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If you have questions, we have answers. Call us as your source for the best financial infomation regarding your future:)

Callahan Newsletter

Keeping you current

Creative Ways to Help Small Businesses Thrive

In today's economic environment, small businesses are discovering ingenious ways to cut costs, improve efficiencies, and thrive. From urban jungles to rural farmlands, business owners are finding new ways to stay afloat.

Coworking and collaborative consumption

Necessity is the mother of ... collaboration? In recent years, a trend toward coworking and "collaborative consumption" has helped business owners find new ways to secure resources.

Coworking is when different businesses share needed office space and resources, including copy machines, conference rooms, white boards, and even kitchens. For example, to help stave off the isolation of working from home, freelancers might rent space in an urban loft used by other creative workers for a few hours per week. Small business start-ups may use the same space to host pitch meetings with potential investors. Coworking has become so popular in recent years that a cottage industry has sprouted up to serve this market. A simple Internet search uncovers a wide selection of local coworking options, particularly in areas where young, entrepreneurial workforces exist.

Collaborative consumption, also known as the "sharing economy," has also gained ground. Following are examples of how this movement can help cut overhead and capital costs:

- Do you occasionally need transportation but would rather not purchase your own company (or even personal) car? Consider using one of the many ride-sharing options that may be available in your area. Such options provide cars you can drive yourself, fill open seats in vehicles headed in your direction, and offer services similar to hiring a taxi or limousine.
- Are you trying to launch a business where the necessary capital assets can be costly, such as a culinary or mechanical endeavor? Shops are beginning to pop up that allow business owners to pay for temporary use of large equipment so that they can focus on product development and production.
- Do you have unwanted but necessary tasks that need to be taken care of quickly, such as filing paperwork, delivering products, or one-time "fix-it" jobs? Another option is an online community that permits individuals in your area to "bid" for the job.

Community supported agriculture

Community supported agriculture, or CSA, is an arrangement in which local farmers partner with consumers from the surrounding community to generate cash flow early in the season. In a CSA, a farmer sells "shares" of his annual crop or product to local consumers. For a set fee, each shareowner receives a selection of the current harvest on a periodic basis, typically weekly.

Consumers participate in a CSA because they want to support local agriculture while gaining the benefits of fresh produce, flowers, seeds, dairy products, meats, and even baked goods. Farmers benefit from receiving a substantial portion of their revenue before the season even kicks off.

Example: *Jane buys one share of Farmer Ted's CSA for $650, which she pays for in March. Beginning in late June and continuing through October, Jane picks up a large box full of Ted's weekly offerings and is able to provide her family of four with a variety of fresh vegetables, fruits, meats, and cheeses each week.*

Small restaurants can also work with local farms, using the week's harvest to develop unusual specials and promoting the "locally sourced" ingredients in their marketing. For more information on CSAs, visit www.localharvest.org/csa.

The coworking and collaborative consumption arenas are still relatively new and unregulated, which can be both a potential boon and a drawback. And the success of CSAs depends largely on the experience of the farmer and the whim of Mother Nature. When using these types of services, it helps to keep an open mind. Investigate your options carefully--word-of-mouth reviews, both in person and online, can be your strongest ally.

There's no such thing as a one-size-fits-all financial plan for someone with a chronic illness. Every condition is different, so your plan must be tailored to your needs and challenges, and reviewed periodically.

Financial Planning When You Have a Chronic Illness

When you live with a chronic illness, you need to confront both the day-to-day and long-term financial implications of that illness. Talking openly about your health can be hard, but sharing your questions and challenges with those who can help you is extremely important, because recommendations can be better tailored to your needs. Every person with a chronic illness has unique issues, but here's a look at some topics you might need help with as you're putting together your financial plan.

Money management

A budget is a useful tool for anyone, but it's especially valuable when you have a chronic illness, because it will serve as a foundation when planning for the future. Both your income and expenses may change if you're unable to work or if your medical costs rise, and you may have unique expenses related to your condition that you'll need to account for. Clearly seeing your overall financial picture can also help you feel more in control.

Keeping good records is also important. For example, you may want to set up a system to help you track medical expenses and insurance claims. You may also want to prepare a list of instructions for others that includes where to find important household and financial information that a trusted friend or relative can access in an emergency.

Another step you might want to take is simplifying your finances. For example, if you have numerous financial accounts, you might want to consolidate them to make it easier and quicker for you or a trusted advisor to manage. Setting up automatic bill payments or online banking can also help you keep your budget on track and ensure that you pay all bills on time.

