



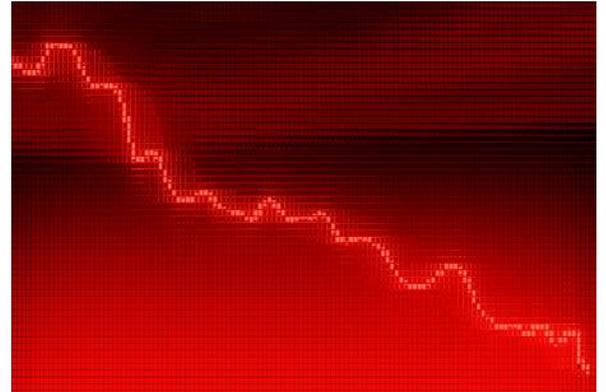
# *the retirement* **INCOME STORE**<sup>®</sup>

Issue 05 - Feb. 2020

NEWSLETTER

*TheRetirementIncomeStore.com*

## "Buffett Indicator" Flashing Signs OF EXTREME DANGER FOR THE STOCK MARKET Indicating a Higher Level of Danger Than Just Before The Dot-Com Crash



By David J. Scranton, Founder of The Retirement Income Store<sup>®</sup>

Lately, it doesn't seem to take much to provide investors with reason to buy and continue to push the stock market upwards. Each day some sort of data or report is presented, and the financial media and stock market cheerleaders seem to find a way to put a positive spin on it. Even when a threat as serious as the Coronavirus pandemic emerges, somehow the markets seem to be able to shrug off the bad news and keep chugging away.

Optimism seems to be at an all-time high, but then again, P/E ratios are also very elevated.

For those of us on the more conservative side of how we manage our retirement savings, it can be natural to second guess our strategies as we watch the stock market continue to rise, even though the fundamentals don't warrant such a ride up.

It's no secret that the Fed has shown its willingness to do what it can to support the stock market with its cheap money policies. Whether we call it Quantitative Easing or Overnight Repos, the result is the same.

We've seen it before...the Fed acting in a manner that makes equity markets seem more attractive than the more conservative options. As a result, many just keep pumping money into a seemingly invincible market.

During times when confidence and optimism are near all-time highs, it can be easy to get caught up in the excitement and feel like we are missing out. If you are dealing with these types of feelings, I think now is a good time to take a step back to regain some perspective.

Although today's stock market might be great for traders with short-term outlooks, when it comes to planning and saving for retirement, a long-term outlook is the key to success. So, what's the outlook for the next few years?

Well, the IMF recently forecast a slowdown in Gross Domestic Product for the US, China, and Japan in 2020 and 2021—a bleak global outlook, due to an expected sharp slowdown in India where problems in the financial sector have stifled lending and consumer spending.<sup>1</sup>

Another point to consider is how Warren Buffett has said that the single best measure of the stock market at any given time is Total Market Capitalization (TMC) versus GDP.

The "Buffett Indicator", as it's known, states that if TMC is less than or equal to 75%, the stock market is undervalued; if it's between 75 and 90%, it represents a fair value; if it's above 90% it's overvalued—and if it surpasses 140%, it's considered an "extreme danger".<sup>2</sup>

As of February 4, 2020 it stood at 152%<sup>3</sup>—higher than its peak in 2000, ahead of the dot-com crash.<sup>2</sup>

Although the market could have another 'up' year in 2020, now does not seem like a sensible time for anyone who is retired or close to retirement age to lose their focus as a result of their fear of missing out. Instead, now is the time to be extra careful to avoid making any mistakes that could negatively impact your quality of life during retirement.

1. IMF's global economic forecast is slightly less optimistic  
<https://www.marketwatch.com/story/imfs-global-economic-forecast-is-slightly-less-optimistic-than-the-one-it-issued-in-october-2020-01-20>

2. Dow Futures Slide as 'Buffett Indicator' Hits Dot-Com Bubble Heights  
<https://www.ccn.com/dow-futures-slide-buffett-indicator-dot-com-bubble/>

3. Buffett Indicator: Where Are We with Market Valuations?  
<https://www.gurufocus.com/stock-market-valuations.php>

**Click Here** to refer a Friend to The Retirement Income Store<sup>®</sup>  
Newsletter and Get Two **FREE** Months Added to Your Subscription  
When They Sign Up for a 12-Month Subscription!

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# What is a Fiduciary and Why Should You Consider Working with One?

■ DAVID J. SCRANTON

Founder of the Scranton Financial Group, Advisors' Academy, The Retirement Income Store®, and Sound Income Strategies



A recent study found that nearly half of Americans falsely believe that all financial advisors are legally required to always act in their clients' best interests. The reality is that only advisors who are fiduciaries are required by law to act in the best interest of their clients.

According to the Cornell Law Dictionary, "A fiduciary duty is the highest standard of care," and requires always acting in your beneficiary's best interest, even if doing so is contrary to your own.

