

Managing EXPECTATIONS

guidance through genuine financial planning

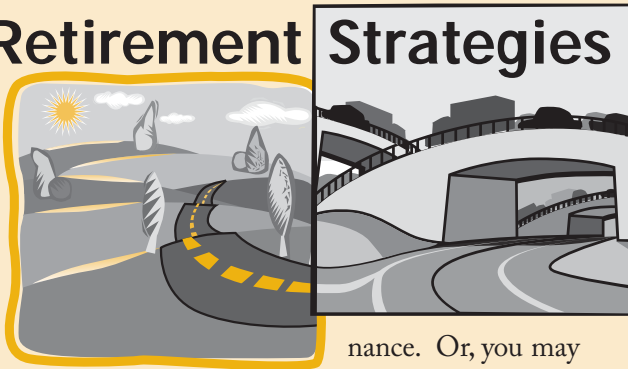
Successful Retirement Strategies

On the highway of life, how do you view retirement?

For previous generations, retirement was an opportunity to slow down and enjoy the scenery. But longer life spans, better health, and less financial security mean that today's retirement is less about getting off the road than about changing lanes.

If you are close to retirement age, consider the following tips:

- **Examine your asset allocation.** Conventional wisdom holds that when you retire, you should shift your assets into slow-growing, less risky, investments. But depending on the age at which you plan to stop working, you may need to live off of those savings for years—maybe decades. Factors that influence your investment options include your risk tolerance, your overall economic health, your goals for estate planning, and more.
- **Be house happy.** One asset to consider is your home. If your children have moved out, you may find yourself with unneeded space. You could choose to downsize and rent, allowing you more freedom to travel without the responsibility of maintenance.



Or, you may decide to purchase a smaller, less costly home. Under the Taxpayer Relief Act of 1997, you can sell your primary residence and receive gains of up to \$250,000 (\$500,000 for a couple) without paying taxes. A third choice would be to sell your existing home and invest your profits, using the earnings from your investments to cover expenses.

Finally, for some individuals a reverse mortgage may make sense. Essentially a loan against the equity in your house, a reverse mortgage can be paid out in regular installments or in a lump sum. The major benefit of a reverse mortgage is that it doesn't have to be repaid until you sell your home or die. In the latter case, your estate would pay the loan—which is limited to the value of the home at that time—and the interest.

- **Don't rule out work.** Retirement doesn't necessarily mean not working. An open-ended 'vacation' may sound

continued on page 2

In this issue:

- 3 Scholarship Winner:** This year's recipient shares her thoughts on financial responsibility.
- 4 Checking In:** Notes from the Client Advisory Council.
- 5 Speaking Out:** The difference between big and small is in the details.

Reflections on Marie's Retirement

For twenty-five years, visitors to Freedman Financial could count on two things: receiving exceptional personal attention and being greeted by Marie Albano. Freedman's commitment to client service will remain, despite Marie's decision to retire. Her last day in the office will be in early June.

In 1982, Marie was a mother with two school-aged children. She was sitting at the kitchen table one morning reading the help-wanted section of a local newspaper when an ad for a part-time administrative assistant caught her eye.

"The position required six to eight hours a week," says Marie, who had done similar work at an aerospace company before she was married. "The flexibility, as well as the easy commute appealed to me, so I applied."

In those days, Barry Freedman ran his fledgling business out of his home office, so Marie grew to know his whole family well—including a young teen by the

continued on page 2

Retirement Strategies

continued from page 1

like paradise for the first few weeks—or months—but many people find it difficult to deal with such a lack of structure. Other retirees are driven back to work because they find their expenses are higher than they estimated. Either way, a recent survey by the AARP showed that almost 70 percent of pre-retirees plan to work part-time during their retirement years—or plan to never retire.

But how will a paycheck impact your taxes and Social Security benefits? The answer depends upon factors such as the age at which you begin drawing benefits, how much you earn, and, if you are self-employed, how much you work.

If financial security is not driving your return to the workforce, you may be able to secure the same mental and social benefits through a volunteer position. Or, you may be able to offset any reduction in Social Security checks through income from other sources, such as investments. The key is to review your whole financial picture before making any decisions.

