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Digital Age Killing Newspapers; Is TV News Next?

The digital age not only is killing newspapers in America, it also is reducing the audience for TV news. Internet websites are sucking up newspapers and magazines like a giant funnel cloud, and television newscasts appear to be directly in the storm's path. Yet as dire as the situation seems in the United States, print media are holding their own in many parts of the world, complicating a seemingly simple story of technology rendering traditional news sources obsolete.

Since 2008, more than 166 newspapers in the United States have closed or stopped publishing a print edition, according to *Paper Cuts,* a website dedicated to tracking the U.S. press industry downturn, and that count is not up to date. Newspaper circulation has declined more than 15% since 1984, the Nieman Foundation for Journalism at Harvard University reported in its *Nieman Reports* in 2005. During the same period, viewership for television network evening news fell 37.8%, Nieman said, and the audience for local TV evening news slipped from 76% in 1993 to 59% in 2005. And as circulation and viewership go, so goes advertising revenue, the lifeblood of all news media.

Nieman reasoned, however, that not all is doom and gloom. "In fact, there is a great deal of information suggesting that most news consumers prefer to use new media as a complement to print and television rather than as a substitute," it reported.

Yet despite that somewhat rosy outlook, the tumult surrounding print media has continued—and part of the fault may lie with journalists themselves, according to media watcher David Ryfe, author of *Can Journalism Survive?* "Journalists have failed to respond adequately to the challenge of the Internet, with far-reaching consequences for the future of journalism and democracy," he says. Ryfe argues that journalists "are unable or unwilling to innovate for a variety of reasons: in part because habits are sticky and difficult to dislodge; in part because of their strategic calculation that the cost of change far exceeds its benefit. . . ."

The dominance of newspapers as a source of news began to give way in the 1950s and '60s with the advent of television network newscasts. Cable television news later came on the scene, and then the Internet arrived in the 1990s. Today, the majority of Americans under age 30 get most of their information from the Internet, which reportedly passed newspapers in 2010 as the leading source of news.

Still, *The Economist,* a respected weekly news magazine published in London, says reports of the death of newspapers may be premature. "There is no doubt that newspapers in many parts of the world are having a hard

(Continued on page 4)

It's Wise To Review Your Beneficiary Designations

You've probably had to name beneficiaries for several different kinds of assets. Your retirement plan at work, one or more life insurance policies, taxable investment accounts—in every case, you have been asked to designate the people you'd like to inherit that property. That may mean your spouse, your children, or another relative or friend, or you could select a charity or trust. But whatever your choices, it's important to review them periodically and make sure they're up to date, keeping accurate records including the date you named the beneficiaries.

In many cases, beneficiary designations trump what you've directed in your will. If you get married or divorced, you'll probably remember to change your will to reflect your new circumstances. But unless you also get the spouse's name on or off your 401(k), life insurance, and other financial accounts and instruments, there could be confusion when you die, and an ex-beneficiary might end up with some of your assets.

Because most workers today change employers and retirement plans more frequently than in the past, it's especially important to understand your present benefit policies and update your beneficiary designations. Also, realize that if someone other than your spouse inherits substantial assets, there could be tax implications.

Our annual review of your finances is a great time to check on all of your beneficiary designations. Please give us a call to set up an appointment.

Computers For Grandparents: 10 Tips

Older brains stay younger with stimulation, and social media and photo-sharing allows you to stay in touch with your family. But which computer is best for grandparents? Here's some help.

1. Old Computers. If your children offer you a computer, only consider it if it's less than three years old. Prices have dropped on computers and you can probably find one for $1,000 or less.

2. What's It For? If texting, email, web-surfing, and video-chat are all you need, consider a tablet that has the advantage of portability.

3. Mac Or PC? An iPad will be easiest for a novice. But if you're a veteran PC-user, you may prefer a Windows tablet. If you already own an iPhone, stick with an iPad or Mac computer because you already know how to operate it.

4. Screen Size. New tablets and "ultraportable" computers now come in small sizes. Before buying a screen less than 11-inches in diameter, be sure you can read all the text in emails and on the Internet.

5. Set Up. If you're a novice, salespeople at the computer store will help you learn how to set up your new machine. Apple and Microsoft stores often offer classes. Or maybe you can persuade a child or grandchild to help you.

6. App Store. Whether you're seven or 75, the app store has something for you. No matter what your age, make sure you know how to use the app store.

7. FaceTime Or Skype. Be sure to set up a video calling service. Apple FaceTime and Skype are free and easy to use once they're set up, and they allow video calls across the country or across the world for free.

8. Sharing Photos. Ask family members whether they use any photo-sharing or social websites already, such as Facebook, Twitter, or Flickr. They can send you an invitation to see all their photos. With Flickr, which allows you to store and share photos for free, you can set up an account that only family members can see.

9. Passwords. A password-management program would be wise. LastPass.com is free, easy, and secure, but there are many other options.