Insurance

Reviewing your insurance coverage is essential. Read your health insurance policy, and make sure you understand your co-payments, deductibles, and the nuts and bolts of your coverage. In addition, find out if you have any disability coverage, and what terms and conditions apply.

You may assume that you can't purchase additional life insurance, but this isn't necessarily the case. It may depend on your condition, or the type of life insurance you're seeking--some policies will not require a medical exam or will offer guaranteed coverage. If you already have life insurance, find out if your policy includes accelerated (living) benefits. You'll also want to review your beneficiary designations. If you're married, you'll want to make sure that your spouse has adequate insurance coverage, too.

Investing

Having a chronic illness can affect your investment strategy. Your income, cash flow requirements, and tolerance for risk may change, and your investment plan may need to be adjusted to account for both your short-term and long-term needs. You may need to keep more funds in a liquid account now (for example, to help you meet day-to-day living expenses or to use for home modifications, if necessary) but you'll want to thoroughly evaluate your long-term needs before making investment decisions. The course of your illness may be unpredictable, so your investment plan should remain flexible and be reviewed periodically.

Estate planning

You might think of estate planning as something you do to get your affairs in order in the event of your death, but estate planning tools can also help you manage your finances right now.

For example, you may want to have a durable power of attorney to help protect your property in the event you become unable to handle financial matters. A durable power of attorney allows you to authorize someone else to act on your behalf, so he or she can do things like pay everyday expenses, collect benefits, watch over your investments, and file taxes.

A living trust (also known as a revocable or inter vivos trust) is a separate legal entity you create to own property, such as your home or investments. The trust is called a living trust because it's meant to function while you're alive. You control the property in the trust, and, whenever you wish, you can change the trust terms, transfer property in and out of the trust, or end the trust altogether. You name a co-trustee such as a financial institution or a loved one who can manage the assets if you're unable to do so.

You may also want to have advanced medical directives in place to let others know what medical treatment you would want, or that allow someone to make medical decisions for you, in the event you can't express your wishes yourself. Depending on what's allowed by your state, these may include a living will, a durable power of attorney for health care, and a Do Not Resuscitate order.

Review your plan regularly

As your health changes, your needs will change too. Make sure to regularly review and update your financial plan.

Choosing a Retirement Community

Homes available within retirement communities can be as diverse as the communities themselves, and range from small apartments in the city to luxury homes on the ocean. No matter which type of home you choose, make sure it will meet your needs both now and in the future.

Perhaps you've seen ads for a new "over 55" luxury condominium development in your town. Or another winter of shoveling has finally convinced you that it's time to move to a warmer climate. You're looking forward to life in a retirement community, but with so many options, how do you choose the right one?

Beginning the search

The first step is to think about where you want to live, how you want to spend your retirement years, and what type of home you can realistically afford. All retirement communities are designed with the needs of older adults in mind, but they provide different living arrangements, activities, and services.

One option that's become increasingly popular is the "active adult" community. Usually centered around a fitness facility, a clubhouse, or a golf course, this type of community offers many social and recreational opportunities, such as clubs, meals, and walking trails.

Other retirement complexes are geared toward individuals who want flexible living arrangements and services. These complexes may contain a variety of housing types, including independent-living, assisted-living, and long-term care facilities. They often offer extended assistance with daily tasks such as shopping and housekeeping, and emphasize easy access to health care.

For example, increasingly popular options for those 62 or older, who meet financial and health thresholds, are continuing care retirement communities (CCRCs) and fee-for-service continuing care retirement communities (FFSCCRCs). These adult communities offer, under one contract (and usually all in one location), an independent living unit (typically an apartment or cottage), residential amenities, and access to a continuum of long-term care services as residents' health and social needs change over time. These are just some of the options--many others are available.

The cost of convenience

Homes available within retirement communities can be as diverse as the communities themselves, and range from small apartments in the city to luxury homes on the ocean. No matter which type of home you choose, make sure it will meet your needs both now and in the future. More and more homes in retirement communities are incorporating universal design features, a trend that's likely to continue. These features include one-level living, extra lighting, easy-to-open doors and cabinets, and security systems that make day-to-day living simpler and safer for people of all ages.

