

## Client Web Portal

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- Convenient access to account document history
- Paperless delivery to reduce the amount of mail
- Greater convenience and security



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### Attention Snowbirds:

Be sure to call us with your summer address so you are able to receive your mail during the summer months.

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over thirty years, we have helped our clients achieve financial security.

Jerry Webb, CFP® & Chairman

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## Leasing verses Buying

In a recent **StarTribune** article, it stated that auto leasing is making a comeback. Leasing roared back to life last year, fed by an ideal and unusual combination of low interest rates and high trade-in values. Prior to 2008, about one fourth of new car sales came from leases. "There is potential for it to go to more than 30 percent of sales," said Jesse Toprak, vice president of market intelligence at TrueCar.com, an online auto-buying service.



Gary Webb RFC®

Leasing works like this: Let's say you are looking at a loaded \$30,000 midsize sedan and are considering a lease. You pay for the portion that the car depreciates. At the end of the lease, you can buy the vehicle or turn it back to the leasing company that financed it. Should you lease a car and when the lease ends, should you buy it or not?

Most people don't buy their cars at the end of a lease, which means they end up starting all over with a new lease. There is no opportunity to build equity.

So should you buy a car? Is new or used a better option? One third of buyers get a 6 year loan with a rate of 9.6%, with a cost of \$26,000 and a monthly payment of \$485. What dealerships don't tell you is that your new car loses 25% of its value as soon as the car leaves the lot and 60% of its value after the first 4 years, and you still have to make payments on it. That means that after six years you've paid \$33,000 for your \$26,000 car, which is now worth \$6,000. In most cases, buying used is better than buying new.

## Wait, You Mean My 401(k) Isn't Free?

Many retirement plan participants are unaware of the fees that they are paying for the privilege of investing for retirement in their employer-sponsored plans. This is not necessarily their fault, as they have not been privy to the expenses charged to administer these plans. New Labor Department regulations go into effect this year that will require retirement plan providers to disclose the imbedded fees to both the employees and to the company providing the benefit. By August 30<sup>th</sup>, plan participants will see this new disclosure, which will include fee details on the plan-level and investment-level.



Ryan Shannon, CFP®

The truth is that the 401(k) and other similar types of plans are expensive to provide. A breakdown of the necessary services and the associated fees include recordkeeping, administration, investment advisory, brokerage, and management services. I do want to stress that the costs of these plans should not deter anyone from participating. There are costs associated with investing no matter what type of account an investor uses. The great benefits of employer-sponsored retirement plans include deferring income taxes, obtaining additional compensation through matching contributions, and the opportunity to save and create wealth.

I feel it will be beneficial to have full disclosure of retirement plan fees because individuals and companies will be able to make more informed decisions. It may also help drive costs down for all.

## Educational Planning

Educational planning has become a very popular topic with clients over the last five years. It is because of the continued annual increases in the cost of college education and the amount of student loan debt that is being taken out by students. Most student loans are required to be co-signed by parents and many parents will be asked to help make payments in future years. This can take discretionary income money away from their retirement saving. A financial planner can help determine if the student will be able to afford to repay these loans given their chosen profession. If not, the burden will be on the parents. Rather than talking about saving and starting early, I think it is more important to talk about being selective when it comes to the appropriate educational degree.



Michael Bischoff, CFP®

### Lowest-Paying College Degrees of 2011

**Child and Family Studies** - Starting Median Salary \$29,600; Mid-Career Median Salary \$40,500

Often a step towards further studies, this degree is the lowest paying on the list.

**Elementary Education** - Starting Median Salary \$32,400; Mid-Career Median Salary \$44,000

Teaching is a noble career. While teachers' salaries are low, job opportunities are expected to grow by 14 percent this decade.

**Social Work** - Starting Median Salary \$32,200; Mid-Career Median Salary \$44,300

Social workers offer an indispensable safety net for people who've fallen on hard times. There is also a favorable outlook for opportunities in this field.

**Culinary Arts** - Starting Median Salary \$29,900; Mid-Career Median Salary \$46,800

For food lovers who dream of becoming chefs or opening their own restaurants, happiness is about cooking up delicious dishes, not a paycheck.

**Special Education** - Starting Median Salary \$34,300; Mid-Career Median Salary \$47,800

Although the pay may be low, this is work anyone can be proud of.

**Recreation and Leisure Studies** - Starting Median Salary \$34,500; Mid-Career Median Salary \$49,100

This field of study covers leisure, recreation and play-related phenomena, including human behavior, social issues, and public policy.

**Religious Studies or Theology** - Starting Median Salary \$32,300; Mid-Career Median Salary \$40,500

People who earn this degree aren't in it for the money and often have a strong desire to do good in the world.

**Athletic Training** - Starting Median Salary \$34,600; Mid-Career Median Salary \$50,200

Athletic trainers prevent, diagnose, treat, and rehabilitate injuries and sport-related illnesses.

**Public Health** - Starting Median Salary \$35,500; Mid-Career Median Salary \$51,700

Public health offers many career paths, but the higher paying jobs in this field usually require advanced degrees.

**Art** - Starting Median Salary \$35,300; Mid-Career Median Salary \$52,400

A degree in art prepares you for many careers in visual arts, but unfortunately falls on this list.

This list was recently produced by Monster.com. These workers are clearly not motivated by money and are in these careers to make a difference. I found this data very revealing and wanted to share it with anyone planning future educational costs for children or grandchildren.