



HB FINANCIAL GROUP LLC

FINANCIAL SERVICES & WEALTH MANAGEMENT

A Note From Harriett:



HB Financial Group is proud to be one of the sponsors for Family Outreach of Amherst's 15th Annual Light Up the Night Dinner & Auction, Friday, June 15th, 2018 at 5:30pm. This year's Light Up the Night event will take us deep into the transformative magic of a Midsummer's Night. Lose yourself to an enchanted night of friends, food, and dancing. Over 200 guests will feast and frolic in a captivating garden. One-of-a-kind live and silent auction items, donated by generous local businesses and individuals, will be the centerpiece of the evening. For more information, contact Rachel Condry at (413) 548-1272 or rcondry@chd.org. For over 25 years, Family Outreach of Amherst has assisted struggling families in our community. Each year Light Up the Night raises close to half of the annual fundraising goal for FOA. Please join us for a great party and a great cause!



Financial Planning Newsletter - Spring



Fact or Fiction?

Fiction:

If I change jobs, it won't matter whether I move my 401(k) or other company-sponsored retirement plan assets to my new job or if I leave them with my previous employer.

Fact:



Many people don't think to move these funds (or roll them over) to an IRA upon their departure from a job. An IRA may provide such advantages as the opportunity to choose from a broader range of asset classes or more flexibility in beneficiary options. There are some restrictions on moving 401(k) funds, however. A financial professional can help you with the details.

Let Your Own Financial Plan for the Future Guide You

Presented by Harriett E. Barnes

"Life is 10% of what happens to me and 90% of how I react to it." — John Maxwell

Fluctuations in the financial markets inevitably make headlines, so I wanted to take this opportunity to share with you a "headline" of my own choosing, above.

It's important to remind ourselves that volatility and fluctuations are inherent to investing. Equally important is the fact that you've already done what makes the most sense under any type of market conditions—you've chosen to be proactive by working with a financial advisor who can help you to:

- Clarify your objectives
- Create a plan for meeting those objectives
- Stick to the plan throughout the ups and downs of economic cycles
- Review the plan periodically to ensure that it still reflects your goals

I've said it before, and it's worth repeating now: on any given day, whether we find ourselves in an up market or a down market, we are part of a larger cycle that stretches behind and before us. The 100+ years of the Dow Jones Industrial Average, for example, can be seen as many thousands of days strung together—or, more wisely, as a history of cycles that have trended upward.

In contrast to the inherent uncertainty that defines financial markets, the benefits of taking charge of what you *can* control do not fluctuate. In being proactive, you're letting your own goals and your own plan for the future guide you—instead of simply reacting to events as they occur.

Also remember that, while there is potential for volatility, we are here - helping you to take charge of your financial life. If you'd like to review your financial plan now, or at any time, or talk about any aspect of your financial life, please don't hesitate to contact me.

Spring Cleaning in Your Financial House

Presented by Harriett E. Barnes



Spring is in the air, which for many means waking up from hibernation and cleaning out the clutter. But don't forget about clearing the cobwebs from your "financial house," too! Even if you recently took a look at your finances as you prepared for tax season, there still may be some items that could use your attention. The following list highlights five commonly neglected areas.

Dust off your credit report and score

If you're planning to buy a home or make another major purchase, a good credit rating can be critical. Businesses also inspect your credit history when evaluating applications for insurance, employment, and even leases. With so much in the balance, it's important to review your credit report for accuracy at least annually. Plus, it's a good way to catch signs of identity theft.

Fortunately, checking your credit report is easy. You're entitled to one free annual report from each of the three major credit reporting agencies—Equifax, TransUnion, and Experian—which you can request at www.annualcreditreport.com. Be wary of sites that charge you for these reports. If you use a credit monitoring service, be sure to check the terms of service.

Revamp your emergency fund

If you don't have one already, starting an emergency fund should be on your spring cleaning to-do list. The size of your fund depends on your particular situation and factors such as:

- Family size
- Current debt
- Insurance coverage

The standard is to set aside three months of expenses in case you or a family member encounters the unexpected, such as losing a job. Because it may take longer to find employment or to recover from a financial setback in the current economic environment, if you already have an emergency fund, you may want to increase your savings to six months of expenses.

By planning ahead, the smaller emergencies (e.g., replacing a broken hot water heater) can be easily covered. Remember, it's far better to have an emergency fund and never need it than to experience the reverse scenario.

Revisit credit cards

Review the terms and conditions of your credit cards to ensure that they're still in line with what you originally signed up for.

Also be aware that, in an effort to counter data breaches and fraud, U.S. card issuers are in the process of changing the way consumers make purchases with plastic. Instead of the familiar magnetic strip, new cards will be equipped with computer chips that provide unique identifiers for each transaction, making it nearly impossible for hackers to reuse your information on another purchase.



Go paperless

If your home office is overflowing with statements and receipts, switching to paperless transactions is a pretty simple way to streamline your life—and help the environment. Besides minimizing desktop clutter, online financial management may offer access to tools that help you become more efficient and organized.

Online banking. Switching to electronic statements can conserve tons of paper and save you loads of time and trouble. You can track your balances in real time on your bank's website and transfer funds from your desktop. At work, direct deposit of your paycheck not only saves paper but also cuts down on trips to the bank. It's easy to set up with your employer, and checks generally clear faster.

Electronic bill payment. You can arrange online payments with your bank or through various service providers. Bills from public utilities and mortgage and credit card companies often highlight the availability of this option.

