You have downloaded this document via a link found in the September/October *No Greater Joy* Magazine or have been provided the link from one of our readers.

It is always good to know the background of the person writing the article. Since many of you do not know my background, here it is:

Mel Cohen

Certified Financial Planner™

Registered Tax Return Preparer

CURRENT AND FORMER MEMBERSHIPS, AFFILIATIONS AND ASSOCIATIONS

- **Delaware County Chamber of Commerce**
- **Delaware Valley Society of the Institute of Certified Financial Planners**
- **Institute for Certified Financial Planners**
- **Financial Planning Association**
- **College for Financial Planning**
- **International Board of Standards and Practices for Certified Financial Planners**
- **National Association of Tax Practitioners**
- **National Society of Tax Professionals**
- **Registered Investment Advisor**
- **Registered Financial Consultant**
- **IRS Registered Tax Return Preparer**
- **Licensed Real Estate Professional**
- **Rotary International**

A Biographical Record appeared in the Silver Anniversary 28th Edition of ***Marquis Who's Who in Finance and Industry*** *as well as the Thirty-first 2000/2001 Millennium Edition, inclusion in which is limited to those individuals who have demonstrated outstanding achievement in their own fields of endeavor and who have, thereby contributed significantly to the betterment of contemporary society.*

I have been the CFO or compliance manager for ministries ranging in size from $3 million to $28 million in annual revenue prior to joining No Greater Joy Ministries.

This article is general information only. Mel Cohen is not engaged in rendering investment or professional advice to the reader. If investment or professional assistance is required, the services of a competent professional advisor should be sought.

PREPAREDNESS

From the predictions of Jonathan Cahn, a Messianic Rabbi and best-selling author, to Ron Paul, a former Congressman, to many prominent financial advisors, the latter part of the third quarter and the fourth quarter of this year may be extremely volatile in financial markets throughout the world. Many of the financial advisors are predicting 50%-60% drops in the stock market! Many of these same advisors do so to encourage you to sign up for their various newsletter subscriptions or publications, as good news rarely sells. Bad news sells well!

When President Obama took office on January 20, 2009, the National Debt stood at $10.6 trillion. It is now an alarming $18.1 trillion, a $7.5 trillion increase (http://www.usgovernmentdebt.us/state_debt). More alarming is about $3.3 billion a day is being added to that number. This equates to about $55,000 of debt per person as this article goes to press. This is a situation that cannot go on forever. Someday there will be a price to pay for this foolishness!

Who Do We Owe the Money To?

A little over a third, or $6.2 trillion, is owed to foreign investors, another $2.6 trillion to domestic investors, $2.5 trillion to the Federal Reserve, plus $5.1 trillion to federal accounts with the balance being owed to state and local governments and miscellaneous categories. The second largest debt is owed to the various federal accounts which borrow money from one fund for use in another fund. The Social Security Trust Fund often lends to other branches of the government. If you want to see the debt in real time, visit http://www.usdebtclock.org/. The above numbers will vary depending on the source and when you look them up. The interest alone on this debt is about $2.3 billion dollars a year.

The government takes money from one group of individuals (mainly through taxes) and gives them to another group of individuals they feel needs them. I am fully supportive of temporary programs to help those in need, but not to the degree the government doles out money to unproductive individuals, and often over multiple generations. In 2014, over half of the country paid no income tax. Many not only paid no taxes, but they received tax refunds on top of that. This cannot go on forever. About 25% of workers paid almost 90% of all federal income taxes.

Former **Social Security/Medicare** Trustee Tom Saving (an economist at Texas A&M University) and his colleague, Andy Rettenmaier, have analyzed the most recent Trustees' report. Looking indefinitely into the future, the unfunded liability in both programs is $72 trillion! And that assumes the Medicare cuts legislated by ObamaCare hold fast. If they don't, the unfunded debt will exceed $100 trillion -- about six times the size of the entire economy.

State, Local and Household

Add another trillion dollars to state debt, and more to local government debt. No wonder as of March 31, 2015, total household indebtedness was $11.85 trillion. The Federal, State and Local governments have set a bad example for the average family (http://www.newyorkfed.org/microeconomics/hhdc.html).

Under Funded State and Local Pension Debt

The debt you've probably never heard of has reached into the multitrillion-dollar range. Warren Buffett, Berkshire Hathaway's chairman, has warned that state funding for pensions is "woefully inadequate." This shortfall in defined-benefit pension plans will have to be made up by taxpayers, bondholders and state pensioners.

Warning Signs

In 2012 a book by Jonathan Cahn entitled *The Harbinger* was released. It is estimated that it sold a million copies in the first year and is still going strong. It is based on Isaiah 9:10 judgments of Israel and their relevance to the United States. One of the chapters in the book is entitled *The Mystery of the Shemitah* (this is not an endorsement for either book) which led to a second book by the same name.

Add these books to all of the blood moon books predicting financial chaos, along with Congressman Ron Paul's infomercial on a financial collapse to get you to purchase a book and a newsletter subscription on how you can survive this. These books, along with other doomsday predictions by those selling subscription-based newsletters, have created uncertainty in the lives of many families.

Many of you will be reading this after the fact, so we will all learn together how accurate these trouble signs are which could affect the financial future and well-being of millions.

Dates

Last day of the current Shemitah: September 13, 2015.

Per Safe Money Report: September 16, 2015 a secret meeting is to take place in Washington D.C. "an event will take place that will change everything in your life." The author is calling it "Bloody Wednesday".

The Federal Open Market Committee will hold its sixth meeting this year on September 16-17. The prior meeting (http://www.federalreserve.gov/newsevents/press/monetary/20150729a.htm) kept the federal funds rates the same at 0 to ¼ percent. Many economists fear that the fed will raise the interest rate.

