

Financial Insights

Spring 2008

Best-Kept Secrets of IRAs Welcome

You may know IRAs are a great tool for retirement savings, but sometimes you need funds for pressing needs. To that end, did you know you can make unlimited, penalty-free IRA withdrawals for eligible educational expenses for you, your spouse, your children or your grandchildren? Find out more about the benefits of an IRA. >>> [page 4](#)

IRA Contribution Limits Steadily Increasing



For the 2008 tax year, you can contribute up to \$6,000 to an IRA if you are over age 50.

As the snow starts melting and tax time approaches, there's no better time to give your finances and retirement strategy a thorough spring cleaning. Do your investments still reflect your priorities? Are you saving enough for a rainy day—and for retirement? Have you sat down and made a plan for the future?

One valuable savings tool is an IRA, which comes with tax benefits and can offer a solution for many retirement needs. In this issue of Financial Insights, we point out some of the best-kept secrets of IRAs and address some of the individual merits of traditional IRAs and Roth IRAs. We're also pleased to share the good news that this year, Thrivent Financial is able to give its members a \$320 million dividend payout. That's good news for Thrivent Financial, its members and the future.

As Thrivent Financial representatives, we're here to help you take advantage of this information as you plan for your future and your family's future.

Sharing the Surplus

Larger Dividends for Some Thrivent Members in 2008



Others will profit from higher interest rates and lower costs on certain Thrivent Financial products.

Thrivent Financial is happy to announce that this year, eligible members will receive more than \$320 million in dividends, one of the largest amounts in the organization's history. This means that on average, eligible members will receive a 25 percent larger dividend than last year, and others will receive lower costs and higher interest rates. >>> [page 3](#)

CONTACT US

FA Name
Financial Associate
Team Name
(444) 444-3333
FA.Lastname@

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Targeting Senior Fraud

SENIORS ARE MORE VULNERABLE TO FRAUD SCHEMES THAT TARGET THEIR SAVINGS AND THEIR TRUST, SO HERE ARE SOME TIPS TO PROTECT YOU AND YOUR LOVED ONES.

Being a trusting person is generally a good quality, but it can also make you, your parents or your grandparents an “easy target” for senior fraud. Why are seniors particularly at risk? Older Americans are more likely to have spent years building up a nest egg and good credit—both attractive to con artists who try to take advantage of these assets. Seniors are also less likely to report fraud, either because they don't know to whom they should turn, they're embarrassed about being scammed, or they don't even realize they've been

Seniors are less likely to report fraud, either because they don't know to whom they should turn, they're embarrassed about being scammed, or they don't realize they've been victims of fraud.

victims of fraud, says Jim Wright, managing director of programs at the National Crime Prevention Council.

Scammers are also counting on the fact that seniors have a harder time recalling detailed information and may not make the most reliable witnesses. Plus, “many seniors are lonely and a lot of seniors are just alone,” Wright says. “Where there used to be someone sitting across the dinner table from them, now there's just an empty

chair,” so they don't have someone to help them make cautious decisions when approached by a “friendly” voice on the other end of the phone.

There are several different kinds of common fraud schemes that target seniors, according to the Federal Bureau of Investigation. These are some of the more common, along with a few steps you can take to protect yourself:

Telemarketing Fraud. Scam artists have been known to target older Americans by trying to sell fake products and services by phone, or by trying to get you to contribute to nonexistent charities. These cons can involve promises of prizes, low-cost vitamins, travel offers and health care products. If the person on the other line offers get-rich-quick schemes and “free” or “low cost” vacations, or urges you to “act now” while the offer is still good, simply say, “No thanks,” and hang up. If it sounds too good to be true, it probably is. Also, don't ever give out personal information over the phone and be wary if a caller tells you not to tell anyone else about the deal.

Health Insurance Fraud. Some of the common health insurance frauds include offering “free” products or unnecessary tests to individuals that are then billed to insurance companies or Medicare. In some cases, equipment manufacturers offer products that are never delivered. To avoid this type of

fraud, the FBI warns people to remember not to sign blank insurance claim forms, carefully review your insurer's explanation of benefits statement, keep accurate records of health care appointments, and don't do business with door-to-door or telephone salespeople who offer free medical equipment.

Counterfeit Prescription Drugs.