➤ **Spotlight your spending.** The time to figure out what you need to live on isn't when you retire—it's now. Here's a simple exercise: track your spending (and that of your spouse) for an entire month. How much do you spend on extras like dining out, movies, and gifts to the grandkids?

To get an even better idea of your spending habits, pull out your bank statements for the past six months. Take the average of the outflows and you'll get a good sense of your monthly spending.

➤ **Communicate with your spouse.** If one or both partners in a marriage have been working full time for years, retirement can be hard to get used to. If both partners are now home, you may have to renegotiate simple facts

of life, from how you spend your free time to who controls the television remote during the day. Likewise, if one person retires and the other is still working, there may be unspoken expectations regarding what the at-home person is supposed to accomplish. For example, who is now responsible for cooking dinner, cleaning, and scheduling maintenance appointments?

On the other hand, a partner who has been at home for years may have an established routine, and may resent having it interrupted. That's why it is a good idea for couples to sit down and discuss their goals for retirement well in advance of the actual event. Together, you can brainstorm goals for trips, home improvement plans, and hobbies, while working out the day-to-day details of who is responsible for what.

➤ **Establish a support system.** Your spouse shouldn't be the only person to whom you turn during retirement. If most of your social contacts are from work, your calendar may feel a little empty in the days and weeks after you leave. Finding a way to fill those holes can be frustrating. Consider joining an organization that revolves around an activity you enjoy. From garden clubs to nature centers, country clubs to ballroom dancing socials, there's a place out there for you. All you have to do is find it.

➤ **Take a trial run.** An extended vacation at home can help you spot the problems in your plan before you stop working, particularly if you stick to your retirement budget. If you find yourself climbing the walls, snapping at your spouse, or short on cash, it may be time to retool your approach. No two retirement scenarios are exactly the same, which is why we'd be glad to discuss your individual situation in detail.

As always, our primary objective is to help you fulfill your life's goals through genuine financial planning.

Marie's Retirement

continued from page 1



name of Marc. "Starting off that way was kind of an easy transition back to the work world," she says. "Barry's three sons were always in and out, Phyllis (Barry's wife) was there—even Sparky the family dog!"

Marie's ability to connect with others was a skill Barry immediately recognized and valued. "The person representing me to clients needs to have a friendly nature. That's been true of Marie since the beginning," he says.

But making clients feel comfortable wasn't her only responsibility. As Freedman Financial grew—the office has moved four times, each time to a more spacious location—so did Marie's job. Over the years, she's taken on everything from travel arrangements to event planning to training new office staff.

"She's always willing to step in and help out wherever she's needed—there's no job that's too big or too small for her," says her coworker Kim Gagnon. "She has a positive approach to her job and to life."

For Barry, Marie's skills in running the office left him free to focus on other aspects of the business.

"There are plenty of things I just don't have to think about, because I know she'll take care of them," says

story continued on page 5

Scholarship Winner Chosen



The Scholarship Committee of the Client Advisory Council is pleased to present Jamie Baser as the recipient of Freedman Financial's Seventh Annual Scholarship. Baser, who lives in Hollidaysburg, Pennsylvania, is the granddaughter of Ron and June Baser of Danvers. Her outstanding application was selected from among eight candidates.

Baser is a member of the Hollidaysburg Area Senior High School dance team, is on the swim team, and is the secretary of the Student Council. She also participates in a teen anti-drug and alcohol program, in the Future Business Leaders of America club, and in a local theater repertory.

The eighteen-year-old senior will matriculate at the University of Pittsburgh next fall, with plans for a dual major in communication and business. The essay portion of her application is reprinted below.

“What Financial Responsibility Means to Me”

Jamie Baser

Financial responsibility has meant a variety of things to me at various stages of my life. When I was very young, financial responsibility meant putting my pennies in a piggy bank. As I became a little older I learned that money was used to get the things one wants. Financial responsibility was saving enough to do this. When I was five, my younger sister and I saved our money for months to buy a plane ticket so our great grandmother could come visit us. When we finally had what we thought was enough we emptied our piggy banks and counted it. We had \$23.46.

As I continued to grow older my summer days were filled with dozens of lemonade stands and selling painted rocks. The importance of earning money to save for something I wanted was always the goal. Looking back now I realize that the failure I once blamed on my business skills simply stemmed from the fact that I live at the end of a dead end road.