If this happens, the most direct effect is banking! A rate increase makes it more expensive for banks to borrow money from the Fed. Bank loans, credit card fees and any loans tied to adjustable rates will be affected by a rate increase. When a family has to spend more on interest payments, they have less money to spend on everything else which can have an adverse effect on the overall economy. Read more: http://www.investopedia.com/articles/06/interestaffectsmarket.asp#ixzz3ic5Gu8nM

The fourth and final blood moon: September 29, 2015. A blood moon is another name for a full lunar eclipse. When the shadow of the earth completely blocks the sun's direct rays, the moon takes on a reddish or red-orange color. Three of the four blood moons have already occurred: April 15, 2014; October 8, 2014; and April 4, 2015. Between the first two blood moons there was a total solar eclipse which fell on March 20, 2015 which is the first day of the Biblical New Year of the Jewish calendar.

When there are four consecutive full lunar eclipses with no other intervening eclipses, it is called a tetrad (Latin for 4). All four full lunar eclipses fall on Jewish feast days (Passover and the Feast of Tabernacles) in the spring and fall of 2014 and 2015. This has happened nine times over the last 2,000 years. This phenomenon has ignited prophecy teachers putting forth doomsday predictions based on Joel: 2:30-31 *And I will shew wonders in the heavens and in the earth, blood, and fire, and pillars of smoke. The sun shall be turned into darkness, and the moon into blood, before the great and terrible day of the Lord to come*.

Scheduled International Monetary Fund (IMF) Meeting: October 20, 2015. Some financial experts predict that the Chinese Yuan will be added to the seven other currencies that are part of the IMF. This would be the first change in about 35 years. About 60% of the world's reserve currencies are held in the US dollar. Any change in the reserve currency would be felt around the world and cause an adverse effect on the dollar. Reserve currencies are used in global trade (business) while governments use them to diversify their investments and pay down debt.

Why the Concern? About $1.5 trillion of our foreign debt is owned by China. Over 10,000 businesses treat the Yuan as a reserve currency. In the last four years this has gone up over one thousand per cent. There are twelve major banking centers that are Yuan clearing houses. China is hoarding gold and hopes to have the Yuan as the only currency fully backed by gold. Any one or two of these facts would not cause concern; couple all of them together and there is grave concern about the financial future and power of the US especially as compared to China which is second to the US in many economic categories.

The dollar is widely accepted and used throughout the world. When countries trade or purchase commodities from other countries their currencies must first be converted to dollars. The trades are settled in dollars. The dollar is the strongest world currency as of this writing. This is why our imports are so much cheaper and our inflation has been kept under control. It takes fewer dollars to purchase foreign goods since the dollar is so strong. If you are exporting, the strength of the dollar will hurt your business as more of the trading country's currency must be used to buy in dollars.

What Else?

A popular political saying is, "are you better off today than you were four years ago". Go back six months, one year, two years, or even five years and see what has improved or is better today than the time period you select.

The worldwide threat of terrorism from ISIS/ISIL, Al Qaeda, Boko Haram, etc.: is it better or worse? The brutality and savagery these groups do on a daily basis is unprecedented in modern times especially against Christians. From setting people on fire, to beheadings, to having their prisoners kneel on explosives are crimes against humanity these terrorists do on a daily basis. Add to this the slave trafficking they are responsible for creates a crisis much of the world seems to be overlooking.

Consider Iran's nuclear ambitions. History has clearly shown they cannot be trusted. They are funding conflicts throughout the Middle East and may soon destabilize the entire region. Is it better or worse? The recently signed Nuclear Deal has yet to be approved by Congress. Whether approved or not, it will have a far reaching affect throughout the world.

Genesis 12:1-3 Now the Lord had said unto Abram, Get thee out of thy country, and from thy kindred, and from thy father's house, unto a land that I will shew thee: 2 And I will make of thee a great nation, and I will bless thee, and make thy name great; and thou shalt be a blessing: 3 ***And I will bless them that bless thee, and curse him that curseth thee: and in thee shall all families of the earth be blessed.*** Whether it is the Iran Nuclear Deal, the lack of trust and support from President Obama or many businesses, universities, non-profits, etc. turning against the Nation of Israel as well as many US based Christian organizations spouting “Replacement Theology”, the lack of support for Israel may cause the Lord to withhold the many blessing He has poured on the US.

North Korea has been exporting their nuclear and missile technology to countries that would not be considered friendly to the US. Is it better or worse?

The recent aggression Russia has shown in the Ukraine and the threats of more aggression by building 40 new nuclear ballistic missiles. Is it better or worse?

China’s flexing of their military muscles and island building (over 2,000 acres) to create new sovereign territory. What happened to freedom of navigation and freedom of the seas in international water? Is it better or worse?

The decline of morals in the US, sexual signs that were once against the law are no longer, the passage of same sex marriage. The US joined twenty other countries in passing this. Is it better or worse?

Wealth gap between the rich and the poor—is it better or worse?

MORE GENERAL UNREST and FEARS

Murders

A 30-year-old suspect has been arrested after police found two women and three girls dead in a California home on July 19, 2015.

More threats from major terrorist organizations threatening to attack military installations similar to the attack that killed four marines and a US Navy Petty Officer on July 16, 2015.

Movie theater attack in Lafayette, LA by a man that killed two women before killing himself on July 23, 2015

Movie theater attack by a man with a hatchet and pepper spray on August. About three years earlier was the Aurora, CO shootings that killed 12 people.

Senseless killings: the latest in Houston on August 8, 2015 had eight members of one family killed. About a year earlier six members of one family were killed in Spring, TX, a suburb of Houston.

There has been a dramatic increase in homicides in many large and mid-sized cities throughout the US.

Violent crimes including murder committed by illegal aliens. On August 10, 2015, California Governor Jerry Brown signed a law that bans the word “alien” from the state’s labor laws.

Sanctuary Cities: There are over 200 cities that follows certain procedures that shelters illegal immigrants. Some by law (de jure) others by action (de facto) prevent criminal aliens from deportation by refusing to comply with ICE detainers and impede open communication and information exchanges between their employees or officers and federal immigration agents. The designation of "Sanctuary City" has no legal meaning.

The protests that have happened and are happening now throughout the US in cities like Ferguson, MO, Cincinnati, OH, Stonewall, MS, Baltimore, MD and many others which cause unrest, fear, loss of property and most importantly loss of life.

Credentials

I no longer possess the credentials to provide investment advice so I am writing from a personal perspective not a professional one.

