

**Reporting Meeting of 2/13/2012  
(For Distribution)**

**Calendar of Events**

**Last Week:** 2/13: What's New in Finance, James Davis  
**This Week:** 2/20: No Meeting, Washington's Birthday  
**Next Week:** 2/27 Idea Night, Harold Townley

**Coming Up** 3/5: Board of Directors Meeting  
4/16: Annual Dinner @ SCCC

**April 13 Meeting Attendance:** 20 Members, 1 Guest  
(speaker)

**Invocation:** George Bailey, Garry Morrow, Dan Stec or Bob Youmans

**Note:** Regular meetings are held Monday Evenings at 6:15 PM at the William E. Sewell Memorial Room in the Ballston Town Hall

*Please give suggestions for future programs to Bob Youmans*

**Announcements**

- Harold Townley opened the meeting with the Pledge of Allegiance followed by the singing of America the Beautiful lead by Bob Youmans. George Bailey gave the invocation.
- Walter Grattidge told about the Schenectady Community College Award given to the Troy Fire Department for puppets to train children in fire prevention and action plan in the event of fire. This puppet theme was created 25-30 years ago by Mel Bartlett, a BH/BL Rotary member.

**What's New in Finance, James Davis, (Alec's son)**

James is a graduate of Union College with a degree in chemistry. He served in the Army and then worked for 14 years as a sales representative for Pfizer. James left the pharmaceutical industry and became a financial advisor for Merrill Lynch.

We keep hearing about the top 1% wealthy in the USA, but the USA has the top 1% of wealth in the world!

The average life expectancy for men in USA is 87 years, and for women it is 91 years. 10,000 people retire every day in the USA.

There are no more defined retirement plans for most present employees. American Airlines came out of bankruptcy on the condition that the retirement plan be dropped. The major financial concern for the affluent, (67%) is rising health care cost, and the second concern, (57%) is whether or not their assets will last a lifetime.

James recommended working with a financial advisor at a younger age. A Roth IRA may be preferable to a standard IRA. One of the differences is that a minimum distribution starting at 70 1/2 years is not required with a Roth. If Social Security is taken before 66 years of age, the lifetime benefits will be about 30% less.

James also showed a graph indicating the importance of diversification. With one type investment there is a 65% chance of running out of money after retirement, with two types, 35%, etc.

In the Federal tax system, you can leave 5 million dollars tax free in 2011 and 2012, with a 35% tax for all above 5 m, 1 million in 2013, with 55% tax for all above 1 m. You can gift \$13,000 tax-free to each individual up to 5 million total.

James' presentation was very informative and left us with a good understanding of how to be financially responsible under the present and future changes in tax laws and economic conditions.

Reported by John Fettke

**Serve with us – the world is waiting**