Beware if your prescription drug looks suspicious or different from what you're used to, and talk to your pharmacist or physician if you notice any changes or if your medication causes adverse side effects or doesn't improve your condition. Be wary of drugs sold over the Internet, and don't buy prescription drugs from unlicensed online companies or any web sites that sell medications without a prescription. Reputable online pharmacies have a seal of approval called the Verified Internet Pharmacy Practice Site.

TAKE ACTION

FA Name
Financial Associate
Team Name
(444) 444-3333
FA.Lastname@

When Thrivent Financial Thrives, Members Benefit

One of the benefits of being a member of Thrivent Financial for Lutherans is that when we thrive, you thrive too," says Thrivent Financial Chairman, President and Chief Executive Officer Bruce J. Nicholson. Nicholson is pleased to report that this year, eligible members will receive more than \$320 million in dividends, one of the largest amounts in the history of the organization.

He further explains, "Because we want to extend the benefit of our good stewardship to as many members as possible, eligible members will also get more than \$60 million in additional value in the form of higher interest rates and lower costs on certain products."

Funds will be returned to eligible members in several ways. Some members will receive an increased dividend payment. Others will see improved rates of interest on their insurance or annuity product, and in some cases reduced insurance costs as well.

"Check your contract's 2008 annual statement to see how your product may be affected. These statements are mailed on

the anniversary date of your contract and reflect the value and performance of the product during the past year," says David Christianson, the company's director of Inforce Product Management.

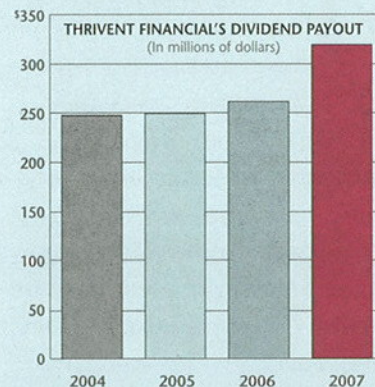
Our good fortune belongs to our members

Why such an increase? Since Thrivent Financial is a not-for-profit, membership organization, our members benefit from our success. "We answer to our members," Christianson says. "That's why when our financial performance exceeds expectations, the benefits are returned to our eligible members." What's more, the future looks bright. "While dividends are not guaranteed, we aim to build on our strong foundation and financial performance to enable these kinds of competitive returns for years to come," he says.

Christianson stresses the importance of talking with your financial representative to fully understand your contract's performance and the benefit of these changes. He adds, "It's a great time to review how your overall financial needs are being met by your current products."

Members Benefit from Thrivent Financial's Success

The 2007 dividend payout far exceeds the steady dividend of the past few years.



fast facts >>>

- > **Thrivent Financial for Lutherans** is helping more than 2½ million members achieve their financial goals.
- > On average, eligible Thrivent Financial **members will receive a 25% larger dividend** than last year.
- > Other eligible Thrivent Financial **members will receive more than \$60 million in higher interest rates** and lower costs on selected products in 2008.

>>> LEARN MORE

Key products will be even more competitive in 2008. See your Thrivent Financial statement for improved rates on certain insurance and annuity products.

The Best-Kept Secrets of IRAs

AN IRA CAN HELP MEET RETIREMENT SAVINGS GOALS—AND MUCH MORE.

Most Americans are quick to sing the praises of an IRA as a valuable, tax-advantaged way to save for retirement. However, few savers are aware that IRAs can offer much more than tax-deferred or tax-free retirement income.

“In the past, people planning for retirement may have been reluctant to commit dollars to accounts they could not access without penalty for decades down the road,” says Teri Pullen, retirement marketing specialist at Thrivent Financial for

Lutherans. “IRAs have evolved over the years to provide flexibility so that IRA dollars are accessible if people need them,” she says.

A RETIREMENT SAVINGS VEHICLE—AND MORE

“Clearly, the intended purpose of an IRA is to build a retirement nest egg. However, sometimes life hands you a situation that poses a financial hardship,” says Pullen. If so, Pullen points out that there are several purposes for which IRA funds can be withdrawn without penalty.