Priorities

Years ago I was a follower of Larry Burkette (died July 4, 2003) who founded Christian Financial Concepts which later merged with Crown Financial Ministries in the year 2000 (http://www.crown.org/). He was one of the best financial counselors around at the time; his advice mainly coming from Scripture. I read his books, followed his budgeting ideas even took his course on being a counselor. His budgeting ideas were clearly presented and helped many get out of debt. The modern "Get out of Debt" mantra has been passed to Dave Ramsey (http://www.daveramsey.com/home/). **GET OUT OF DEBT!**

Proverbs 22:7 The rich ruleth over the poor, and the borrower is servant to the lender. Over the years as a CFP and financial counselor, I have seen debt destroy the harmony many families had before debt took over their lives and made all decisions revolve around finances. I looked at several national polls on "Why married couples get divorced." Finances or money was in the top five of almost every poll. If money is a consistent topic of disagreement, divorce for many seems the only option contrary to what Scripture has to say.

Emergency Fund

Between job losses, illnesses, home catastrophes and other emergencies, everyone should have an emergency fund. This is the amount of cash or cash equivalents that you readily have on hand in the event that you cannot generate income through your employer— or earnings if you are self-employed.

The amount of funds you may need depend on how much money is spent on a monthly basis on mandatory spending (mortgage, taxes, gas, food, etc.) versus how much income is generated on a monthly basis (social security, pensions, IRA, interest, dividends, etc.) even if you cannot work.

If you have children in the house, with only one worker you may need as much as nine months of reserves— if you are older with no children in the house you should be able to get by with three months of emergency funding.

What's Going on in the US for the Potential of Financial and Personal Chaos in the Months to Come?

- The US economic expansion since the 2008 recession has been the worst recovery since World War II. After corrections, the first quarter of 2015 was in negative territory by .2% (Commerce

Department). This is the third time since 2009 the economy has shrunk. The second quarter Gross Domestic product (GDP) shows a 2% plus increase, but as revisions come in this number could be reduced.

- Imports versus Exports. We import much more than we export. China manipulates its currency which is costing the US tens of thousands of jobs on goods that used to be produced here. Over the past twenty years our worldwide trade deficit has been over ten trillion dollars. Job losses are estimated to be 9,000 workers for every $1 billion in trade deficits. Calculate this out and you have over 12 million lost jobs. Most every other country in the world has a tariff system that charges the US for our imports. We do not reciprocate in-kind.
- Our labor productivity was flat in 2014. The non-farm private sector output grew by 2.9% but our hours worked increased 3%. This resulted in labor productivity growth that was near zero. With all of our technology, robotics, logistics, etc. we should see labor productivity growth over 2% annually.
- Because many college students cannot find jobs, they are working in jobs that do not require a degree or special training (think fast food). Businesses are having trouble finding and hiring those with mechanical or technical skills. Community Colleges or Technical Schools cannot keep up with the demand.
- Cyber warfare: This spring, upwards of 22 million government workers and their families were affected by the largest data breach of government computers in the history of the US, putting their personal histories including information about bankruptcies, mental health issues and finances, not to mention Social Security numbers, at risk for identity theft, blackmail, classified secrets, etc. (The American Conservative, July 23, 2015). 2015 Breaches identified by the Identity Theft Resource Center as of 8/11/15 for 2015: 472 Total Breaches—Records exposed: 139,278,865 which include the government worker breaches. One person out of every 2.29 people has been affected by cyber warfare security breaches.
- Some good news from the IRS. Announcement 2015-22 states that the IRS will not assert that an individual whose personal information may have been compromised in a data breach must include in gross income the value of the identity protection services provided by the organization that experienced the data breach.

What's Going on in the World for the Potential of Financial Chaos in the Months to Come?

Financial

- China's has an $8 trillion equity market which is second to the US market of over $20 trillion. China's growth from June 2014 to June 2015 was about 150%. Approximately 1.4 million new investors were entering the market every week. In the last several weeks many have lost the equivalent of a year or more of their salary as China's equity market has tanked, which will have an effect on the rest of the world's equity markets.
- On August 11, 2015, China cut the value of its currency (the Juan) by 2% in the two days that followed another 3%. This could very well start a trend among other Asian countries. August 11th was the largest one-day drop in their currency against the dollar to date. The main reason for this is to increase China's export levels and put a spark in their economy. This move could destabilize currencies throughout the world. The good news in this, if there is any, is that this move should reduce the price of imports from China and other Asian countries and allow oil prices to fall even further. The US New York crude price fell by 3.75% to $43.35 per barrel on

August 11th. Prior to these drops their currency was pegged to the dollar-as the dollar rose so did their currency which made Chinese exports more expensive. One of the main reasons for the drop was Chinese exports fell 8% in July.

- Greece was rescued by a last minute deal in July, but will remain near default on its loans, which in reality can never be paid back. The entire European Union (EU) is at risk with Spain, Portugal and several other countries' mounting debt, which they may not be able to be paid when due. If more than one of these countries exits the EU, it would suffer financially, eventually leading to a potential collapse of the EU which will affect the US and the rest of the world.
- Puerto Rico missed a $58 million payment due on its debt. There current debt is $72 billion, which is an amount they will never be able to repay based on their economy. In America's 50 states the average ratio of state debt to personal income is 3.4%, while Moody's, a credit ratings agency, says the comparable figure for Puerto Rico is 89%. Only New York and California have more debt than all of Puerto, both states are richer than most other US states.
- Throughout the world countries like Brazil, Turkey, Malaysia, Chile, Ghana and Zambia run the risk of not being able to pay their debts.
- Many of the oil rich economies as well as US based large oil companies are suffering due to the reduction in oil prices over the last six months. Many experts are predicting that it will be mid to late 2016 before oil prices cross the $60 per barrel price.
- Another possibility: with the likelihood of a Sunni-Shi'ite war in Yemen, which controls about 32% of the world's oil, a crisis there could quickly return oil to over $100 a barrel, which would have an adverse effect on the US stock market, our recovery and the world economy. Oil from Iran, Iraq and other countries where ISIS is infiltrating could cause an upheaval in oil producing areas which would dramatically affect the supply and pricing.

