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an appraiser assigns value to your property and potentially minimizes your exposure to certain risks, such as tax penalties. An inaccurate appraisal could hinder your ability to receive a fair price for property, increase the likelihood of a tax audit, or result in an inequitable division of property or inappropriate insurance coverage. Your financial decisions may depend on your appraiser's research, analysis, and reporting.

Hiring an Appraiser

Choosing a qualified professional involves time and preparation. Because appraisers tend to specialize in certain areas, such as antiques, coins, stamps, jewelry, silver, and so forth, you want to find someone with relevant expertise and a proven track record. For a referral, contact the following professional organizations:

International Society of Appraisers (ISA)

www.isa-appraisers.org
1-312-981-6778

Appraisers Association of America (AAA)

www.appraisersassoc.org
212-889-5404

American Society of Appraisers (ASA)

www.appraisers.org
1-800-272-8258

Other resources include libraries, museums, auction houses, and the Internet, as well as recommendations from friends and colleagues. Once you find someone with the necessary experience, conduct an interview to ensure his or her appraisal practices meet your standards, as well as the accepted standards in the field. Consider asking the following questions:

1. What are your work experience and education qualifications?

Ask for references and review the candidate's résumé or curriculum vitae, making note of work history, both formal and continued education, and membership in professional organizations. Some professional organizations require that members pass examinations and comply with a code of ethics. Valuation should be based on standard appraisal principles and procedures acquired through formal training. Authenticating an item is just one aspect of the appraisal process.

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Becoming a Better Negotiator

Whether closing a sale, haggling over a price with a supplier, or discussing a raise with an employee, business owners negotiate nearly every day. While you may already be an effective negotiator, consider the following strategies to help maximize your negotiating skills.

Negotiating does not have to be a zero-sum game. When two parties enter into negotiations, they are both looking to create something of value that did not exist before. Instead of taking an adversarial approach, think about how both parties can arrive at a mutually beneficial solution. Without abandoning your own interests and objectives, consider the interests of your negotiating partner. Reflect on what your priorities might be if you were in your partner's shoes and how you can best accommodate those priorities.

Do Your Homework

Before approaching the bargaining table to negotiate an important deal, make sure you are fully prepared. If, for example, you are attempting to sell a product at a certain price, have evidence on hand to justify your price, such as information or testimonials about the quality of the product relative to similar products in the marketplace and about the prices of equivalent products offered by competitors. If necessary, practice with a business partner or coworker, asking for feedback and advice on how you can improve your arguments and presentation.

Find out as much as you can in advance about your negotiating partner so that you can explain in detail why what you are offering is ideally suited to meet his or her

specific needs. It may be tempting to focus solely on the virtues of your company or product, but many clients will see through a one-size-fits-all sales pitch. In the course of your presentation, concentrate at least as much on your client's needs as on the product or service offered. Your client will know if you have done your homework.

When you are the customer, come to the negotiating table with your questions about the offer as well as information about the prices for similar products or services available elsewhere. Have in mind an ideal price and how much you would be willing or able to deviate from that price if, for example, you were offered a volume discount, a maintenance contract, or free delivery.

Keep an Open Mind

As you approach the negotiating table, be sure to keep an open mind. Listen carefully to what your negotiating partner has to say, and think about whether you can offer a greater degree of flexibility than you initially anticipated. If necessary, ask for additional time to think about the terms before entering into an agreement.

The deal you are negotiating may be a big one. So be aware of any hidden agendas, and do not allow yourself to be pressured into signing a contract you do not fully understand. If you are attempting to close a sale, do not insist that a client make an immediate decision if he or she is not ready to do so. While pitching aggressively to get the sale may be effective in the short term, it may jeopardize your relationship with the client, and may damage your reputation for solid business practices.



Inevitably, some negotiations come to an abrupt halt when neither side is willing to compromise further. However, this may not be the end of the story. Even if you are unable to strike a deal, avoid showing any anger or irritation. Psychologically prepare yourself for the possibility that the initial round of negotiations may not go your way, and envision yourself gracefully accepting a negative outcome. Kindly and professionally, let your negotiating partner know how much you appreciate the time he or she has taken to discuss the transaction, leaving the door open for future communication. Even a session that ends in a deadlock can be useful in building a relationship that could result in future cooperation.

Negotiations with other business professionals can be tricky. But if you are prepared before you come to the table and remain open about the outcome, you can improve your negotiating skills and your chances of building your business. ■

Are You Rethinking Retirement?

The “golden years,” a common term of endearment for retirement, may no longer apply to those individuals who are following the beat of a different drum and envision a more active life as they get older. At the same time, many people may not be taking a conventional retirement in an uncertain economic climate, because they need to keep working for financial reasons. In the past, the idealized concept of a leisurely phase of life following decades of work and raising children was based on an assumption that work is the province of younger people, while older people exit the labor force to relax and enjoy themselves in retirement.

