

A Changed World for Financial Advisors (*Business Week*, Feb. 12, '09). “Advisers might not be to blame for the recession and financial crisis, but their advice is responsible for investment portfolios that, combined, lost trillions of dollars. In 2008 tried-and-true investing maxims suddenly stopped working. Tools such as diversification that were used to manage risk failed as the value of almost every asset class, from real estate and stocks to bonds and commodities, plummeted at once. . . . The crazy volatility of 2008 markets—and particularly the stock market—may be the year's most lasting impression. And that is sparking a broad recognition that, until last year, many advisers and investors forgot how risky the markets really are. . . . For millions of investors whose retirement plans have been altered by the past year, it may be too late. But perhaps the lessons carried away from the crisis by the professionals charged with steering investors' portfolios could protect clients from similar pain in the future.” [A Changed World for Financial Advisors](#)

Cutting Mature Workers Widens the Wisdom Deficit (*Business Week*, Feb. 24, '09). In her “Leading with Purpose” column, Alaina Love writes, “In the deluge of head count slashing and budget cuts, companies may be making critical mistakes in shedding a vital asset: mature

workers. . . . We have an even more recent example of the power that the knowledge and wisdom of an older worker had on an organization's success. Like many of you, I was riveted on Jan. 15 by the footage of 58-year-old Captain Chesley "Sully" Sullenberger successfully landing USAir flight 1549 on the Hudson River, saving the lives of all 155 people on board. When remarking on the accomplishment in a recent interview, Sullenberger commented that he felt his "entire career" had prepared him for that moment. Had Sullenberger not been at the controls of the aircraft that day, the impact on passengers, their families, and USAir's future might have been disastrous." [Cutting Mature Workers Widens the Wisdom Deficit](#)

Retirement Guide for 60-Somethings (*Smart Money*, Feb. 26, '09). "Workers in the final stretches toward retirement have had a rude awakening: The seemingly well-laid plans that they saved for during their working years probably won't pan out in their post-working ones. In fact, given the double-digit losses incurred in 401(k)s, as well as rising health-care costs, many fear that they won't be able to retire at all. . . . Here are five steps people in their 60s should consider to bolster their nest eggs before they retire: Continue Working: . . . Paying off debts is crucial at this point, especially considering that high-interest credit cards and even car loans can cost retirees some \$1,000 each month. . . . Maximize Social Security Benefits: Hold off on collecting Social Security past the age of 62 and you'll have a lot more cash in your pocket further down the road. . . . Adjust Your Asset Allocation: Hold off on collecting Social Security past the age of 62 and you'll have a lot more cash in your pocket further down the road. . . . Set Up an Emergency Retirement Fund: . . . Ideally, such a fund will cover three to four years of living expenses, says Garrett. Start stashing cash into relatively low-risk and liquid accounts like a short-term CD or money-market account. . . . Take Consistent Withdrawals: If you absolutely *must* start withdraw from your nest egg, try to keep the amount of money you take constant for the first few years (don't take annual inflation adjustments)."

5 Steps to Customer Loyalty Surveys That Work (*Entrepreneur.com*). "One key to surviving--even thriving--during this period of uncertainty is to know your customers. . . This will allow you to create laser-focused [marketing](#) copy that speaks directly to them and solves their specific problems. . . . The easiest and fastest way to look inside their heads is with a survey. You can create an effective and informative survey that will help you connect with your customers and continue to profit during the current financial turmoil in five steps. Step #1: Plan Your Survey: Be clear about what you're hoping to accomplish with the survey. . . . Step #2: Choose Your Weapon: . . . there are lots of free web-based services that will host your survey. . . . Step #3: Design and Write Your Survey Step #4: Administer the Survey: The easiest way to do this is to e-mail your customers and ask them for a few minutes of their time. . . . Step #5: Interpret Your Results: . . . remember that, more than anything, you're looking for trends." [5 Steps to Customer Loyalty Surveys That Work](#)