WEALTH MANAGEMENT

How a Smartphone Can Help Your Wallet and Portfolio

Smartphones, now owned by more than 45 million Americans, are the Swiss Army knives of the 21st century. They serve as video cameras, stopwatches, navigation devices, flashlights—even TV remote controls.

Advances in mobile phones are also changing how the world manages money. You can pay bills, get up-to-the-minute stock prices and file expense reports without ever sitting in front of a computer.

"There's been a real demand on financial institutions to get more active in the mobile space," said Jeremy Sokolic, director of marketing for the mobile financial information firm CarryQuote. People can get so many things on their phones that help them in their day-to-day life, there's an expectation that 'Of course, my financial information should be on my phone.'"

With more than a half-million apps available for the iPhone, BlackBerry, Android and other platforms, the selection process can be daunting. The app store for your own phone is a good place to start, as these stores usually list the most popular free and paid apps by category, along with user reviews.

"When you see an app that has gotten hundreds of ratings, you can probably get at least an idea of what the popular consensus is on what's good and what's not good," says Bryan Chaffin, editor of The Mac Observer.

To get you started, here are the most common types of finance apps, from stocks to financial news to managing your budget, along with popular free apps in each category. Unless mentioned otherwise, all are available on the three major platforms (iPhone, BlackBerry and Android):

Personal Banking

Thanks to smartphones, you never have to write a check, look at a check register or worry about late payments again. Highly regarded Pageonce lets you input log-in info and passwords for all your online accounts so you can monitor your bank balances, credit-card transactions—even frequent-flyer miles and mobile minutes—at once instead of having to log in to individual accounts. The app also adds bill due dates to your calendar, reminding you to make timely payments and avoid late fees.

Mint.com Personal Finance (for iPhone and Android), is the free mobile version of the popular budgeting site Mint.com. It syncs with your online credit card, bank and investment accounts and allows you to create budgets for different spending categories. Then you can track your spending against the limits you've set and get alerts if you exceed them.

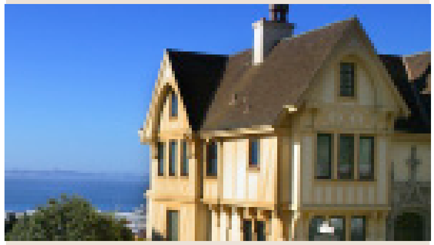
Investments

The growth of smartphones, combined with an increase in online financial trading, has prompted a slew of mobile apps from media and financial institutions to keep on

WEALTH ACRONYM MINUTE

WHAT IS A REIT?

A REIT, or Real Estate Investment Trust, is a type of real estate company modeled after mutual funds. REITs were created by Congress in 1960 to give all Americans – not just the affluent



– the opportunity to invest in income-producing real estate in a manner similar to how many Americans invest in stocks and bonds through mutual funds. Income-producing real estate refers to land and the improvements on it. REITs may invest in the properties themselves, generating income through the collection of rent, or they may invest in mortgages or mortgage securities tied to the properties, helping to finance the properties and generating interest income.

REITs allow anyone to invest in portfolios of large-scale properties the same way they invest in other industries – through the purchase of stock. In the same way shareholders benefit by owning stocks in other corporations, the stockholders of a REIT earn a share of the income produced through real estate investment – without actually having to go out and buy or finance property.

What are some examples of REITs?

REITs – quite literally – are all around us. REITs own many of the shopping malls, apartment buildings, student housing complexes, homes, medical facilities, office buildings, hotels, cell towers and timberlands that we use every day. REIT-owned properties are located in every state and contribute millions of dollars in jobs and investment income to the national economy each year.

Got to wp.com/video for information.

Getting Ready for Retirement? What You Need to Do...Now!

Your initial reaction may be: Retirement? I'm YEARS away from retirement. I don't have to think about that now.

Think again.

If you're more than a decade away from retirement, now is the best time to begin preparing. Younger workers, of course, can use the power of compound interest to ensure a smooth financial picture in retirement.

