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By Catholic News Service

Three out of four Americans over age 65 rely on investment income to make ends meet.

According to the Census Bureau, more than 28 million seniors derive 25 percent of their income from investments.

Though older Americans once relied almost exclusively on federally insured products, such as bank savings accounts and certificates of deposit, a growing number of seniors have moved into riskier and potentially more lucrative investments.

Yet a 1995 joint report, issued by the American Association of **Retired Persons.** the Consumer Federation of America and the North American Securities Adprinistrators Association, warns that seniors face unnecessary threats on their financial stabilitv.

The report points to five problem areas in the "legitimate" investment industry as being of greatest concern to oldthat portray commissioned salespeople as impartial advisers; bank sales of uninsured products; the poor quality of oral and written disclosure; hidden derivatives in investment products portrayed as "safe"; and unclear and incomplete ac-

er investors: misleading titles

count statements. While these issues pose difficulties for investors of all ages, the report notes that older Americans are particularly at risk due to a generally higher level of trust in financial institutions, a generally lower resistance to sales pitches, limited understanding of financial matters (particularly among older women who are surviving spouses) and deteriorating eyesight. As well, wealth is not as easily a renewable resource for older Americans, who have less opportunity and less time to recover from investment problems.

The three groups issued a "Bulletin for Older Investors" to provide tips on how older Americans can protect their investments and financial security. Among the recommendations are:

Define your financial objectives, Make sure you understand your current financial condition and your goals for the future.

Investigate the financial professional with whom you are working. Call your state securities agency and avoid doing business with financial advisers who have a track record of state, federal and self-regulatory disciplinary actions, negative arbitration decisions and civil litigation judgments.

Understand your investments. Never assume that your investment is federally insured, low risk or guaranteed to deliver a certain return. Always check out the investment by getting and reading the prospectus or similar document before investing. Since you may not be able to fully understand the prospectus, insist that your financial professional explain the highlights of it.

Determine how your financial professional is going to make money off of your money. Always remember that most financial professionals are actually salespeople who rely on commissions for their income. Even if your investment professional refers to himself or herself as an



CATHOLIC COURIER DIOCESE OF ROCHESTER, N.Y.

"investment consultant" or "financial adviser," he or she may still be relying on commission income.

Before you invest in a product make sure that you understand how much of a commission your broker will earn and how much you will pay in fees now and later. Ask if your broker will receive extra commission income or other incentives by selling you a particular investment.

Monitor your account statements closely. Your account statement should reflect only the pattern of investing that you have authorized. If you note a discrepancy, raise the problem immediately with your broker and, if necessary, the branch manager who oversees the broker.

Never be afraid to ask questions. You are the person in control of your money, even if you hire an expert to manage it. Don't assign discretion over your account to your broker.

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Remember, you have a right and a responsibility to ask financial professionals why they are making certain recommendations for you, what the alternatives are, what the risks are and what they will be paid for the transaction. If you are uncertain about a product or what is being told to you, ask questions until you are comfortable with the recommendation.

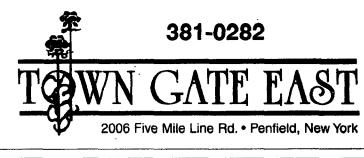
EDITORS' NOTE: The "Bulletin for Older Investors" is available at no cost to investors who write to: "Older Investors," North American Securities Administrators Association, One Massachusetts Ave., N.W., Suite 310, Washington, D.C. 20001.

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THERE'S ONE MORE THING TO DO..."

Considerate people who think to the future make will preparing for the inevitable. More and more of these same people are also taking one more step. They're prearranging their funerals at Crawford Funeral Home. This gesture means so much to their families, for it relieves them of making countless decisions regarding final tribute.

To learn more about prearranged funerals, please call us. Our counsel is always available free of charge and at no obligations.

David P. Crawford

Mark D. Wakeman



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