Since retirement planning is usually the main focus for long-term saving, ask yourself, what *kind* of retirement do you imagine? Is the golden years model what you really want, and will it still be relevant, especially if your retirement is years away? Rethinking retirement requires you to re-examine your dreams for the different stages of your life, which may or may not include a period of time during which you will not be working for yourself or an employer in the traditional sense.

Challenging the Conventional Wisdom

Embedded in the conventional notion of retirement are important expectations about work, money, and retirement standards of living. For previous generations, work was thought to be something you did for about 40 years (until roughly age 65), and then you never had to (or wanted to) work again. A company pension, Social Security, and some savings were generally believed to provide enough income for funding a comfortable lifestyle in

retirement—a time filled with leisure, travel, and recreation.

However, for some people, working is too much of an integral part of their lives to abruptly end one day. With the daily structure, challenges, and rewards of going to work, some people may have difficulty readjusting to a new way of life without their own business or lifelong career and the social outlet it provides.

Further, the gradual disappearance of traditional pensions, or defined benefit plans, and the rise of defined contribution plans have changed the way people plan for retirement. Not only has the responsibility for funding retirement shifted from *employer* to *employee*, long-term retirement savings must compete with other major financial objectives—e.g., a down payment on a house or college funding for children—at the same time that earned money is being used to maintain a certain standard of living.

Finally, the golden years model assumed that the retiree’s standard of living before retiring would be sustainable in retirement. However, this may not hold true in future retirement landscapes. Perhaps another lens to look through for retirement is the multimodel approach whereby

you consider what standard of living could be maintained based on different levels of projected resources. This may help determine what is realistic in your situation, and focus your retirement priorities. For some people, downsizing their standard of living in retirement may be just as valid as maintaining a preretirement standard.

Think “Unretirement”

“Unretirement” is a term used to describe working in some capacity after your long-term career has ended. Aside from monetary compensation earned from working, unretirement may help you maintain a sense of emotional well-being, connection to the world, and fulfillment. Unretirement may also provide new opportunities to engage in work that is completely different from your former occupation, and to do it on a more *flexible* basis (part-time, job-share, or telework).

Rethinking your definition of retirement may be a matter of choice: for others, a matter of necessity, or a combination of both. Whatever path you take, it is important to define your vision of retirement or unretirement to suit your individual needs and dreams for the future. ■



appraising your appraiser

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2. What is your area of expertise? Make sure your candidate's expertise matches your needs. However, finding one person who is an expert in *all* areas may be difficult. The International Society of Appraisers recognizes over 220 areas of specialization. For items that exceed an appraiser's expertise, ask if the appraiser would be willing to consult with other qualified professionals.

3. How much will the appraisal cost? Appraisers may charge per hour, per diem, per item, or a flat rate. Other charges may include reimbursement for additional expenses, including travel and photographs. Consider avoiding any proposal that includes a "contingency fee" based on a sale or a fee that is based on a percentage of the valuation. Generally considered unethical, these types of appraisals could have tax consequences for you; the Internal Revenue Service (IRS) rejects all appraisals performed under these conditions.

4. How do you report your findings? An appraiser typically prepares a signed, written report that documents the valuation of an item, including his or her evaluation methodologies and credentials.

The Written Report

Keep in mind that at some point attorneys, judges, the IRS,

estate executors, insurers, and trustees may grant decisions based on your appraisal. Therefore, it should be comprehensive and professionally prepared. The following key elements are usually included in an appraisal report:

Statement of purpose. As discussed earlier, an appraisal has a variety of uses, which may include helping you assess your insurance needs or substantiate a tax deduction. The purpose of your appraisal and its expected use should be clearly noted.

Description of property. This includes a physical description that details such features as the size, weight, color, age, material composition, origin, and condition of the appraised item, as well as the method of acquisition (often helpful for tax purposes). The appraiser also attests to an item's authenticity and notes the date it was viewed.

Statement of disinterest. The appraiser should verify that no conflict of interest exists. If the report has been prepared for tax purposes, the appraiser must provide a tax identification number and also disclose if the IRS has ever disqualified him or her. The appraiser also needs to include an explanation of the applicable fee structure.

Method of valuation. An explanation of valuation methodology offers a basis for the appraiser's

conclusion. In general, appraisers make assessments based on such factors as replacement value, fair market value (FMV), or comparable sales. For example, an appraiser who is determining the value of a work of art may consider the prices of similar works of art. The appraiser often includes a market analysis that references historical performance and may also project future value.

Provenance. In some instances, particularly with artwork, a history of ownership may be included. Further documentation, if applicable, might chronicle noteworthy exhibitions or publications.

Statement of value. The report should clearly state a dollar amount representing the valuation of the appraised item, and it should be signed and dated by the appraiser. It is also standard practice for the appraiser to include his or her credentials, either with a résumé or curriculum vitae.

Stay Current

In order to keep pace with the potential for changing market values, consider reviewing an appraisal every three years. As your financial strategies change, make sure you base your decisions on the most up-to-date and accurate information regarding the value of your possessions. What you cherish as "priceless" may have a price tag that can help you plan for your financial future. ■

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