

Cliff's Notes

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Welcome to Fall



by Cliff Robello

You probably don't know this, but September was "National Preparedness Month." Beginning in 2004, the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security have promoted September as a good time to take steps to prepare for emergencies and natural disasters. Given the recent wildfires on the island of Maui – I think this is very sound advice.

As a financial advisor, I'd also encourage you to consider this month as Financial Preparedness Month. This is a good time to take proactive steps to safeguard your money, your identity... and your retirement.

Number One on the list of action items is to check your fire, flood, and hurricane insurance. Ask your agent if it covers replacement value or not. If it doesn't, you're on the hook for the difference between what your insurance covers and the replacement value.

As always, if you ever have any questions about how to safeguard your finances/retirement, please don't hesitate to ask. We are always here for you.

Have a great Holiday Season!

What's Around the Bend: Your Emergency Fund



by Cliff Robello

When it comes to safeguarding your retirement, few steps are easier — or more proactive — than setting up an emergency fund. What is an emergency fund? Generally, this is defined as having enough liquid assets to cover three-to-six months' worth of living expenses. In case of a financial emergency, having such a fund can help prevent having to rely on credit cards, loans... or dipping into your retirement savings. Here are a few tips to setting up your own emergency fund:

1. Start small

Starting an emergency fund can be as simple as depositing \$100 every month into a savings account. Also, bear in mind that this savings account should be a separate account, unrelated to whatever you use for daily expenses.

2. Stick to a schedule

Get into the habit of making regular deposits. Whether it is weekly, bi-weekly, or monthly, create a schedule and stick to it. Once you make saving automatic, you won't even have to think about it.

3. Use that money under the couch cushions

Whenever you find spare change, like that \$1 Washington under the couch or the crinkled \$10 Hamilton in that old pair of jeans, deposit that into your emergency fund. You'd be amazed how quickly that adds up.

4. Allocate a portion of your tax refund

Most people tend to treat their tax refund as a windfall for spending, but if you set aside even as little as 5 or 10% every year, you will be creating an enormous safety net for yourself.

5. Define what an "emergency" means for you

Does replacing the transmission on your car count? What about that midnight call to the plumber? Generally speaking, an emergency fund can be used for expenses that come as a surprise that might affect your health or basic needs. On the other hand, it shouldn't ever be used for expected expenses, like buying groceries or paying for health insurance. And it should never be used for mere "wants." Making a list now of what your emergency fund is actually for will serve you well in the future.

*“ In any moment of decision,
the best thing you can do is the
right thing. The worst thing you
can do is nothing. ”*

Theodore Roosevelt

What's Over the Next Hill: Protecting Your Identity



by Cliff Robello

These days, proactively examining your cybersecurity to protect yourself from hackers, scammers, and identity theft is crucial for financial preparedness.

Identity theft is when someone ["wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain."](#) Over the next few months, I'm going to feature several articles on how to protect yourself against identity theft, but let's start by looking at some of the most common ways thieves can steal your identity:



Dumpster Diving

Rummaging through garbage and recycling cans to find documents containing personal information like bills, medical forms, and statements.



Mail Theft

One of the oldest forms of identity theft, mail theft is when a thief steals your mail looking for checks or documents that list your contact info, Social Security number, or credit card/bank information.



Online shopping

Online merchants often require customers to set up accounts. This makes shopping convenient, but these accounts contain everything thieves need to use your money...and they can be protected by weak, overused passwords that are easy to guess. (Hackers can also get identity information by hacking the overall company, not just your account.)



Phishing

Ever receive an email or phone call from someone that looks or sounds legitimate, but isn't? It could be a phishing attempt, where thieves try to "fish" for personal information by posing as your bank, the government, or some other authority.



Malware

Malicious software like worms, Trojan horses, and spyware can give hackers access to your personal information or passwords.

Next month, we'll discuss a few basic steps for protecting your identity.

FUN FINANCIAL FACT

Did you know that a dollar bill can be folded 4,000 times before it will tear? That's because banknotes aren't actually made of paper, but a blend of 75% cotton and 25% linen combined with tough synthetic fibers.

This is all according to the U.S. Bureau of Engraving and Printing, who either have too much time on their hands or are taking the idea of "proactive financial preparedness" to a level even I would never think of.

