

February 2012

# Keeping in Touch

Dear Friends,

\*\*\*\*\* **CONTEST** \*\*\*\*\*

Want to stay in the know. Click on our business Facebook page <http://on.fb.me/FISNJ>  
And enter our contest. Simply "Like" us and you will enter our drawing to win one  
of two American Express Gift cards. Keep up to date on all the goings on at  
Foundation Insurance Services. It's THAT easy.

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If you have any questions on the things covered in this month's newsletter, please  
give me a call!

Regards,

Frederick (Fred) Saide, Ph.D.

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## **Five tips to a more profitable 2012**

- 1) **Breathe, then decide**--when it comes to money, quick decisions often end up being bad decisions. Make it a goal this year to take a breath before making any major financial decisions. Too many investors take their money out of stocks right before stocks recover. Too many investors put their money into stocks right before stocks fall. It's natural, we want to be in whatever thing is hot and want to get out whenever things are flailing. We need to fight these impulses and instead follow our long-term goals. This applies not just to your investment portfolio, but to all your investment decisions.
- 2) **Bargain with your banker**--in the Financial Security Index survey in 2011, 64% of bank customers said they would switch banks to avoid fees. We certainly saw evidence of this when Bank of America tried to raise its debit card fees. While I certainly agree with this, it can be a hassle to switch banks, and even more so if you pay bills electronically. To avoid these hassles, you might want to take just 1 min. to talk to your banker and see if they will waive the fees. Banks are feeling pressure from credit unions and other competitors so you may be surprised how open they are to waiving the fees.

- 3) **Don't freeze your credit card**--we've all heard about people putting their credit cards into a block of ice to slow spending. However, you want to make sure that you use your card occasionally so that it does not get canceled. The canceled card will reflect poorly on your credit report. Credit reports are used in many ways that can affect our everyday lives including our auto and home insurance. So, pay them off each month but still use them occasionally.
- 4) **It's the little things**--don't forget dividends. Did you know that dividends from stocks in the S&P 500 made up 42.54% of the annualized total return of the S&P 500 index from January 1926 through September 2011. Keep this in mind when reviewing your portfolio this year.
- 5) **Check your report card**--go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and get your credit report for free. Check your credit report carefully for errors. In a recent US Public Interest Research Group study, they found almost four in every five credit reports contain some kind of mistake. If you find a mistake, contact the agency by phone or in writing to file a dispute. This could boost your credit rating.

And the biggest tip of all, make sure you have a plan... that covers all the contingencies. If you're wondering if you have that, then you probably don't. If that's the case, please give my office a call and we'll work together to get you a bulletproof plan for 2012.

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