For a financial advisor, this could mean recommending a product or strategy that results in reduced compensation because it's the best option for the client.

By contrast, advisors who are not fiduciaries,

like stockbrokers, are held to what is called the suitability standard, which is a lower standard of care. Often the most common difference between an advisor who is a fiduciary and one who acts under the suitability standard is in the decision-making process.

Before making any recommendation, fiduciaries undergo a strict process designed to determine their client's best interest. Afterward, they discuss it with the client to make sure there's no misunderstanding about the recommendation or the fiduciary's rationale for making it.

A fiduciary financial advisor is required by law to do exactly that – and is held to the highest possible standard of accountability.

Naturally, this doesn't mean that all advisors who aren't fiduciaries are deceitful, but being aware of the difference between an advisor who is a fiduciary and one who isn't can be an important first step in finding the right financial advisor.

Advisors aligned with The Retirement Income Store® and Sound Income Strategies are not only fiduciaries, they're also highly qualified Income Specialists who have taken the time to develop the skills and understanding required to help their clients establish ongoing streams of income for retirement, while reducing their exposure to stock market risk.

## YOUR GUIDE TO MAKING SENSE OF WALL STREET DOUBLE-TALK

Advertorial:

Have you ever wondered why so many intelligent investors failed to get out of the stock market in 2007 after recovering their losses from the dot-com crash?

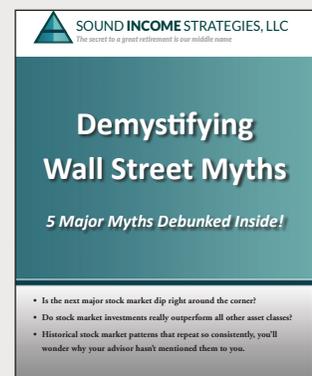
As you recouped your losses, did your advisor call to tell you to take your gains? Or, did they somehow give you the impression that the market would go higher?

Then as the market began to drop again in 2008, did they suggest that "you should hang in there because we're at or near the bottom?" As the market dropped even further, were you wishing you had followed your instincts and cut your losses?

The report, *Demystifying Wall Street Myths*, created by our sister company Sound Income Strategies debunks 5 major myths Wall Street has been using to keep Americans overexposed to stock market risk.

FREE REPORT

### *The FREE Report*



CLICK HERE FOR YOUR FREE REPORT

Visit: <https://theretirementincomestore.com/demystifying-wall-street-myths/>

# Don't Let an Erosion of Trust Get in The Way of Sound Financial Planning

By David J. Scranton, Founder of The Retirement Income Store®



Unfortunately, we live in an age where distrust of politicians and the media has become a constant source of division and debate for many Americans. In some respects, this erosion of trust is understandable – and even healthy.

However, this erosion of trust can become harmful, and even dangerous, when it comes to making key life choices where trust plays a vital role, such as financial decisions.

A recent Pew Research Center study found that fewer Americans agree with the statement “most people can be trusted” than at any time in the past 40 years. The study also found that people around the world are increasingly distrustful of those in leadership roles – particularly in government.

In addition to this erosion of trust in government and each other, research indicates that Americans are increasingly mistrusting of big corporations and major institutions, such as banks. For many, this mistrust of banks has spilled over into the financial services industry

– which includes stockbrokers, accountants, insurance agents, and financial advisors. As noted earlier, a certain level of skepticism can be a good thing—considering that there are some dishonest people out there, and we need to be aware of how to protect ourselves.

However, at the end of the day, we also need to be able to put our trust in certain people and institutions in order to get by. So, when it comes to planning and saving for retirement, how can we avoid having this erosion of trust keep us from making the right decisions? I would argue, it comes down to two things:

1. Acknowledge those areas of your life where trust is essential—like who you trust as your accountant and who you trust to help you plan and save for retirement
2. Be more diligent about determining who you can trust.

Regular viewers of my show, *The Income Generation*, have heard me say that one of the most important trust relationships you'll ever

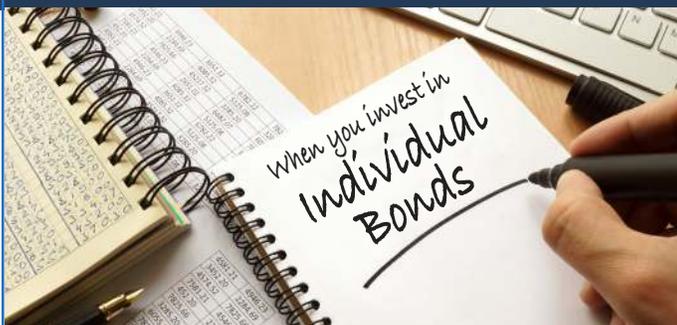
have is with your financial advisor, and that one of the keys to achieving your retirement goals lies in finding the right advisor.

That means an advisor you can trust to always act in your best interest. So how do you find that advisor in this age of mistrust and misinformation?