The basis of financial responsibility seemed to always be about saving and setting aside money for special needs. My parents started an allowance system with my siblings and I when I was about six. This was probably my best learning tool for becoming financially responsible. At first I received a dollar each week. I had four boxes labeled “spending,” “savings,” “church,” and “college.” My dollar allowance was given to me in four quarters, one for each box. As I got older my allowance rose to three, five, and finally seven dollars a week, but the system remained the same.

As I reached my teens a world of new opportunities

opened for me. I now had the option of making my own money by babysitting. I took a certification course and advertised to all the mothers in my neighborhood and church. This was my downfall in financial responsibility. Having frugal parents who didn't believe I “needed” the expensive clothes that were “cool,” my babysitting money was no sooner in my pocket than I was spending it at the mall. As soon as I turned sixteen I got my first real job, and my lessons of saving were reinstilled. I opened a bank account and discovered I rather enjoyed watching my money multiply rather than spending it.

In the past years especially I have been suddenly struck with the importance of financial responsibility. I found a new job where I could get more hours for higher pay. Almost all the money I have earned has been put in the bank to be saved for college. As an adult financial responsibility is probably the most important skill I will need to possess. As I will be living away from home next year I am already constantly thinking of ways to budget my money effectively. This summer I plan to work two jobs and save everything I earn. I plan to work part time through college and continue to hold two summer jobs.

The older one gets the more important it becomes to be financially responsible. As I graduate from college I will be faced with the duties of buying a home and beginning a family. I will need to save money for my children to go to college and start a retirement plan when I am young so it will be efficient for my future. Financial responsibility means constantly planning for the future. In my experience thus far, the best way to do that is by saving.

A Review of the Client Advisory Council

Four new members were welcomed into our Client Advisory Council on Monday, April 24th at Red Sauce in Danvers, MA. Comprised of twelve client households, this collection of individuals offers insight, opinion and candor on issues surrounding overall operations and development at Freedman Financial.

"This was, without a doubt, our best meeting in ten years," says Marc Freedman. The honest feedback, wonderful reflections and engaging conversation was a further validation that the firm's mission to deliver "genuine financial planning" were words in action.

A question asked to the group was, "What client service standards have you come to expect from Freedman Financial?" If you have thoughts you'd like to share or would even like to be considered a future member of our council, please either e-mail us or simply pick up the phone. A live person will answer; and that's one of the service standards the Advisory Council truly appreciated.

In March, Barry and Marc had the opportunity to meet the venerable Alan Greenspan at the LPL Masters Conference, held in San Juan, Puerto Rico.



If you receive the magazine *North Shore Living*, you might have recognized some familiar faces in the spring 2006 issue. Here's a copy of the full-page ad we ran. If you saw it, we'd love to hear your thoughts!

Freedman Financial Retreat

On the heels of a fabulous Client Advisory Council dinner, we closed our office all day, Tuesday, April 25 to hold an off-site staff retreat at the historic Hawthorne Hotel in Salem, Massachusetts. This "bonding" event was sure to be the first of many annual retreats as it allowed everyone in the office to share thoughts, brainstorm and celebrate the impact that our clients play in the foundation of our office, as well as the role each staff member plays in helping clients achieve their goals. With Marie's pending retirement, and with the new faces who have joined our firm, the main focus of our meeting was to talk about the service standards our clients have grown to expect and communicate the importance of both honoring the successes of the past and integrating new service dynamics for the future. We look forward to rolling out many of the ideas we gathered in the months and years to come.

Improving the lives of our clients by delivering genuine, personal, and comprehensive financial planning.

Freedman Financial is a Massachusetts Registered Investment Advisor. Securities are offered through Citicorp Private Ledger Corp. a Member NASD/SIPC.

Genuine financial planning means understanding not only your investment goals, but the emotions, dreams, and challenges that accompany them. A conversation with one of our planners is a journey into understanding your personal objectives, and creating a process that regularly monitors them.

We know that life changes – and so might your financial plans. Let us share the distinct difference between financial planning and investment services, and help you develop a road map for reaching your financial goals. Call us for an information kit or a free, initial consultation.

8 Essex Center Drive • Peabody, MA • 978-531-8108 • www.freedmanfinancial.com
Freedman Financial is a family-owned, community-based, financial planning firm serving families on the North Shore since 1968.

speaking out

by DawnMarie Corneau

“The success of any great moral enterprise does not depend upon numbers.”

