



# STOREHOUSE

advisory group

The StorehouseAdvisor

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## MARKET MINUTE: IS GOLD TOO PRICEY?

As gold has soared, there has been much speculation among investors and advisers alike as to when the gold bubble will burst. TO adequately answer that question, we must understand that gold's appreciation has come as a direct result of uncertainty in the stock markets, world economy and currency markets.

So, is gold overvalued? Taking into consideration its historic pricing in inflation-adjusted dollars, gold is actually nowhere near its previous highs. At its inflation-adjusted peak in 1980, gold was trading at about \$850/ounce. Based on today's prices, one would assume that gold is trading at multiples over its historic highs. In reality, gold would have to reach almost \$2,420/ounce to match its inflation-adjusted 1980 high.

With such widespread uncertainty in the world economy and a deepening concern over the stability of the world's major currencies, investors are turning to gold as a safe haven. Since President Nixon removed the US Dollar (USD) from the gold standard in 1971, our currency has been manipulated by the Federal Reserve to the point of near worthlessness. Over the 24 months proceeding September 2011, the USD lost as much as 31% against the currencies of Japan, Switzerland, Australia and Canada, and lost more than 20% to the much maligned Euro in the last 18 months alone.

With the USD faltering, investors are turning to gold as a trusted store of value and the increased demand has driven its prices northward. Will the trend continue? Adjusted for inflation, it would appear there is more room for growth. On the other hand, any significant down trend would depend largely on the world's economic powers exercising good stewardship. Given their track record, I'd bet on gold!

## INSIDE THIS EDITION:

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- >>> [Reducing Health Insurance Costs](#)
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## UPCOMING SEMINARS:

### WHAT'S IN YOUR WALLET?

Intro to Biblically-Responsible Investing  
Tuesday, Oct 18, 6:30 pm  
[<< Register >>](#)

### DIRTY LITTLE SECRETS

What You Need to Know About the Investment and Insurance Industries  
Tuesday, Nov 15, 6:30 pm  
[<< Register >>](#)

### YEAR END STRATEGIES

The Ghosts of Economies, Past, Present and Future  
Tuesday, Dec 13, 6:30 pm  
[<< Register >>](#)



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**ABOUT STOREHOUSE...** Storehouse Advisory Group offers a faith-based alternative to traditional financial planning resources. Whether it be investments, estate planning, tax planning, charitable giving or asset protection strategies, the professional advisors associated with Storehouse provide investment advice and financial solutions based on the greatest wealth management guide ever written.

### COMPANY SPOTLIGHT: Healthcare's Heroes and Zeros

Two healthcare-related companies square off in this month's Company Spotlight. Which will be a Hero and which will be a Zero?

**Lifepoint Hospitals** ([LPNT](#)), based in Brentwood, TN, operates 52 facilities in 17 states, employing almost 17,000. Lifepoint is driven by its High Five guiding principles, which "guide our actions and decision making and define what communities can expect from us as a healthcare partner."

Aside from its outstanding record of satisfaction and care, Lifepoint is also civic minded. In response to Haiti's earthquake disaster, Lifepoint founded the national Hope for Haiti campaign, which has proven to be one of the most important contributors to Haiti relief efforts. Lifepoint's CEO even finds time to serve his church as worship leader.

Because of its commitment to principles, excellence and community, Lifepoint Hospitals is named to the *Storehouse Advisor Hall of Fame* for September 2011.

This month's inductee to the *Storehouse Advisor Walk of Shame* is a \$7 Billion corporation providing medical waste services in nine countries. According to one source, **Stericycle** ([SRCL](#)) maintains contracts with more than 500 Planned Parenthood clinics, and hundreds more privately-owned abortion facilities.

Under their contracts, Stericycle agrees to dispose of the medical waste generated by their clients. Of course, abortion facilities produce aborted babies, which Stericycle must incinerate as part of their agreement. Among the larger mutual fund families to hold this Walk of Shame inductee are *American Funds*, *Fidelity*, *Vanguard* and *Morgan Stanley*.

[Contact us](#) to discover if your mutual fund, 401(k), Variable Annuity or other investment is holding Stericycle or companies like them. Find out how you can have... ***investments you can be proud to own!***

### TOOLS YOU CAN USE: Reducing Healthcare Insurance Cost

**Guest Columnist:** Nick Smith ([nick@smithhealth.org](mailto:nick@smithhealth.org))

There's one thing no one is telling you about our current healthcare problems...