Well, like we mentioned on page 2 of this newsletter, a great first step is to make sure you're working with a financial advisor who is a fiduciary.

That's a big reason why I started The Retirement Income Store®—as a resource to help Americans find these trusted professionals. Advisors aligned with The Retirement Income Store® and Sound Income Strategies are not only fiduciaries, but they also specialize in helping their clients navigate the complexities of planning and saving for retirement. If you haven't already done so, I recommend that you visit [www.TheRetirementIncomeStore.com](http://www.TheRetirementIncomeStore.com) to find an Income Specialist in your area.

## WHY NOT INVEST BY CONTRACT?



1. You're guaranteed a fixed rate of interest for the life of the bond
2. When the bond matures, you're guaranteed to get the par value back.

Visit [TheRetirementIncomeStore.com](http://TheRetirementIncomeStore.com) to learn more

\*Assuming no defaults.



Tune in to

## THE INCOME GENERATION

With David J. Scranton

This month's New Episodes Include:

- Financial Thought Leaders in the Media
- Creating Your Financial Plan
- RMDs & The SECURE Act Update
- The Top Scams Targeting Retirees

## SUBSCRIBE TO

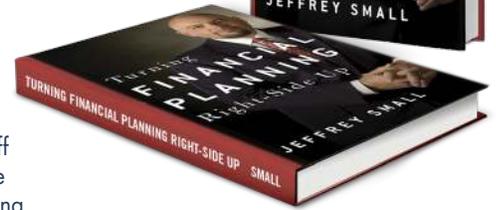
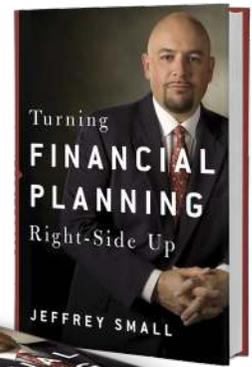
*The Income Generation Show's* [YouTube Channel](#) to keep up with important developments in the financial markets that could impact your life in retirement.



# RIS Media Center

This month's selection is ...

*Turning Financial Planning Right-Side Up* by Jeff Small, Retirement Income Store® Brand Ambassador and President of Arbor Financial Services of Florida, Inc.



## JEFF SMALL

The most critical part of financial planning, especially if you're near retirement, comes down to simply taking a few informed steps. The steps, revealed in *Turning Financial Planning Right-Side Up*, will make sense to you, but are based on rarely spoken, sound wisdom.

In many cases, the solutions are the polar opposite of the traditional advice repeated by Wall Street cheerleaders and the financial media. Fortunately, there's a better, more reliable way to invest than what you've been told.

For over 30 years as a financial advisor, Jeff Small has helped ordinary investors achieve beyond-ordinary investment results by helping his clients take a more defensive approach to investing their retirement assets. By doing so, he's helped countless clients use their retirement savings to generate ongoing income they can count well into retirement—all while better protecting their principal.

In his book, which reached #1 on Amazon's list of Hot New Releases in Retirement Planning,

Jeff distills valuable insights and lessons learned through his decades of experience into easy-to-understand chapters designed to help you regain control of your financial future.

*Turning Financial Planning Right-Side Up* is available on [Amazon.com](http://Amazon.com) and at [www.arbor-financial.com](http://www.arbor-financial.com)

## NATIONWIDE OPPORTUNITIES FOR QUALIFIED ADVISORS

The Retirement Income Store® is always on the lookout for qualified Investment Advisor Representatives, as well as independent Registered Investment Advisory firms, who embrace our philosophy of "defensive" retirement planning and are interested in partnering up with us.

[Click here](#) to schedule a call with someone on our Business Development Team to find out if you qualify or visit [theretirementincomestore.com/franchise-opportunity/](http://theretirementincomestore.com/franchise-opportunity/)



## Keep Yourself Informed with The Retirement Income Store's®

### NEW ON-DEMAND WEBINARS

Webinars will be available February 19th

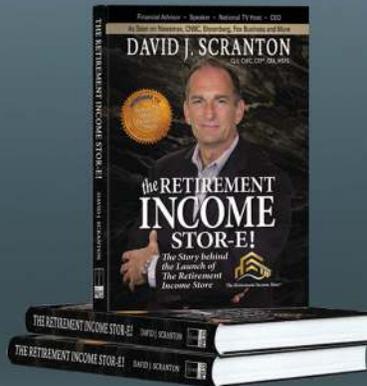
- Required Minimum Distributions (RMDs)
- Estate Planning 101
- Understanding IRAs and Retirement Plans
- 2020 Tax-Saving Strategies

After watching the webinars, you'll get the opportunity to schedule a call with an Income Specialist from The Retirement Income Store®—for a complementary Retirement Review.

**GET STARTED**

<https://theretirementincomestore.com/webinars/>

## The Story behind the Launch of the RETIREMENT INCOME STORE®!



Poised to Break Wall Street's Stronghold on The Way Americans Plan and Save for Retirement

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