

AFM News and Views

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Alltrust Financial Management^(sm)
Trusted Financial Guidance - Exceptional Personal Attention

210 W. Jackson St. - Morton, IL 61550
Phone: (309)266-5400 - Fax: (309)266-5030

***Our mission** is to serve our clients, in an atmosphere of trust, to help grow and preserve their wealth. We provide personal attention and comprehensive strategies, striving to enable our clients to live and retire with stability. Alltrust Financial Management serves clients seeking comprehensive financial guidance, with a team approach, in a manner that continuously exceeds our clients' expectations. We are a recognized and respected financial management firm delivering trusted, personal attention.*

MAJOR MILESTONES IN THE EVOLUTION OF SOCIAL SECURITY

- 1935 – The Social Security Act was signed into law by President Roosevelt
- 1939 – Two new categories of benefits were added to the program: (1) dependent benefits for the spouse and minor children of a retired worker; and (2) survivor benefits paid to a worker's family in the event of the worker's premature death.
- 1940 – Payment of the first monthly benefits began. The first monthly retirement check, paid to 65-year-old Ida May Fuller, was issued in the amount of \$22.45
- 1950 – Cost-of-living adjustments (COLAs) were added to the program. Initially, COLAs required congressional legislation; in 1972, the law was changed to provide for automatic annual COLAs based on the annual increase in consumer prices.
- 1954 – Disability benefits were added to the Social Security program
- 1961 – The age at which men first became eligible to apply for retirement benefits was lowered to age 62. (Women had been granted this option earlier.)
- 1965 – Medicare was signed into law and Social Security's benefits were extended to include health care for those age 65 and older.
- 1983 – Social Security benefits became partially subject to income taxation. The Social Security program was extended to include federal employees. The age at which retirement benefits would be paid became scheduled for gradual increases beginning in 2000.
- 2000 – The earnings test was eliminated. This test served to reduce Social Security benefits for those who continued to work beyond the age at which they were eligible for full retirement benefits.
- 2007 – The official first "baby boomer" – Kathleen Casey Kirschling, born January 1, 1946 – filed a claim for her Social Security retirement benefits.
- 2009 – This was the first year in which monthly Social Security benefits did not experience automatic cost-of-living-adjusted increases, since automatic COLAs went into effect in the 1970s.
- 2015 - Social Security turned 80.

HOW TO BEAT THE GRANDPARENT SCAM (SOURCE: AARP BULLETIN)

Be wary of phone scammers pretending to be one of your grandkids.

The phone rang—not the cellphone that I normally use, but my office landline—and the scam began with an innocent, "Hi, Grandpa."

"Who's this?" I asked.

"Don't you recognize my voice? It's Kenny. I'm in Chicago." (All names have been changed to protect the victims.)

It was a young male, but I wasn't so sure it was my Los Angeles-based grandson. I also wasn't aware that he was visiting Chicago, though his sister, Emily, was working there at the time.

He asked: "Can I tell you something in secret that you won't tell anybody else, please?" This turns out to be a familiar request by scammers.

Intrigued, I responded, "Of course."

I was the potential victim of a financial trick that is aimed at countless grandparents across the country, costing them millions of dollars, according to Federal Trade Commission estimates. In 2015 alone, the FTC received 10,565 "family/friend impostor" fraud complaints; it's impossible to say how many more recipients of these calls didn't notify the authorities.

"Here's what happened. Emily and I went to a White Sox game last night," the caller began explaining. Strange—if they went to a baseball game, they would surely watch the Cubs on the north side of Chicago, where Emily was living.

He continued: "We were on our way back to our hotel [Emily had an apartment, so why a hotel?] when our cab was pulled over by the police. They found pot in the trunk and arrested us. I'm at the police station now with a lawyer." Mentioning an authority figure like the lawyer is another traditional ploy of this kind of scam.

I was both stunned and dubious. "Were you carrying any drugs yourselves?" I asked. They weren't. Then why were they arrested? "The police say I have to stay in Chicago for four to six weeks until the cab driver's trial. If they release us, they want \$2,000 to make sure we'll come back." Both Ken and Emily are college students who were due to return to classes in a few days.

The caller wanted me to talk to the "lawyer," his partner in crime. "He's right here next to me." I could hear muted conversation in the background, but it didn't sound much like the noisy Chicago police stations I had covered early in my reporting career.

Increasingly suspicious, I said, "If all this is true, Kenny, you should talk to one of our relatives in Chicago, not me. But the whole thing seems very fishy."

"Please, Grandpa," was the heartfelt response. I had a momentary twinge, then asked, "Kenny, if that's who you are, what's your address in Los Angeles?"

The phone went dead. Unfortunately, I don't have caller ID on my office phone, so I couldn't determine where the call came from. The FTC says scammers phone from anywhere, including overseas.

The scariest part of the experience? These scammers knew my name, my grandchildren's names, my phone number and even some of our personal information, like where my granddaughter was temporarily living. How? Simple: "They buy it or steal it," says the FTC.