10. Financial Data. Accessing your financial accounts online can make life simpler, but security is paramount.

If you're not a veteran Web surfer, before posting sensitive information or accessing your accounts, please call our office. We'd be happy to help you get the basics set up so you can access your information securely 24/7 from anywhere. ●

Where Will You Live After You Retire?

Planning your retirement involves far more than determining how much income you'll need. One of the most basic and important decisions is where you want to live during your retirement years.

Choosing a location is something you can start working on early, as much as five to 10 years before you leave work. Don't wait until retirement is just around the corner, because the process of comparing and contrasting different regions can be time-consuming and eye-opening.

The first step is to decide whether you want to remain where you are or move to a new place. It's a very personal starting point, and often it will take into account proximity to family members and attachment to your community.

For those who decide to move on, here are some steps to make sure you end up in a happy place:

- **Discuss your desires.** Do you dream about lying on a beach with the latest bestseller, or reeling in giant marlin from deep water? Do you envision attending symphonies and plays, or riding horses and hiking up mountains? Will you play golf or visit museums and the library? Do you want lots of sunshine or four seasons? Small town or big city? Lots of restaurants or lots of bait shops? Start by writing down a clear picture of your life in retirement.
- **Do your homework.** Start matching real places with your dream retirement activities and environment. Look into weather, demographics, health care costs and health care availability for hospitals and medical specialties, crime statistics, and other factors using popular "Best Places To Retire" guides. Generate a list of three or four places that look like good matches.
- **Dip your toe in.** Schedule a trip to each area, and make it a long

Figure Your Investment Risk And Cope With It

Are you a risk-taker? To realize rewards, you usually have to take some risks, especially when it comes to finances. But beyond understanding that investment risk and reward go hand in hand, it's important to know how they relate. What is the nature of risk, and how can you handle the different kinds of risk that could affect the performance of your investments?

What is the nature of risk? For many investors, risk is associated with the inherent volatility of the equities markets. You run the risk that your investments will perform worse this year than last year or worse than you anticipated or worse than the markets as a whole.

Risk means you have something to lose—the money you've put into a particular investment or the money you might have made if you had made different choices. You also could run the risk of throwing good money after bad, of buying more of something when the price is low only to see the value fall further.

Although risk and reward are related, there's no direct, predictable connection between the two. You could decide to take fewer risks and still lose money, or you might ratchet up your investment risk without cashing in on higher returns. Nevertheless, it's important to try to keep risk and reward in a balance that fits your situation.

What are the main types of risks? Financial experts often debate this question, but the pros generally agree that two significant risks facing investors are inflation and emotion.

1. Inflation risk. Essentially, this is the risk that money you earn will lose some of its purchasing power over time. For example, if you buy a five-year certificate of deposit (CD) from a reputable bank, there's relatively little risk that the bank won't live up to the terms of the CD. But there's a much bigger risk that the dollars you receive in five years won't buy as much as they would now.

If you're old enough to have experienced the 1980s, you might recall the days when money market funds paid interest at double-digit percentage rates. However, with double-digit inflation occurring at the same time, most savers barely stayed even.

Inflation risk can present problems to all investors, and especially to retirees. Someone who left work in 1978 might have felt pretty comfortable with a pension paying $40,000 a year. But that $40,000 was worth only about $12,200 in 2013, according to the Bureau of Labor Statistics. This represents a loss of almost three-quarters of the money's buying power.

One way to protect against inflation risk is to include an appropriate ratio of stocks and stock funds in your portfolio. Or, if you're more conservative, you might consider inflation-protection bonds. History has shown, however, that holding even a modest equity stake may increase returns without undue risk when compared to a pure fixed-income portfolio.

2. Emotional risk. It's easy to let emotions rule decision-making. Almost everyone is subject to bouts of fear and greed, and investors have an innate tendency to be overconfident about their ability to choose winning positions. But simply doing what feels right—or avoiding what feels wrong—can lead to adverse results.

Consider an investor who sits on the sidelines during a bull market, nervous about following the crowd—a tendency that indeed can be counterproductive. But finally the investor gets tired of losing out and jumps in, buying at the top of the market and without carefully considering the fundamentals of particular investments. Others get into trouble when the market is falling and they sell solid holdings in a panic, losing out on the chance to benefit when they rebound.

The best protection against emotion is to have a carefully considered investment plan and to try to stick with it even when markets are highly volatile. Having a balance of bond funds for stability and income and stocks for growth can help smooth out inevitable market bumps.

How do you manage risk? Everybody has a different risk tolerance. A good approach for managing yours is to stick to investment fundamentals. That may be as simple as refocusing on the key principles of diversification and asset allocation.

Diversification spreads your investments over a broad mix of asset classes, an approach that has the potential to reduce risk. Asset allocation is the process of assigning percentages to those asset classes based on your particular needs and risk tolerance, and then rebalancing your holdings regularly to keep them close to their assigned allotments.