With compound interest, the earlier you start saving, the greater the accumulated interest on your original investment. The important thing is to start saving your money. The best time to start saving is now—period.

But as you get within that 10-year window, it's time to start thinking more seriously about what you need to do to prepare for retirement.

Here are some steps to consider:

1. Assess your retirement finances. How much income will you have after you retire? Factor in pensions, Social Security benefits, 401(k)s, IRAs, along with other retirement plans and savings other than pensions, plus any inheritance. Experts differ, but a general rule of thumb is that you'll need up to 75 percent of your current income after you retire. Determine whether you have a gap.

2. Establish a budget. Pay off debt. If you project a gap in your retirement income, increase the amount of money you are saving and investing.

3. Adjust your investment plan. The general rule: The closer you get to retirement, the more conservative your portfolio needs to be. After all, at this stage of life, your investing emphasis shifts from growth-oriented equities to preservation of capital. But don't over-correct: You still want your money to keep growing after you retire. While you may scale back the amount you're investing in stock funds in favor of "safer" investments, you still need the means to outpace inflation.

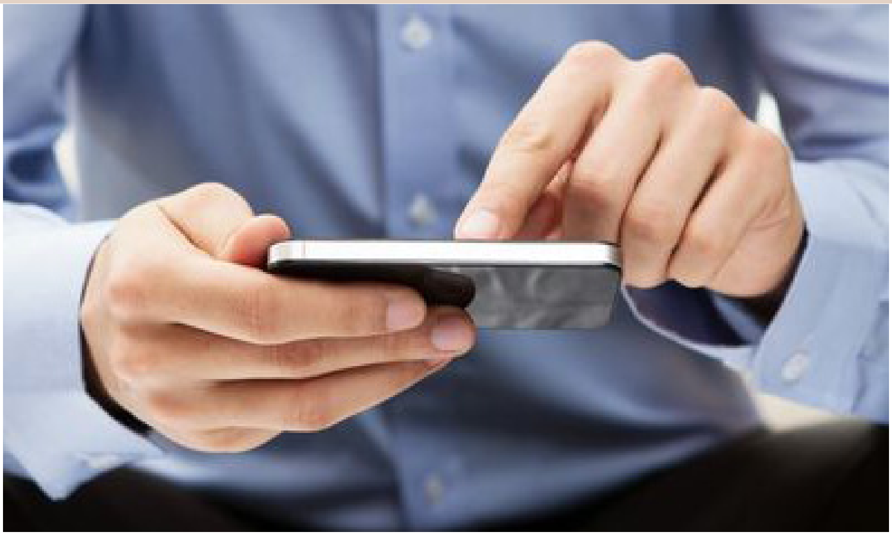
4. Estimate future health-care costs. Take into consideration family health history. Research insurance programs, including Medicare, that will meet your needs after your company's health plan is out of the picture.

5. Determine whether you'll be transferring any of your assets to family or other beneficiaries. If so, will it be during your lifetime or after? Consider setting up trusts for children, grandchildren, charities or others, if appropriate.

6. Determine life insurance needs and put your important legal paperwork in order. This includes wills, a living will, trusts, power of attorney and medical power of attorney. Also assemble information on key contacts in your life: your attorney, accountant, financial professional, doctors and dentist. Compile a list of account numbers you hold. Tell a trusted family member or friend where to find this information.

Of all the brokerage apps, E*TRADE Mobile Pro gets the best reviews. It offers the ability to track the markets and, if you're an E*TRADE customer, trade stocks and access real-time quotes. TDAmeritrade's app, iStockManager, also gives its customers the ability to see real-time quotes and place or cancel trades. And Wikinvest Portfolio allows you to import multiple brokerage accounts so you can track your whole portfolio in one application.