And sometimes, we give it right to them. Semi-intimate details about our lives often are available online for anyone willing to dig. And many people routinely announce these details to the world on social media like Facebook and Twitter. No surprise that scammers scout for targets on these networks.

After Kenny hung up, I immediately sent a warning email to extended family members. To my astonishment, I discovered that two other grandfathers in our family had been targeted as I was. One in Kentucky quickly detected the hoax; when he threatened to call police, the exchange quickly ended.

The other grandfather was home alone in California when he received a call from a stranger saying his grandson (no name given) had been arrested in Arizona after a drunken fight, was in jail and needed \$1,500 bail. As stunned as I had been, the grandfather shakily asked, "Can I speak to Ralph?"

It isn't clear the scammers even had a name until then. As it turns out, scammers sometimes call numbers randomly until they reach an older person. They then mention a grandchild in trouble, and if there's an emotional appeal to talk to so-and-so, they take it from there.

The grandfather asked the young man who got on the phone, "Are you OK?" He replied, "Yes, but I need the bail money so I can go home." The grandfather's surprised response was: "You don't sound like Ralph." The clever reply: "My nose got broken in the fight, Grandpa, and I don't sound like myself."

The caller said that he knew there was a Western Union near the grandparents' home (which is true), and the grandfather, now convinced, agreed to withdraw the money and wire it immediately. (As one government official said, "Their game plan is to get you so upset that you overlook holes in their story.")

Once the grandfather was back home, the phone rang again. The caller identified himself as Ralph, thanked him for the money and asked for more. (When the first payment is so easy, scammers often move in quickly for more.) The grandfather began to realize, "Oh my God, this is a scam," and hung up.

He called his wife and told her what happened. She telephoned Ralph's mother. Her son was at work, nowhere near Arizona.

The grandfather was too embarrassed to call the police. When his incredulous friends asked, "How could you have done that?" he could only reply, "I was so concerned about Ralph, and they had the story down so well."

The lesson: If you ever get a call from or about a grandchild or any other relative in danger or trouble, and the immediate request is for cash, you need to pause, calm yourself, say you will have to consult another family member first, and hang up. Then check. If the emergency is by any chance real, you can still respond appropriately. If it's not—and the odds point to that—congratulate yourself. You just avoided being on next year's FTC list of those victimized by impostors.

FOLLOW THESE 5 TIPS FOR GRASS (SOURCE: PJSTAR)

To get the lush, green grass of your dreams you need to do what's best for your lawn. Part of that is knowing when and how to properly water your lawn.

1. Water at the right time.

Before you come up with a watering schedule, it's best to know the best time to water your lawn. The best time for watering your lawn is between 6 and 10 a.m. because your lawn will have the whole day to dry. You can also water between 4 and 7 p.m. if you don't have time in the morning. However, watering at night can promote fungus and mildew growth.

Try to avoid watering between 11 a.m. and 3 p.m. as it's the hottest part of the day. Most of the water will just evaporate.

2. Know what kind of soil you have.

Your lawn's soil can affect how you go about watering your lawn. For example, clay-based soil doesn't absorb water as quickly as sandy soil. Doing a soil test on your lawn can help determine a better watering schedule.

3. Use the right amount of water.

With a sprinkler, you'll want to apply about 1/2 inch of water twice a week. You'll need to figure out how much time it takes to apply this much water to your lawn. To do so, set out empty tuna or cat food cans. Time how long it takes to fill them up. Because sprinklers don't always evenly distribute water, compare a few cans to see if they have equal levels of water. It usually takes about 15-30 minutes to fill up the cans, depending on the sprinkler. Once you have that time figured out, you can set your water timer.

4. Use a water timer.

A sprinkler or hose timer is a great way to keep yourself from over-watering your lawn. You can program the timer to automatically shut off so the lawn gets the proper amount of water. It's perfect if you need to leave the house while your lawn is being watered, or if you forget you've left your sprinklers on.

5. Use the right kind of sprinkler.

Using the right kind of sprinkler is also important for watering your lawn. A pulsating sprinkler is a good choice for older, mature lawns. The revolving sprinkler head shoots out water with high velocity, so it's less likely to evaporate or be affected by wind. If you have new grass, you'll want to use an oscillating sprinkler. The water from the oscillating sprinkler isn't as strong as a pulsating sprinkler, so new grass seed won't get pushed around.

WEEKLY UPDATES ARE AVAILABLE

LPL Financial's *Weekly Market Commentary* and *Weekly Economic Commentary* can be found on LPL Financial's website (http://www.lplfinancial.com/learning_center/research/).

OTHER UPDATES AVAILABLE FROM LPL RESEARCH DEPARTMENT

- Daily market update: <http://LPLresearch.com>
- YouTube Channel: <http://www.youtube.com/lplresearch> (which can also be found on our website)

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Till next month,

The Alltrust Team

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