There's no way to avoid risk completely, but you still can generate earnings while staying within your comfort zone. We're here to provide guidance. ●

vacation if possible, up to several weeks. Try to visit each area at different times (e.g., when weather isn't ideal) and experience as many things as you can while there. Are the people friendly? Do any unexpected difficulties pop up? Does it match your vision?

- **Consider longer visits.** If your short-term visits leave you uncertain, consider renting your current home out while you spend even more time in your potential locations. Take several months to get a real feel for the area and make your decision. After all, you hope to live there for a long time to come!

Once you decide on a location, it's time to look at some financial factors, starting with the sale of your current home. Ask several realtors for an estimate, and compare what you're likely to clear from the sale with what you'll need in your new area. We can help you do these calculations, and we'll add any expected surplus into your income calculations, and take into account tax and other implications.

Relocating can be one of the most stressful aspects of retirement. Work with a financial advisor who understands all the state and estate tax implications and how moving affects your financial outlook and quality of life. ●

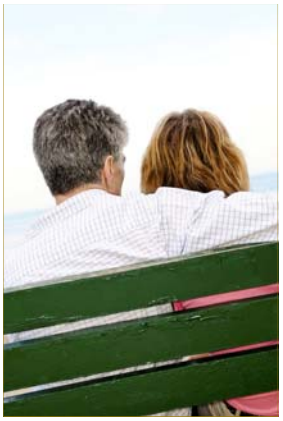
Will Your Retirement Assets Last?

If you've been scrimping and saving for retirement, you may be hoping to relax when that red letter day finally arrives. But recent developments—such as rock-bottom interest rates on fixed investments, the threat of higher taxes, and economic uncertainty—might give you pause. Could you outlive your assets in retirement?

Perhaps. According to a study by the Employee Benefit Research Institute, about 44% of those born between 1948 and 1978—encompassing most Baby Boomers and those in Generation X—haven't adequately prepared for retirement. Here are six steps to protect you:

1. Set aside funds for fixed expenses. Consider how much of your retirement money will go for necessities such as food and housing, transportation, health care, and utility bills. Then try to squirrel away enough in safe but liquid assets to pay those costs for three to five years. If you have that kind of cushion, you won't have to cash out of your other investments during a downturn.

2. Live long and prosper. Medical advances and other trends are helping people live longer than they did just a generation ago, and you'll need to plan accordingly. One possible hedge is to acquire long-term care insurance to cover at least part of the cost of an extended stay in a nursing home. But these policies vary, so proceed with caution. Another idea is to purchase an annuity that can provide steady income through retirement.



3. Don't be overly conservative. Naturally, retirement isn't the time to speculate wildly in the stock market, but relying too much on more conservative investments such as bonds can be detrimental, too. Retirees looking for increased yield may opt for long-term bond funds, but be careful about locking into an investment that could backfire if interest rates start to rise. Consider intermediate bond funds to complement your portfolio.

4. Remember the "i" word. Although inflation hasn't reared its ugly head in recent years, most financial analysts say it's only a question of when, not if, it will return in a big way. Take inflation projections into account when figuring out how much you'll need to sustain you through retirement.

5. Diversify your portfolio. Stock market volatility can be a nightmare for retirees living on fixed incomes. To keep your portfolio on a steadier course, follow the basic investment principle of diversification. And because overcompensating with ultraconservative investments may do more harm than good, seek alternatives that match up well with fixed-income investments and equities.

6. Reduce the tax bite. Although tax planning is especially difficult now, learn to adapt to changing rules and conditions. For instance, it may be sensible to convert savings from a traditional IRA to a Roth to secure future tax-free payouts. ●

Internet Killing Papers & TV?

(Continued from page 1)

time," *The Economist* reported in July 2011, adding that newspapers "are in the deepest trouble" in America. "But it would be wrong to conclude from the woes of American newspapers that newspapers and news are in crisis everywhere."

The London publication, which also has a worldwide digital news presence, quoted Larry Kilman, deputy head of the World Association of Newspapers, a trade group: "The United States is the worst case that we see worldwide," but "the U.S. experience is not being replicated elsewhere."

Newspapers in Western Europe, especially in Germany, seem to be holding up fairly well so far, but this doesn't mean the industry is immune to long-term changes, *The Economist* said, noting that many European newspapers are family-owned, which helps to protect them in difficult times.

"In Japan, home to the world's three biggest-selling daily newspapers (the *Yomiuri Shimbun* alone has a circulation of more than 10 million), circulation has held up well, in part because over 94% of newspapers are sold by subscription. But there is trouble on the horizon. Young Japanese do not share their elders' enthusiasm for newsprint, and advertising revenues are dropping as the population ages."

The number of newspapers in Russia, meanwhile, increased 9% during 2009, but the Kremlin controls 60% of them. According to *The Economist,* India, China, and Brazil could represent the great new hopes for print journalism. Of course, there's no guarantee that developing countries won't eventually follow the trends now being seen in the United States. But it does appear that the final chapters of the decline and fall of traditional news media have yet to be written. ●