World Economies Entwined

Unfortunately, world economies are greatly entwined. What happens throughout the world does affect us in our everyday living.

As the dollar rises, imports become less expensive, but exports become more expensive. What is good for the average consumer in the US is bad for the manufacturers whose profits depend on the amount of goods they produce for export. Also, the food and beverage companies like McDonald's and Coca Cola that depend on sales outside the US, will suffer. Outside the US, McDonald's sales are about 68%, while Coca Cola is about 75%.

Earlier this year, the global consulting firm McKinsey & Co. issued a report on the 20 most-indebted nations.

Country	Debt-to-GDP
Malaysia	225%
Austria	225%
Hungary	225%
South Korea	231%
United States	233%
Finland	238%
Norway	224%
U.K.	252%
Italy	259%
France	280%
Sweden	290%
Denmark	302%
Spain	313%
Greece	317%
Netherlands	325%
Belgium	327%
Portugal	358%
Singapore	382%
Ireland	390%
Japan	400%

The numbers are shocking.

Just below those top 20 nations we have Canada at #21 with debt-to-GDP at 221%, Australia at #23 with 213%, and Germany at #24 with 188%. The most prudent Western nation is tiny Slovakia at #27 with 151% debt to GDP.

Overall, global debt now sits right at $200 trillion — nearly three times larger than the world's entire economic output in a given year.

What Should We Do?

Many of our readers are young and raising a family and have not had the ability to develop an investment strategy. I strongly urge you to look at these links to help you in your ability to eventually accumulate an investment portfolio. Although some of the information is a bit dated, it is a good foundation for starting out. I had the privilege of speaking at the 2013 and 2014 NGJ Shindigs. 2013 was entitled **Investing in Troubled Times** and 2014 was **Family Finances and Budgeting**. The 2013 Shindig Seminar link is: http://ngj.me/wiseinvesting, the 2014 Shindig link is: http://ngj.me/2014-seminar and 2014 Shindig Video Link is: http://ngj.me/melvids.

For those that are invested in the stock market, I suggest you work with your broker or independent advisors to protect the gains you have accumulated since the market recovery. As an FYI, I am no longer a Registered Investment Advisor, so I would not be the one able to provide advice or consultation through this article or by phone. **What I will write below is only my own opinion.**

When the NASDAQ crashed in March of 2000, it took over 15 years to get to the point of where it was on the day of the crash. That is a long recovery. When the Dow and the S & P 500 tanked in 2007-2008 it only took a few years to recover to where it was, and we have had about 7 years of strong gains in the equities market. Many fear a market correction is imminent.

Being older and wiser now, I reduced the amount of equities I own. For my age (over 70) I should have less than 30% equities. About 4 months ago when I started to analyze my portfolio I discovered I was over 90%. I started a systematic method to reduce that, by selling off the few stocks I had that were in negative territory. Today my equity ratio to cash, cash equivalents, silver and gold bullion is less than 50%. I don't expect that percentage to change much.

What do people mean when they say, "*The stock market*?"

The *stock market* is also known as the equity market. It trades and issues shares of publicly held companies through exchanges or over-the-counter markets. The primary goal of the market is to provide companies with capital. When you invest in the market, you are acquiring ownership in a company. Over time small amounts of money can grow into large amounts of money if invested wisely. There is risk—what goes up often will come down! Stocks that pay dividends offer another way to grow your investment. Dividends can be taken as cash payments when issued or used to repurchase the same stock at the current market value. A dividend reinvestment program is also called a DRIP. There are many investing strategies.

Dow Jones Industrial Average (DOW)

The Dow is the most widely quoted index. Usually the first report on various business networks quote the Dow-same with financial publications and investing newsletters. Ironically the Dow consists of only 30 stocks. They are the 30 largest companies in our economy. They are not all industrial companies as the name indicates. The Dow was founded in 1896 with only 12 industrial companies being listed. General Electric is the only company that was on the list in 1896 and is still on the list today.

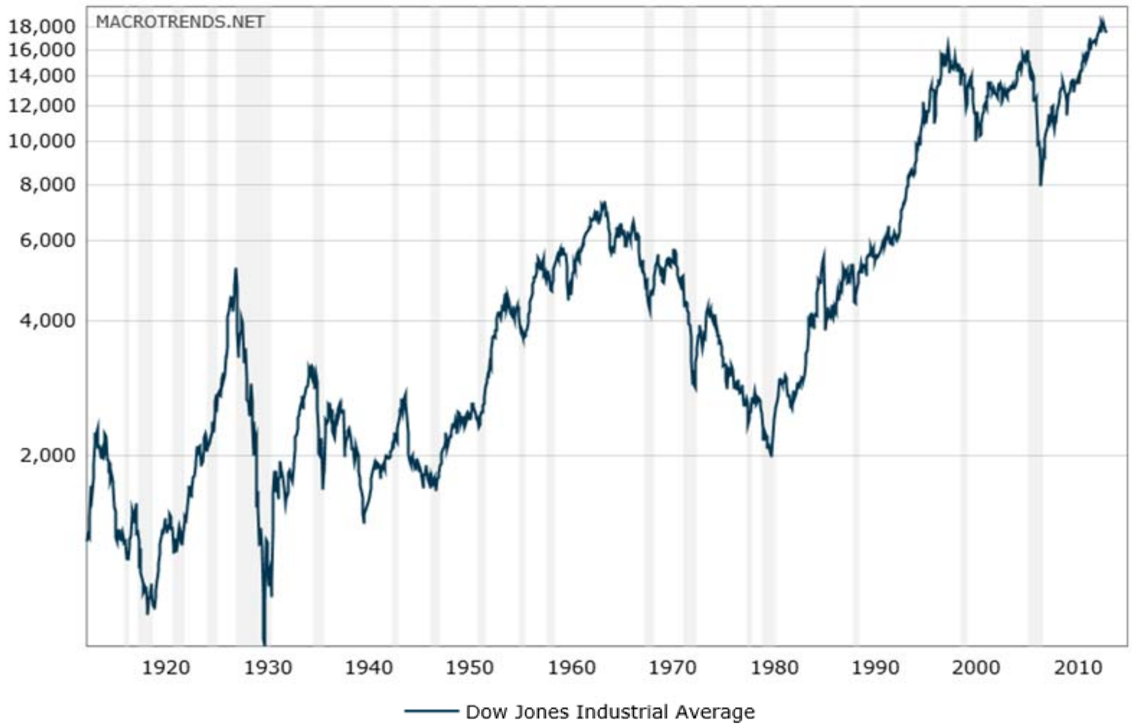
In the current Dow, financial service firms represent about 25% of the index while Industrials are second. There are several other sectors consisting of consumer services, technology, health care, and oil and gas companies. The Dow is one of the most common measures of how the U.S. stock market is doing. In its early years, the performance was mostly affected by how the industrial stocks performed. Today corporate and economic reports along with worldwide events such as war, terrorism, large scale natural disasters, disease, and countries' financial defaults all affect the Dow.