But the convenience of retirement living usually comes at a price. That price includes not only rental or mortgage payments, utilities, and insurance, but also any up-front or ongoing fees you'll owe. For example, a retirement community may charge a hefty fee for "buying in" to the community. One ongoing fee you may need to factor in is a homeowners or community association fee that may add hundreds, or even thousands, of dollars to your monthly housing costs. In general, the higher this fee, the more services or amenities are included, but make sure you understand what you're getting for your money. And don't forget about taxes. Even states with no state income tax may have high property taxes, sales and restaurant taxes, or "hidden" taxes on luxury goods or investments. A financial professional or tax advisor can help you determine the impact taxes will have on your finances.

And so that there are no unpleasant surprises, you should also consider the potential for costs to rise. Living in a community where costs for housing and services are constantly on the upswing is at best annoying, and at worst, financially devastating.

Try before you buy

Popular communities often have waiting lists, so it's a good idea to do your homework in advance. Start with a visit. If you're traveling out of town, find out if the community you're visiting offers a special travel package for potential residents--many do. If you're searching locally, visit each prospective community at least two or three times.

A checklist of questions to ask can come in handy when researching retirement communities. Here are a few items to include:

- Is the property well maintained?
- Is the atmosphere casual or formal?
- What social, recreational, and educational activities are available?
- Is public transportation nearby, or is van service available?
- Are pets allowed?
- Are guests restricted?
- Is medical care provided?
- Which services are included, and which are available at additional cost?
- Has the facility been accredited?

Most importantly, talk to residents and staff about their experiences--you'll get a much more realistic picture of life in a retirement community than you can glean from a brochure.

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I just bought a vacation home. Do I need to purchase a specific type of insurance?

Insuring a vacation home is different from insuring a primary residence. As a result, you'll want to purchase insurance that is specifically geared to provide coverage for this type of property.

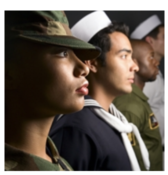
When insuring a vacation home, the type and cost of coverage will vary, depending upon the insurance company and the state in which your vacation home is located.

Most insurers offer at least some type of insurance that is specifically designed for second/vacation homes. Coverage under these types of policies can range from standard coverage that protects against certain named perils, to more comprehensive coverage that protects against all perils unless specifically excluded in a policy.

Keep in mind that, depending on what is covered under the policy, you may need to obtain additional protection (e.g., property or liability coverage) through either an endorsement or separate policy. In addition, if your vacation home is located in an area that is susceptible to flood damage--which is not covered under a standard vacation home policy--you'll want to look into obtaining separate coverage for that peril as well.

Due to some of the unique circumstances surrounding vacation homes (e.g., high-risk location, not being occupied for long periods of time), vacation home insurance premiums are usually much higher than those for a primary residence. However, you may be able to save money by insuring your vacation home with the same company that provides coverage for your primary residence (some insurers may require this). In addition, you may be eligible for other discounts, such as those offered for newly built homes, nonsmokers, and homes that have a security system installed. Policy discounts will vary by state and insurer.

Because of the vast array of vacation home insurance products on the market, you'll want to be sure to shop around for the best coverage and rates. You may also want to contact the state department of insurance where your vacation home is located for additional information on the coverage and rate options that may be available.



I'm a military member. What is USERRA?

As a member of the U.S. Armed Forces, you may be concerned about your rights to employment or re-employment upon completion of your military service. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) makes it illegal for an employer to discriminate against hiring (or rehiring) someone because he or she has been and/or may be obligated to serve within the uniformed services.

USERRA applies to individuals in any regular or reserve unit under control of the Secretary of Defense, Army, Navy, or Air Force, or in the Coast Guard. In addition, USERRA applies to members of the Army or Air National Guard acting under federal authority, the Commissioned Corps of the Public Health Service, and other individuals designated by the president in time of war or emergency.

USERRA guarantees that if you're a qualifying servicemember, when you return to your civilian employer you're entitled to the same status, seniority rights, and rate of pay you would have achieved had you remained employed continuously with that same employer. This "escalator principle" is a key concept in legislation regulating the re-employment of military service personnel. The law applies to virtually all U.S. employers, large or small.

Under USERRA, you must meet certain criteria to be eligible for re-employment rights:

- You must give notice that you're leaving your civilian job to perform military service
- The cumulative total of such service cannot exceed 5 years (with some exceptions)
- You must be released from military service under other than dishonorable conditions
- You must return to work within the law's prescribed time limits. If the duration of your service obligation is 1-30 days, you must return to work for the next regularly scheduled work period following your release from military duty, travel home, and eight hours of rest. If the duration of your service is 31-180 days, you must return to work (or apply for re-employment) within 14 days after your release. And if the duration is 181+ days, you must apply for re-employment within 90 days after your release.