Whether you're working for a large corporation, running a small business, or happen to be unemployed, there's a good chance you are paying more for healthcare than you should.

So what is the solution? I could get really boring and impress you with a bunch of insurance jargon, but instead I'll sum it up this way. Over the last 10 years, Congress has passed several laws and tax incentives that could easily decrease your out-of-pocket healthcare expenses by \$2,000 to \$8,000 annually. For a variety of reasons, most health insurance agents have not taken the time to adequately understand these changes.

We believe that the key to fighting extreme health insurance costs is YOU, the American consumer, who throughout history has been able to adapt and overcome all types of obstacles. We believe that with the right tools and knowledge everybody can play a role in busting up the currently broken system.

As we launch new consumer health insurance solutions, we have made some commitments. We are dedicated to busting up the "old school" approach of the greedy, commission-focused insurance agent. We will team with businesses and individuals, providing them with the knowledge and innovative resources they need. Together, we will become the solution to out-of-control health insurance costs.

**ABOUT NICK...** Nick Smith, founder of Smith Health, has spent much time and energy learning the nuances of the health insurance industry, as well as the intricacies of the laws and IRS regulations that govern it. Nick's innovative solutions for driving down costs aren't winning many fans in the industry, because they put the client's needs ahead of the agent's commission. Discover how Nick can help you control the cost of your healthcare. E-mail Nick at [nick@smithhealth.org](mailto:nick@smithhealth.org).

## PLANNING POST:

### Your 401(k) - Take It or Leave It?

Many workers routinely leave their retirement plans behind when they leave for another job, or when they retire. And, in the interest of full disclosure, there are some legitimate reasons for doing so. On the whole, however, holding onto an old 401(k) is not the wisest strategy. Here's why...

#### EXPENSES

By conservative estimates, disclosed and hidden plan expenses cost participants an average of 3-5% annually, with as many as 14 different entities profiting from literally dozens of potential charges.

Discussing 401(k) expenses in an interview, John Bogle, founder of Vanguard, said, "The financial system puts up 0% of the capital, takes 0% of the risk and gets almost 80% of the return...that is a financial system that is failing investors..."

And, as the industry increasingly markets fee-stacked Asset Allocation and Target Date offerings, average total expenses could easily soar beyond current estimates to 5, 6 or even 7%.

#### LIMITED INVESTMENT CHOICES

If your plan is like most, it probably offers fewer than 20-25 investment options. How those particular funds found their way into your plan should concern you.

Conflicts of interest often influence fund selection recommendations. In some cases, Providers manage or own the funds they are recommending. In other instances, they are receiving compensation from the recommended funds. Too often, these conflicts result in the inclusion of inferior investment options inside your plan.

Additionally, these limited offerings often provide investors with little opportunity for proper, high-quality allocation among small, mid, large and international sectors.

#### WASHINGTON MONEY GRAB

Congressional and White House debate concerning a potential government takeover of 401(k) plans has created quite a stir over the last few months. Most of the discussion has surrounded the idea of consolidating 401(k)s into something akin to the Social Security system, a plan that presents many problems.

As proposed, the government would become the beneficiary of your plan at your death - not your family or heirs. Essentially, the government would give you an annuity payment, and eliminate your access to the cash value of your account. And, finally, the government would also select the investments.

Is this possible? The government might attempt to justify the seizure under ERISA, the law that governs employer plans. There are many motivations for such a wealth confiscation. Aside from the obvious, politicians could see this \$6-8 Trillion source of wealth as a resource to shore up the struggling Social Security and Pension Benefit Guaranty Corporation programs.

#### THE SOLUTION

In most cases, rolling over your 401(k) to a personal IRA is the optimal choice. Done properly, you maintain the tax advantages, while opening your account to a universe of investments. Proper allocation, utilizing higher quality investments, becomes more realistic. And, many, if not all, of the hidden expenses associated with 401(k) plans are eliminated, increasing your opportunity for greater returns. A rollover into an IRA will give you and your advisor the tools to manage risks, return and expenses more effectively. To discover how you could benefit from a 401(k) Rollover, call Steve at (865) 850-6529 or [email us](#) today.

**... contact us today for a FREE review of your retirement accounts!**