The Dow has only changed 51 times since 1896. The most recent change was Apple replacing AT & T in March of 2015. The 30 companies that make up the Dow are:

MMM 3M - AXP American Express - AAPL Apple - BA Boeing - CAT Caterpillar - CVX Chevron - CSCO Cisco - KO Coca-Cola - DIS Disney - DD E I du Pont de Nemours and Co - XOM Exxon Mobil - GE General Electric - GS Goldman Sachs HD Home Depot -IBM IBM - INTC Intel - JNJ Johnson & Johnson JPM JPMorgan Chase - MCD McDonald's - MRK Merck - MSFT Microsoft - NKE Nike - PFE Pfizer PG Procter &

Gamble - TRV Travelers Companies Inc - UTX United Technologies - UNH UnitedHealth - VZ Verizon - V Visa - WMT Wal-Mart.

[Dow Jones 100 Year Historical Chart](#)



The two largest stock exchanges in the US are the New York Stock Exchange and the NASDAQ. For a more detailed definition, see http://www.investopedia.com/terms/s/stockmarket.asp#ixzz3iXnowhTL.

What do people mean when they say "*The bond market*?"

Bonds are debt instruments. The two main components are corporate debt which is issued by publicly held companies that want to borrow money for operating expenses or capital improvements, rather than issue stock which provides equity. Government issued securities are issued from the federal, state and local level to fund ongoing operations or long term capital improvements. The bond market is much larger than the stock market, and consists of the primary market which sells directly from the borrower to the lender, and secondary market which sells or resells previously issued securities. For a more detailed definition see http://www.investopedia.com/terms/b/bondmarket.asp#ixzz3iXuIpMna.

Review from Prior Investing Overviews

Set your Timeframe: Determine the time horizon for your investments as each time frame will have a different strategy. Short term is 1-3 years; mid-term 4-9 years; any time beyond that is considered long term. The closer you get to your timeframe, the less risk you can afford to take. Mid-term may be the trickiest as you want to invest for gain, but cannot take too much risk—balance is needed. A general rule in investing is when you have a longer time frame for your financial goals; more investment risk can be taken. See more at: http://www.finra.org/investors/set-time-frame-your-financial-goals#sthash.VTvQqb7K.dpuf

Invest in what you understand. If the investment vehicle cannot be clearly explained in 1-2 sentences, it may not be good for you. There are a few investment advisors that are willing to risk your money for sales commissions.

Use a strategy of investing in index funds. Index funds are simply mutual funds that are based on an index and mirror its performance. An example is the S & P 500. For all 20 year periods since 1926 which was 3 years before the Great Depression of 1929, the S & P 500 has returned an average of 7.25%.

Start Early. Take advantage of compounding over a long period of time, and dividend reinvestment (DRIP) strategies.

Diversify across several asset classes and also within an asset class. See chart at the end of this document, "The Value of Asset Allocation." Here you will see clearly that the same asset class does not stay at the top for more than three years running.

Retirement Plans: if your company has a 401(k) match or any other type of match up to a certain percentage, take full advantage of that. EXAMPLE: If your company matches the first 3% of your investment and your 3% equals $2,000, your company would then put in $2,000 so your total investment is now worth $4,000. You have doubled your money or a 100% instant return on your investment.

How millionaires are made: Taking the average rate of return of the S & P 500 of 7.25% and by investing $5,500 into a ROTH IRA starting at age 22 and stopping at age 66 the amount of your investment would be worth **$1,688,352**. Under current law a ROTH held for this period of time would allow the participant to withdraw this money on a tax free basis-it would be all yours. There is no mandatory withdrawal on a ROTH compared to a traditional IRA which requires mandatory withdrawals starting at age 70 ½. Mandatory withdrawals are taxable.

A good website for mortgage rates, CD rates, money market rates and financial calculations is www.bankrate.com.

Emergency Fund: keep that separate from your investible funds. In a true emergency you may need cash or a cash equivalent within the same day or next day. You do not want to have to sell something that may not be liquid, such as real estate, due to the emergency time frame. Read more: http://www.investopedia.com/university/indexes/index8.asp#ixzz3ijHuVwZk

My Personal Strategy

If all of the warnings signs on the economy do not play out— much like Y2K— and the stock market were to rise up over the next 8 weeks, I may give up a few percentage point of gain, which I am willing to do for safety. If the market corrects or enters into a bear market (20% or more drops) I have saved taking a loss of my net worth. The older one is, the more concerned they have to be with safety of principle versus chasing gain, as we do not have time for a full market recovery.

It took over 15 years for NASDAQ to break its record of where it was in March of 2000 (5,048.62). On April 23, 2015 it closed at 5,056.06, the next day it broke the record of April 23rd. In 2002 it had a record low of 1,114.11 which represents a gain of over 3,900 points from the low to the new high. At today's close August 13, 2015 the number was 5,033.56.

When stocks drop they pose a strong buying opportunity. If big names like Coca Cola, Walmart, Microsoft, McDonalds or any other household names, drop 30%-40% because of world events, it is a time to buy—I have set aside enough cash where I could buy these stocks at great discounts compared to their true value. Buy low, sell high is a strategy we all dream about, but few follow because of emotions. Take emotions out of investing and you will have a stronger portfolio value—know your purpose for investing. I have learned to take the emotion out of buying and selling stocks or any other investments.