SOURCE:
[U.S. Currency Education Program](#)



What's On the Horizon



by Cliff Robello

Most people have never experienced a home break-in or a devastating house fire – but that doesn't mean such events never happen. There are approximately [3,300 burglaries](#) every day in the United States, and it's not uncommon for the number to top one million in a given year. And a study by the National Fire Protection Association found an estimated average of [343,100 home fires per year](#).

Of course, we all take steps to protect our homes from these sorts of catastrophes. We buy locks, smoke detectors, and security systems. But less attention is typically paid to protecting the documents we keep inside our homes. We don't usually think about it this way, but should a fire or theft happen, they may well be the most important possessions you own! So, it's worth spending a little time and thought on how to keep them safe.

Generally speaking, while safety deposit boxes in banks and credit unions are the most secure places to store important documents, there are files that you may prefer to keep at home. For instance, original wills, trust instruments, and

power of attorney documents — the thinking being that if a family member dies, their bank box may be sealed for weeks, which could result in costly delays and stressful red tape to navigate around.

For that reason, if you don't have one already, strongly consider buying a secure, fire-proof home safe where you can store the following documents: Original wills and trusts, passports and Social Security cards, medical directives and power of attorney documents, original deeds and titles, and important contracts and receipts. Important — but less financially sensitive — documents like birth and marriage certificates, original insurance policies, certificates of deposit, or family heirlooms can be stored in a bank vault.

Alternatively, electronic or “digital” vaults are an increasingly effective way to protect important documents and information. I would be happy to provide you with any assistance you need in using this.

INVESTING TIP

I was recently speaking with a potential client about his portfolio. I noticed there was a particular stock he owned that had been losing value for some time. When I asked why he held it, he said, “I want to wait for it to go back up before selling so at least I'll break even.”

This is what's known as the sunk cost fallacy — where a person is reluctant to change course because they've invested heavily in a prior decision. It's a type of cognitive bias that causes investors to throw good money after bad, because they feel like doing otherwise would be admitting to a mistake. When investing, always remember that what you do today is more important than what you did yesterday...and leave emotion at the door when investing to avoid falling prey to sunk costs!

What's Happening at CMR...

Cliff...

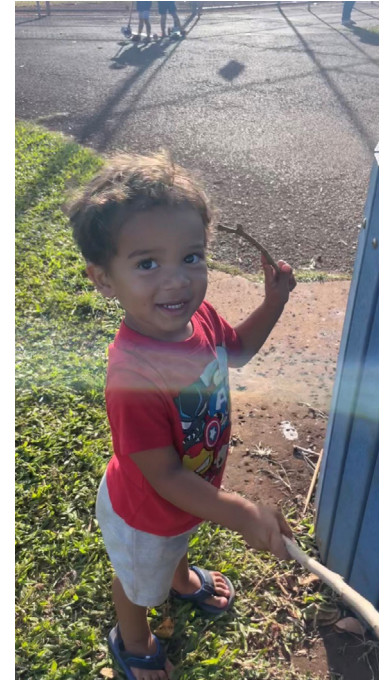
Congrats to Margaret for her 20th anniversary with CMR. Everyone raves about her because she has a gift of caring for people. I fondly call her Miss Aloha. CMR is largely what it is today because of Margaret's contribution.

Michelle and I surprised the grandkids that live in Seattle before school started. We took them back to school shopping and stopped by Dave and Busters. Grandkids are a blessing. They make you realize the innocence of loving life.



Zane and Sheri...

We are in the full swing of school and sports. Zeke started 2nd grade, and Zaia is in kindergarten. They both love school but are enjoying their sports even more. Zeke is currently playing baseball and soccer, and Zaia is doing gymnastics and soccer. They definitely keep us busy, and we love it. Zade is doing great and enjoying all the time at the park.



Margaret...

On October 1st, it will be my 20th year anniversary with CMR, and a total of 23 years in the financial industry. I can't believe how fast the years have gone by. I can remember the day I started working with Cliff, it feels like yesterday. I am so blessed and honored to be part of the lives of our clients and a team member with CMR. Looking forward to many more years here.



Roxanne...

2023 CMR Team and Family Event... Pups of War was a BLAST! We all had a great time shooting each other. The perfect way to end the summer...





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Mission:

Transform Families

Vision:

Moving you to
Financial Contentment

Core Values:

- Client First
- Trust
- Genuine Care
- Diligence

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