

The logo for "SKV Three Things" features the letters "skv" in blue, followed by the same circular icon as the main logo, and the words "three things" in a grey, lowercase, sans-serif font.

10 years ago S&P downgraded U.S. debt from the top-rating it had held for 70 years. The yield on the US10YR was 2.57% in August 2011. (Source: US Treasury Dept.) If you are a bond buyer, did you ever think 2.57% would be considered the “good old days”. A credit downgrade typically increases the cost of borrowing...but today US10YR is around 1.2%. Investing in bonds for the next decade with yields of 1-2% ....particularly if you worried about inflation...might prompt one to reconsider the notion that “bonds are safe.” Now, I know the idea of owning more stocks and less bonds is unsettling to many—particularly when you get older. But, keep in mind your investment portfolio might be just a piece of the full financial picture. Two other significant pieces for many are the home equity, and the biggest lifetime income annuity in all the land—Social Security.



Speaking of Social Security, this August marks the 86<sup>th</sup> anniversary of the signing of the Social Security Act in 1935. A study from United Income found “**only 4 percent of retirees claim Social Security benefits at the financially optimal time**”. They calculate retirees lose an “average of around \$110,000” per household by claiming too early. “If you start benefits early [at age 62], your benefits are reduced a fraction of a percent for each month before your full retirement age,” the SSA says. Keep in mind, no matter when you decide to take benefits, Social Security is income for the rest of your life—that is the great news. And remember, not only is my partner Jorgen Vik the second handsomest advisor at SKV, but he’s pretty smart on this SS stuff. Put him to work!



**Pop Quiz!** Which of the following are true regarding Social Security? : (source SSA)

- Once you start collecting, your benefits never ever, ever, ever change.
- If my spouse dies, I receive both my benefit and theirs.
- You must be a U.S. citizen to collect Social Security.
- A spouse cannot get benefits if he or she has no individual earnings record.
- If I take social security benefits before my full retirement age, *SKV Group won't like it!*



faith . discipline . patience

*(The first four are false, the fifth....maybe 😊)*

As always, I'm honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***

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