A good way to protect your portfolio is to use trailing stops. Set a percentage on a per stock basis, such as 12% to 20%. When that stock drops by that percentage, it will sell automatically.

Over the last year or so gold and silver have had a strong drop in pricing. I took the money I had from the sale of stock and invested some of it in US American Eagle Silver Dollars .999% pure silver. It is the most recognized bullion coin in the world. I do not look at silver or gold as an investment, I look at it as insurance. I take possession and within a day or so of arrival they are put into a safe place out of my house. I do not trust these gold or silver providers that will "store silver" for a fee or issue a certificate for your silver which can be redeemed anytime. The "redeemed anytime" is what scares me, especially if there were a true economic crash.

In the event of a financial collapse of the dollar, and people will not take dollars for some reason, they will certainly take silver. I initially preferred silver over gold as a single silver coin is worth $20 or so. If we needed emergency milk or groceries, silver is easier to deal with than a one ounce gold coin that is worth about $1,100. For years a good rule of thumb has been 5%-10% of your portfolio should be in silver or gold. I have increased mine to about 12%. I like the one-ounce US American Eagle coins better than the heavier-weight bars for potential ease-of-use and worldwide recognition.

When purchasing silver or gold, shop around for the best buy. When you purchase online you will usually receive a better price than if you were to call and talk to a representative to buy (no commissions). Reps will often pressure you into more expensive pieces that pay them a high commission, which in reality you are paying.

There are other ways to own gold: through the equities (stock) market. Electronically Traded Funds (ETF) often mirrors the market. Over a period of six years, which ended in December 2012, the price of gold went up over 155%, while the gold stock fund GLD rose 160%. Since then both have gone the other way.

Governments can print all of the money they desire to increase the money supply (which they have done), but they can't print GOLD!

If I Have a Fixed Amount of Dollars for Bullion, Should it be Silver or Gold?

Look at the Gold-to-Silver Ratio

Definition: The gold-to-silver ratio is the amount of silver it takes to purchase one ounce of gold. Take the price of gold, divide it by the price of silver, and you have the gold-to-silver ratio. On August 12, 2015 at 11:33 a.m. CT that ratio was as follows: silver $15.59-Gold $1,124.25 or slightly over 72 times. This means it would take 72 plus ounces of silver to purchase one ounce of gold.

Many experts feel that when gold is over 50 times the price of silver it is a good buy sign for silver. If under 50 times gold may be the better value for growth. About 10 times in the last 15 months I have bought silver, but only bought gold twice.

As the dollar tends to strengthen gold will present itself as a stronger buy. **The true value of silver or gold has not changed** over the past year or so, but the strong dollar made it cheaper to purchase during late July, which was the cheapest prices for these metals at any time in the past five years. Both metals in the last few days have been on the rise. The gold-to-silver ratio over the past 30 days has been 72.22 to 76.44. One year ago it was 65.23 to 77.08. Five years ago 32.00 to 72.08 while ten years ago it was 32.00 to 83.86. There were times over the past ten years that gold would be a better value compared to today, when silver seems the better buy.

Dollar Cost Averaging (DCA)

Many financial advisors recommend this strategy DCA when there is a large amount of money to invest. The main reason is that if the market were to go down suddenly it would not affect the amount of money that is on the sidelines. Conversely if the market were to go up, you would lose the potential gain by not having those dollars invested. If you feel the market is headed up for gold and silver, than buying now would be the best strategy as your initial investment would increase as the price of gold or silver increases.

If you feel the market will continue to go lower; waiting for the market to bottom out may be a better strategy, but there is risk of a sudden reversal. I have used DCA over the past 15 or so months and will continue to do so as I believe the markets will go lower in gold and silver over the next month or so, but if they don't and increase suddenly, my average cost and previous purchases were protected.

History

Record keeping on gold and silver started in 1687. Since then, the gold-to-silver ratio has been between 14 and 100. During most of the twentieth century the gold-to-silver ratio has averaged about 47-50, with wild fluctuations.

The Future

This article has primarily focused on finances and financial preparation. If trouble breaks out because of financial unrest, you would be wise to have prepared and secured your home. Make sure you have enough water, food, source of fuel, first aid supplies, emergency supplies, toiletries, clothing, bedding, and if on prescription medicine a 2-3 months' supply.

Only the Lord knows if the next several months will bring about economic instabilities. But you can be informed and prepared to wisely steward the resources which He has entrusted to you.

"Go to now, ye that say, To day or to morrow we will go into such a city, and continue there a year, and buy and sell, and get gain: Whereas ye know not what shall be on the morrow. For what is your life? It is even a vapour, that appeareth for a little time, and then vanisheth away. For that ye ought to say, If the Lord will, we shall live, and do this, or that." James 4:13-15

This article is general information only. Mel Cohen is not engaged in rendering investment or professional advice to the reader. If investment or professional assistance is required, the services of a competent professional advisor should be sought.

Thank you No Greater Joy Ministries for allowing me the time to write this article. Visit our website.

www.nogreaterjoy.org

The Value of Asset Allocation

Annual Returns for Key Indexes (2000-2014) Ranked by Performance (Best to Worst)