William Lloyd Garrison

This quote comes to mind as I reflect on the past six months of my career. Moving from a large corporate environment to a smaller office setting has been a big change, both for me and for the clients who came with me. And it happened at a busy time—since I’ve joined the firm we’ve transitioned client accounts, completed the 2005 tax season, and hosted three client events! It’s been a lot of work, but I think the results have been worth it.

The move to Freedman Financial has allowed me to do what I do best—focus on my clients’ well-being. Having a dedicated, experienced support staff in place has freed me from the burden of administrative duties, so that I can give my clients my full attention. And my clients have noticed the difference. They’ve commented on how nice it is to hear a live person on the phone when they call the office, instead of voice mail. They appreciate the enthusiasm with

I have been so touched and impressed by everyone’s assistance. My colleagues have helped me reach my goal of a successful transition while providing a wonderful place for growth and happiness.

At Freedman Financial, our success is defined by the strength of our relationship with you, our clients. Moving to a smaller, more personal office gives me the tools to focus on those relationships in a big way, and I thank you for the opportunity.



which they’re greeted when they visit. And they (and I) enjoyed meeting and mingling with longtime Freedman clients at our events.

For me, the journey to Freedman Financial has been very personal.

Marie’s Retirement

continued from page 2

Barry. “She’s been my right arm for twenty-five years—we kid that she’s my second wife. I’m going to miss her terribly.”

Phyllis concurs. “All I can say is I substituted for Marie one day, and Barry appreciated her like never before when she got back,” she jokes. “She’s become a part of our family, coming to all of our weddings and events, and we’ve been to all of her family events too. It’s become a good friendship.”

Although the friendship will continue, Marie’s time in the office is coming to an end. And while clients and staff will miss her, she’s confident nothing will change:

“People should have full confidence in the continuation of the service they’ve been receiving over the years. It will continue just as well, if not better. They’ll be in good hands.”

Letter from Marie

After twenty-five years, it is extremely difficult to find the right words to say goodbye to Barry, Marc, and all of my coworkers, past and present, who have meant so much to me and been such a big part of my life. We have shared both the good and the bad in each other’s lives and have formed some wonderful friendships. I will miss the daily contact with all of them very much but will be sure to keep in touch.

The personal contact with our clients has always been a favorite part of my work at Freedman Financial. I look forward to greeting the clients, chatting with them about their recent trips, new jobs, children and grandchildren, and just about everything else. Our clients are a very unique and wonderful group, and serving them all these years was a responsibility I embraced with total commitment.

It will certainly be an adjustment not to show up at Freedman Financial every day, but I also look forward to visiting Europe and Hawaii with my husband, Silvio, and to spending time with my children; Eric and his wife Kristen, my daughter Lisa and her husband Mike, and my two wonderful grandsons, Ryan, age six, and Connor, age five.

Barry and Marc have always stressed that Freedman Financial is a family-owned business. Over the years, I’ve had the opportunity to get to know four generations of the Freedman family, starting with Barry’s father, Kenneth, and then of course Barry and his wonderful wife, Phyllis, and their three sons and their wives and children: Marc and Laura (parents of Mindy, Ilana, Jerry, Noah, and Corey), Jeffrey and Jane (parents of Julia), and Drew and Michelle (parents of Olivia). They’ve all been like family to me.

FREEDMAN FINANCIAL

planners • advisors • partners

Eight Essex Center Drive • Third Floor

Peabody, MA 01960

Tel: 978-531-8108 • Fax: 978-532-2666

Email: freedman.financial@fpl.com

Securities offered through Linsco/Private Ledger

Member NASD/SIPC

Save the Date!

Freedman Family Event—July 14th

The North Shore Spirits play the Brockton Rox.

Invitations to follow...

OUR CORE VALUES & BELIEFS

At Freedman Financial we believe

- **Planning** is the critical first step to a secure financial future.
- **Integrity** is essential—our words must match our deeds.
- **Competence** can only be achieved through constant learning and skill assessment.
- the **Relationships** we build with our clients are for life.
- **Innovation** is the key to our success—we are dedicated to improvement, creativity, and value.
- the **Personal** touch matters because the best relationships are built face-to-face.