E-delivery of investment statements. We encourage you to sign up for electronic delivery of your account statements and trade confirmations. Going paperless is a simple, secure, and eco-friendly way to receive your documents.

Do an overall financial review

Take the pulse of all your accounts regularly. This includes reviewing your insurance policies, annuity contracts, retirement plans, and educational savings accounts. Are you on track to achieve your goals? Do you need to make adjustments? Are your beneficiary designations up to date? Be sure to discuss any changes in your situation with us so that we can update your financial plan accordingly.

Although these financial spring cleaning to-dos may take a few hours, checking them off your list will free you up to enjoy the season—and ultimately save you time throughout the year.

What Happens to Our Stolen Information After a Cyber Breach?

Presented by Harriett E. Barnes



After a cyber breach, we tend to think in terms of what the victim needs to do next. Can any of the stolen data be protected after the fact? What can the victim do to secure confidential information going forward? But for a change, let's talk about the crime from the cyber thief's point of view. What does the crook do with our data once he or she has stolen it?

The going rates on the black market

First, cyber criminals use our stolen information for individual gain, opening lines of credit with our social security numbers or draining our bank accounts. They also look to make more money by *selling* our information. In fact, there's a vast and complex underground marketplace where our stolen information is offered for sale.

The table below shows what cyber thieves can get on the cyber black market for commonly stolen confidential data.

| Type of data stolen | Average price |
|---|--------------------------------|
| Social security numbers | \$30 each* |
| Credit card information (i.e., card numbers, expiration dates, CVV codes) | \$4–\$8 each* |
| Bundles of 100 credit cards | \$150** |
| Physical credit cards with strip or chip data | \$12 each* |
| Health insurance credentials | \$20 each* |
| Bank, PayPal, or other financial account credentials or numbers | Depends on the account balance |

*Bankrate **The Guardian

On their own, stolen pieces of credit card information command relatively low prices. That's because thieves can't do much damage, for example, with numbers alone; they also need to have names or billing addresses associated with the numbers. So it's no wonder that hackers look to make big scores by breaching the websites of major corporations from which they can steal thousands of pieces of information and turn a large profit by selling bundles of credit card numbers and associated data.

Prepaid cards and gift cards. Hackers also use our account information to purchase prepaid cards. They then sell the cards on the black market—in addition to actual account information—which makes for a bigger hacker payday. Other tactics include using credit card information to buy gift cards. The thieves then purchase expensive electronics or other goods with the cards and sell them at discounted prices to people who don't care where the products came from because they're getting “such a great deal.”

Bank and PayPal accounts. As for the going rates on bank account or PayPal credentials, it all depends on the bank account balance. Some hacker marketplaces sell phished PayPal credentials for a price much smaller than the account balance. The buyer purchases the stolen login ID and password from the hacker for a fee and then is free to do what he or she wants with the information.

Medical ID information. Health insurance credentials are worth even more than credit card numbers on the cyber black market because thieves can use the data to wreak greater financial damage. With stolen medical ID information, a criminal can pretend that he or she is someone else and obtain a host of expensive medical services under the real customer's name. For example, such criminals could spend beyond an actual patient's benefit limit so that, when the patient needs medical services, he or she would have to pay for those services out of pocket.

The Deep Web—where the stolen information is sold

The Deep Web is the part of the World Wide Web that is undiscoverable through basic search engines like Google or Bing. Usually only accessed through anonymous browsers and operating systems, the Deep Web masks the identity of thieves and those willing to purchase stolen information, putting these crooks completely off the radar of legal authorities. Deep Web underground markets are awash in counterfeit documents, stolen credit card data, hacker software, financial account information, and almost anything else a criminal could dream of.

Protecting yourself

Although anyone can be a victim of a major data breach—which makes it difficult for you to stop your information from getting out there—following some cyber security best practices can help keep your information secure even if it is stolen:

Enable multifactor authentication (MFA) on your online accounts. With MFA, you're prompted to enter an additional piece of identifying information—typically a passcode sent to your smartphone—after you submit your username and password. That way, if your password is compromised, a hacker still won't be able to access your account without your phone and the code. (Password managers come in handy here, helping you keep all your passwords organized, so you won't have to worry about remembering them.)

Enroll in identity protection services and keep close tabs on your credit reports.

Audit your medical and insurance statements regularly. By doing so, you at least can keep tabs of any changes. If something isn't right, you can contact your health insurer and perhaps at least minimize any misuse of your information.



28 Amity Street 1C
Amherst MA 01002
413-256-0677



Do you have a Durable Power of Attorney?

An ounce of prevention is worth a pound of cure. — Benjamin Franklin

We've worked hard to help prepare you to meet any financial situation that may arise. Yet we've found that many of our clients have not exercised this same degree of prevention in protecting their property and ensuring that their wishes would continue to be carried out if they became incapacitated.

A durable power of attorney (DPOA) allows someone to effect financial transactions and make other decisions on your behalf if you become unable to do so, without having to seek formal judicial approval. Having a DPOA in place:

- Helps you avoid the need for guardianship
- Allows you to choose who will act in your interests in the event you cannot do so
- Allows you to develop a plan based on your personal goals and concerns

These benefits are among the reasons we suggest that all of our clients consider implementing a DPOA. It's important that you choose someone whom you trust to act on your wishes and who is ready to accept the responsibility.

None of us wants to consider incapacitation, but it can prevent some unwanted consequences.



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Harriett can be reached at 413-256-0677 (Amherst, MA) or hbarne@hbfinancialgroup.com