Performance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Best	Real Estate Securities 26.8%	Real Estate Securities 12.8%	Commodities 23.9%	Emerg-Mkt Stocks 56.3%	Real Estate Securities 31.5%	Emerg-Mkt Stocks 34.5%	Emerg-Mkt Stocks 32.6%	Emerg-Mkt Stocks 39.8%	Managed Futures 14.1%	Emerg-Mkt Stocks 79.0%	Mid-Cap Stocks 26.6%	Inv-Grade Bonds 8.6%	Emerg-Mkt Bonds 22.8%	Small-Cap Stocks 41.3%	Real Estate Securities 25.3%
	Commodities 24.2%	Inv-Grade Bonds 8.5%	Managed Futures 12.4%	Intl Stocks 39.2%	Emerg-Mkt Stocks 26.0%	Commodities 17.5%	Real Estate Securities 30.2%	Intl Stocks 11.6%	Inv-Grade Bonds 5.0%	High-Yield Bonds 57.5%	Small-Cap Stocks 26.3%	Emerg-Mkt Bonds 5.9%	Emerg-Mkt Stocks 18.6%	Mid-Cap Stocks 33.5%	Large-Cap Stocks 13.7%
	Mid-Cap Stocks 17.5%	Small-Cap Stocks 6.5%	Emerg-Mkt Bonds 12.2%	Small-Cap Stocks 38.8%	Small-Cap Stocks 22.6%	Intl Stocks 14.0%	Intl Stocks 26.9%	Commodities 11.1%	Cash Alternatives 1.8%	Mid-Cap Stocks 37.4%	Real Estate Securities 23.5%	Real Estate Securities 4.7%	Intl Stocks 17.9%	Large-Cap Stocks 32.4%	Mid-Cap Stocks 9.8%
	Emerg-Mkt Bonds 14.9%	High-Yield Bonds 4.5%	Inv-Grade Bonds 10.9%	Real Estate Securities 36.7%	Intl Stocks 20.7%	Emerg-Mkt Bonds 12.9%	Large-Cap Stocks 15.8%	Mid-Cap Stocks 8.0%	Emerg-Mkt Bonds -15.4%	Emerg-Mkt Bonds 34.8%	Emerg-Mkt Stocks 19.2%	High-Yield Bonds 4.4%	Mid-Cap Stocks 17.9%	Intl Stocks 23.3%	Managed Futures 7.8%
	Inv-Grade Bonds 11.9%	Cash Alternatives 4.1%	Real Estate Securities 3.6%	Mid-Cap Stocks 35.6%	Mid-Cap Stocks 16.5%	Mid-Cap Stocks 12.6%	Small-Cap Stocks 15.1%	Hedge Funds 7.7%	Hedge Funds -19.9%	Intl Stocks 32.5%	Commodities 16.7%	Large-Cap Stocks 2.1%	Small-Cap Stocks 16.3%	Asset Class Blend 9.7%	Inv-Grade Bonds 6.5%
	Small-Cap Stocks 11.8%	Emerg-Mkt Bonds 3.5%	Hedge Funds 3.6%	Emerg-Mkt Bonds 34.1%	Asset Class Blend 13.4%	Asset Class Blend 9.9%	Asset Class Blend 13.4%	Managed Futures 7.6%	Asset Class Blend -24.6%	Asset Class Blend 26.7%	High-Yield Bonds 15.2%	Small-Cap Stocks 1.0%	Large-Cap Stocks 16.0%	Hedge Funds 7.7%	Small-Cap Stocks 5.8%
	Managed Futures 7.9%	Hedge Funds 3.1%	Cash Alternatives 1.7%	Large-Cap Stocks 28.7%	Emerg-Mkt Bonds 12.9%	Real Estate Securities 8.9%	Emerg-Mkt Bonds 12.7%	Inv-Grade Bonds 7.3%	High-Yield Bonds -26.4%	Large-Cap Stocks 26.5%	Large-Cap Stocks 15.1%	Cash Alternatives 0.1%	High-Yield Bonds 15.6%	High-Yield Bonds 7.4%	Asset Class Blend 4.0%
	Cash Alternatives 6.1%	Managed Futures 0.8%	Asset Class Blend -0.5%	High-Yield Bonds 28.2%	Large-Cap Stocks 10.9%	Small-Cap Stocks 7.7%	High-Yield Bonds 11.7%	Asset Class Blend 7.0%	Small-Cap Stocks -31.1%	Small-Cap Stocks 25.6%	Emerg-Mkt Bonds 15.0%	Mid-Cap Stocks -1.7%	Real Estate Securities 13.6%	Cash Alternatives 0.1%	Hedge Funds 3.4%
	Hedge Funds 5.8%	Mid-Cap Stocks -0.6%	High-Yield Bonds -1.9%	Asset Class Blend 26.4%	High-Yield Bonds 10.9%	Hedge Funds 5.1%	Mid-Cap Stocks 10.3%	Emerg-Mkt Bonds 6.2%	Mid-Cap Stocks -36.2%	Real Estate Securities 21.0%	Asset Class Blend 14.2%	Asset Class Blend -1.9%	Asset Class Blend 11.2%	Real Estate Securities -1.4%	High-Yield Bonds 2.5%
	Asset Class Blend 5.2%	Asset Class Blend -1.1%	Emerg-Mkt Stocks -6.0%	Commodities 22.7%	Commodities 7.6%	Large-Cap Stocks 4.9%	Hedge Funds 9.2%	Large-Cap Stocks 5.5%	Commodities -36.6%	Commodities 18.7%	Intl Stocks 8.2%	Managed Futures -3.0%	Inv-Grade Bonds 5.1%	Managed Futures -1.9%	Emerg-Mkt Bonds 0.8%
	High-Yield Bonds -5.2%	Emerg-Mkt Stocks -2.4%	Mid-Cap Stocks -14.5%	Hedge Funds 9.0%	Hedge Funds 5.8%	Cash Alternatives 3.0%	Cash Alternatives 4.8%	Cash Alternatives 4.8%	Large-Cap Stocks -37.0%	Hedge Funds 9.7%	Managed Futures 7.1%	Hedge Funds -3.7%	Hedge Funds 4.1%	Emerg-Mkt Bonds -2.0%	Cash Alternatives 0.0%
	Large-Cap Stocks -9.1%	Large-Cap Stocks -11.9%	Small-Cap Stocks -14.6%	Managed Futures 8.7%	Inv-Grade Bonds 4.2%	High-Yield Bonds 2.7%	Inv-Grade Bonds 3.8%	High-Yield Bonds 2.2%	Real Estate Securities -41.5%	Inv-Grade Bonds 4.8%	Inv-Grade Bonds 6.8%	Intl Stocks -11.7%	Cash Alternatives 0.1%	Emerg-Mkt Stocks -2.3%	Emerg-Mkt Stocks -1.8%
	Intl Stocks -14.0%	Intl Stocks -21.2%	Intl Stocks -15.7%	Inv-Grade Bonds 4.5%	Managed Futures 3.3%	Inv-Grade Bonds 2.5%	Managed Futures 3.5%	Small-Cap Stocks -0.3%	Intl Stocks -43.1%	Cash Alternatives 0.2%	Hedge Funds 5.0%	Commodities -13.4%	Commodities -1.1%	Inv-Grade Bonds -2.7%	Intl Stocks -4.5%
Worst	Emerg-Mkt Stocks -30.6%	Commodities -22.3%	Large-Cap Stocks -22.1%	Cash Alternatives 1.0%	Cash Alternatives 1.2%	Managed Futures 1.7%	Commodities -2.7%	Real Estate Securities -20.2%	Emerg-Mkt Stocks -53.2%	Managed Futures -0.1%	Cash Alternatives 0.1%	Emerg-Mkt Stocks -18.2%	Managed Futures -1.6%	Commodities -9.6%	Commodities -17.0%

