

# To Annuity or Not to Annuity

by Paul Breslau

**T**he question is: are annuities a proper investment for you? You should consider purchasing an annuity if you match one of the following criteria:

1. You like free meals at nice restaurants and don't mind presentations.
2. You have \$50,000 or more of savings to invest for a long time.
3. Outliving your investment income stream is not an option.

Money, like homes and automobiles, has to be taken care of. You hire a gardener, have your oil changed, and you also arrange help caring for your money. To juxtapose the people and places that care for your money with the annuity concept, we call on some Airpark area experts.

## Bankers and CDs

Your Certificate of Deposit (CD) is invested by bankers for fixed periods of time such as one or more years. Most bankers would agree that switching from CDs to annuities is recommended in certain circumstances. Insurance companies invest your money with a long term horizon and annuities often provide better long term returns. The annuity is tax deferred and there are safety features that prevent loss and guarantee gain. Therefore, an annuity may be an excellent match for some of your long term money. Your bank may have an investment expert or insurance affiliate that can help you evaluate annuity alternatives.

## Financial Planners and Mutual Funds

Financial planners usually recommend money managers, mutual funds and annuities for a variety of valid reasons and many Americans own one or a combination of the three. "The determining factor of what investments would be best suited for your portfolio depends on your current financial situation

and how those investments might help you realize your specific goals" according to Kirk Tushaus, President, ARMA Financial Services ([www.ArMAfinancial.com](http://www.ArMAfinancial.com) or (480) 505-4004). "There are no stated rules regarding the use of various investment alternatives, including annuities, however, a prudent process should be followed when determining what investments are suitable for any investor. While annuities can be an integral part of a longterm investment plan, we believe that each family's financial status and objectives should be carefully evaluated before implementing any investments in a comprehensive financial plan."

## Realtors and Real Estate

Everyone agrees that owning the home where you live provides tremendous investment and tax advantages. Your home should be your first and is often your best investment. Airpark area residential brokers like those at the Windermere Scottsdale locations are ready to help you. Contact Pam Rankin, President of Windermere Sonoran at [www.WindermereSonoranProperties.com](http://www.WindermereSonoranProperties.com) or (480) 437-9100 if you need help.

For investment purposes Phoenix and surrounding areas remain very attractive real estate markets. "The tremendous gains achieved through capitalization rate compression are slowing due to increasing interest rates. Long term horizons versus the short term "flip strategy" are still exciting due to the still attractive immigration and employment statistics creating the increasing requirements of the end users whether they be homebuyers, retail, industrial or office tenants." For more information, please consider visiting [www.EsceeProperties.com](http://www.EsceeProperties.com) or call Steve Cook, President of Escee Properties at (480) 505-0919.



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Everyone agrees, however, that real estate carries risks and obligations. As retirement nears people should consider diversifying and reducing downside risk. Annuities are well suited for this and annuities provide a guaranteed lifetime income.

## Insurance Agents and Annuities

Each year, Brad Kahla and the Annuity Source ([www.TheAnnuitySourceInc.com](http://www.TheAnnuitySourceInc.com), (480) 422-7188) wholesale over 100 million annuity dollars in Scottsdale and beyond. "My company only helps people with fixed annuities. We believe that the insurance company guarantees for the safety and security of your money is paramount. In addition, there are equity indexed fixed annuities that can combine guarantees and the upside potential of the stock market index. This allows better long term gains while maintaining guarantees of no losses."

"You should seek expert advice from a qualified insurance agent to help you with your annuity decision process," Kahla advises. "There are many insurance companies competing and each insurance company offers an array of annuity options. Find an agent that you trust who is knowledgeable in annuities and let him or her guide you."®