Blue Mobile are popular among investors for tracking the markets. Blue Mobile advertises real-time quotes and price alerts for financial markets around the world, causing one reviewer at BlackBerry's App World to rave that it "gives you so much for free, it makes me feel like I'm stealing. The real-time quotes alone make this my favorite stock app." Morningstar's app gives real-time prices and quotes for the major U.S. exchanges. BlackBerry user Guy Penn, the founding principal of G. M. Penn Wealth Management in O'Fallon, Missouri, said he relies on the app for basic "on-the-go quotes" and analysis.



"When I'm away from the office and only have time to tap one source of data, I am comfortable relying on them," Penn told WEALTH.

Financial advisers also like the CNBC app for pulling up stock quotes, company-specific news and breaking news alerts. "It's what my clients use," iPhone user Fred Hiatt, chief operating officer of Red Door Wealth Management in Memphis, told WEALTH.

"It helps me stay apprised of all the information about which I may be asked for counsel or advice."

If these don't interest you, tons of sites offer app reviews. Check out AppCraver, CrackBerry and the Applicious app directory for iPhone among others. And rest assured, new apps are being added and existing ones updated all the time.

John Smith, ABC Wealth Management

PROFILE

ABC WEALTH MANAGEMENT
17 ABC Street, Suite 111
City, State 00000
Phone: 222-111-3333
Fax: 222-111-3333
www.ABCABC.com

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FINANCIAL SERVICES

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DC's High-End Real Estate Sales beginning to Boom!

National real estate figures only recently have started to creep back up from the recession that began in 2008, but Washington's high-end real estate market has been bullish for years, and local experts project that it will remain strong in 2013. Nineteen properties were contracted or sold for more than $4 million in the District in 2012 as of November, up about 22 percent since 2011, according to Metropolitan Regional Information Systems, which tracks real estate sales in the region.

That does not include sales that closed privately, as is common with the most exquisite properties, says Thomas Anderson, president of Washington Fine Properties (3201 New Mexico Ave. NW, Ste. 220, 202-944-5000). Last year, Anderson's firm was involved in more than half of all real estate transactions including properties that sold for more than $3 million in Washington, DC. While Northern Virginia has had a few notable listings, fully renovated properties with prestigious addresses in Kalorama, Georgetown, Kent, Massachusetts Avenue Heights, and Wesley Heights make up the majority of luxury home sales, local experts say. Some sell in just days.

Several factors are contributing to this luxury home boom. Foremost, many buyers see the area's stable real estate market as a safer way to protect their wealth than the stock market. "We maintained our values better than any other city [throughout the recession].

Second, a number of buyers hold full-time residency in another locale and see an upside to buying second homes or pied-à-terres in DC, as compared to Paris, London, New York, or Milan. "Some are taking money out of the European economy and investing it in a more stable US market. They want second, third, and fourth homes," explains Jim Bell.

Third, sellers are listing homes at more realistic prices, which is driving the market. (Homes priced at $4 million and above sold at about 94 percent of their list price in 2012, compared to 85 percent of list prices in 2011). And finally, the city's infrastructure, nightlife, and cultural scene have markedly improved in the past decade, creating a nice vibe within the District's borders, explains Bell. "Washington is growing exponentially every single day. The city is vastly different than it was five years ago."

BECOMING A PHILANTHROPIST IS MORE THAN WRITING CHECKS

Just as an individual goes through life cycles, so does a charity. From the start-up phase to adopting a strategic vision to looking at ways to grow the charity, there are many steps to consider at each important phase of the charity's lifeline.

START-UP

A first critical phase in the life cycle of a charitable organization is the start-up period. Let's take a look at some of the most important aspects of establishing a new charity.

FORMATION

Some organizations are established by a trust under a Will; others are established during the donor's life. A charity is formed by a legal document–a charitable trust instrument or articles of incorporation for a non-profit corporation. There is much more involved, however, to get up and running.

ESTABLISHING TAX-EXEMPT STATUS

All charities with more than minimal assets must file an exemption application with the Internal Revenue Service, known as the Form 1023.
Staffing Up

Staffing needs for a start-up charity will vary depending upon its mission and activities.

INVESTING

Tax Considerations. Tax-exempt charities have some different investment considerations than taxable investors.

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