3/01 11/01 Recessions 12/07 6/09

See Endnotes for full asset class definitions. Past Performance is no guarantee of future results. Asset Allocation/investment timing cannot eliminate the risk of fluctuating prices and uncertain returns.

Asset Class Definitions

Asset Class Blend
Return on an equal blend of all indexes.

Cash Alternatives
Barclays Capital US Treasury Bills (1-3M) - An index that is representative of money markets.

Commodities
Bloomberg Commodity Index - Reflects the return of underlying commodity futures for commodities traded on the U.S. exchanges and London Metal Exchange.

Investment-Grade Bonds
BofA Merrill Lynch U.S. Government/Corporate Master Index - A statistical composite tracking the performance of the entire U.S. corporate bond market over time.

Real Estate Securities
MSCI REIT Index - Represents equity real estate investment trusts (REITs) that generate the majority of their revenue and income from real estate rental and leasing. The index represents approximately 85% of the U.S. REIT universe.

High-Yield Bonds
BofA Merrill Lynch U.S. High-Yield Master II Index - Tracks the performance of below-investment-grade, publicly issued U.S. corporate bonds.

Emerging Market Bonds
BofA Merrill Lynch Global Emerging Market Sovereigns Index - Tracks the performance of sovereign debt issued and backed by more than 20 emerging market countries.

Emerging Market Stocks
MSCI Emerging Markets Index - Designed to measure equity market performance of 22 emerging markets.

International Stocks
MSCI EAFE - Represents all of the MSCI developed markets outside of North America.

Managed Futures
Barclay CTA Index – Represents 565 programs managed by commodity trading advisors with a minimum of four years of performance history.

Large-Cap Stocks
S&P 500 - Covers 500 industrial, utility, transportation and financial companies in the U.S. markets.

Mid-Cap Stocks
S&P MidCap 400 - The 400 companies on the S&P Composite 1500 index with market capitalization that is greater than that of companies on the S&P SmallCap 600 and less than that of companies on the S&P 500.

Small-Cap Stocks
S&P SmallCap 600 - The 600 smallest U.S. companies on the S&P Composite 1500 index as measured by market capitalization.

Hedge Funds
HFRI Fund of Funds Conservative Index - Represents hedge funds in the Hedge Fund Research, Inc. database that exhibit lower historical annual standard deviation than the HFRI Fund of Funds Composite Index.

Recessions
As defined by the National Bureau of Economic Research.

This chart is provided for illustrative purposes only and is not indicative of any specific investment; individual investment results will vary. Information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. The data assumes the reinvestment of all income and dividends and does not account for taxes and transaction costs.

Asset allocation/investment timing cannot eliminate the risk of fluctuating prices and uncertain returns. Past performance is no guarantee of future results.

Please note that all indexes are unmanaged and do not take into account any fees or expenses of investing in the individual securities they track, and that individuals cannot invest directly in an index. Investments in stocks and bonds are subject to risk, including market and interest-rate fluctuations.

Stocks of mid-cap and small-cap companies are typically more volatile than stocks of larger companies. They often involve higher risks as they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

Global/international investing involves risks not typically associated with U.S. investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards. These risks are heightened in emerging markets.

Bond prices fluctuate inversely to changes in interest rates. Investing in fixed-income securities involves certain risks such as market risk if sold prior to maturity and credit risk. All fixed-income investments may be worth less than original cost upon redemption or maturity. Government bonds and Treasury bills, unlike stocks, are guaranteed as to payment of principal and interest by the U.S. government if held to maturity. High-yield bonds, commonly known as junk bonds, are subject to greater risk of loss of principal and interest, including default risk, than higher rated bonds. The prices of these bonds may be volatile, and they are generally only suitable for aggressive investors.
There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

Investing in commodities is not suitable for all investors. Exposure to the commodities markets subject an investment to greater share price volatility than an investment in traditional equity or debt securities. Products that invest in commodities may employ more complex strategies which may expose investors to additional risks. Futures trading, which is speculative and volatile and involves a high degree of risk, is only appropriate for the risk capital portion of a portfolio.

Investments in commodities, futures, and managed futures are speculative, involve substantial risk, and are not suitable for all investors. Investors should be aware that such investments can quickly lead to large losses as well as gains. Additionally, restrictions on redemptions may affect an investors ability to withdraw their participation. Further, there may be substantial fees and expenses.

Hedge funds are complex, speculative investment vehicles and are not suitable for all investors. They are generally open to qualified investors only and carry high costs, substantial risks, and may be highly volatile. There is often limited (or even non-existent) liquidity and a lack of transparency regarding the underlying assets. They do not represent a complete investment program. The investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Hedge funds are not required to provide investors with periodic pricing or valuation and are not subject to the same regulatory requirements as mutual funds. Investing in hedge funds may also involve tax consequences. An investment in a hedge fund involves the risks inherent in an investment in securities, as well as specific risks associated with limited liquidity, the use of leverage, short sales, options, futures, derivative instruments, investments in non-U.S. securities, "junk" bonds and illiquid investments. There can be no assurances that a manager's strategy (hedging or otherwise) will be successful or that a manager will use these strategies with respect to all or any portion of a portfolio.