These scenarios include:

First-time home purchase. With the high cost of homes and other economic pressures, it can be challenging to save for your first house and satisfy all the other demands on your paycheck. To help people realize the American Dream, legislators added a caveat in IRA regulations that allows withdrawals up to \$10,000 in your lifetime for the purchase of a first home for you, your spouse, children or grandchildren. “Keep in mind that a first-time

Traditional vs. Roth IRA

If you're considering an IRA, here is a comparison of traditional IRAs versus Roth IRAs.

		Traditional IRA	Roth IRA
Who can contribute		Younger than 70½ with earned income	2008: Earned income with modified adjusted gross income under \$116,000 (single), \$169,000 (joint)
How much	2008	\$5,000 for under age 50; \$6,000 age 50 and over	
	2009	Cost-of-living adjustment, based on the consumer price index, in increments of \$500	
Tax advantages		Potential deductions for contributions; Tax-deferred growth	Tax-deferred growth; Potential for tax-free withdrawals

fast facts >>>

- > **IRA assets represented** 26% of the \$16.4 trillion U.S. retirement market at year-end 2006.
- > **An estimated 42.2 million**, or 36.9%, of U.S. households owned IRAs as of 2006.
- > **At year-end 2006, an estimated 47%** of IRA assets were held in mutual funds, compared with 22% in 1990.

Source: Investment Company Institute, *Frequently Asked Questions About Individual Retirement Accounts (IRAs)*, June 2007.

home buyer is someone who hasn't owned a home within two years prior to the purchase," Pullen adds.

Education expenses. Saving for college can also be a daunting task. If you find that you've fallen short on your family's education goal, there's another alternative. There is no limit on the amount you can withdraw from your IRA for eligible education expenses for you, your spouse, children or grandchildren. "It's hard to weigh the value of a good education against your long-term financial security. That's why it's important to consult with your Thrivent Financial representative to make sure that you'll have enough resources for your own retirement if IRA funds are used for other purposes," explains Pullen.

Eligible medical expenses. If you've ever been struck with unforeseen medical bills, you know they can be financially devastating. Your IRA offers an alternative for such situations. Distributions from traditional or Roth IRAs used for unreimbursed medical expenses that are more than 7.5% of your adjusted gross income are exempt from the 10% early distribution penalty.

Roth IRA contribution withdrawals. Did you know that you can withdraw contributions made to a Roth IRA at any time, both tax- and IRS penalty-free? "Since these dollars have already been taxed, the IRS doesn't place any restrictions on when you can access them," Pullen explains. Accumulated earnings, however, are treated differently. "They must remain in the account for at least five years before they can

be removed tax-free for qualifying situations like death or disability of the account owner," or until you turn 59½, she says.

PUT YOUR RETIREMENT SAVINGS IN HIGH GEAR

With Social Security on thin ice, the federal government has taken steps to help put ownership in the hands of individuals to save for retirement. "IRA contribution limits have been consistently increasing since 2001," reports Pullen. For the 2008 tax year, you can contribute \$5,000 to an IRA if you are under age 50.

What's more, you may also be able to put your retirement savings on the fast track by contributing to your 401(k) at work and still contributing to an IRA. "Contributions to a traditional IRA may even be tax deductible if you fall within certain income limits," notes Pullen.

Whether you plan to use your IRA savings for retirement or for another purpose, one thing is certain: the sooner you start saving, the faster your nest egg will grow. "There's no question that investing early pays off," says Pullen.

Intrigued by the "lesser known" virtues of IRAs? We can fill you in on all of IRAs' best-kept secrets and help you choose the retirement plan that's right for you.

Thrivent Financial for Lutherans and its respective associates and employees cannot provide legal, tax or accounting advice or services. Work with your team of professionals, including your Thrivent Financial representative, your attorney and tax professional to determine the appropriate option.

DO NOT CALL LIST: BUSINESS AS USUAL

You may have heard that the numbers in the national Do Not Call Registry, which allows you to "opt out" of receiving telemarketing calls, were going to expire this year. But don't worry about having to sign up again yet. The Federal Trade Commission has pledged not to erase any telephone numbers on the list—and there are now more than 145 million—while Congress or the FTC decides whether to make the registry permanent.

On Second Thought

While the registry list was originally scheduled to expire in 2008, so the FTC could purge it of disconnected or reassigned numbers, the move turned out to be unnecessary. Part of the reason, according to the commission, is that more and more people are using cell phones. And since it's become more common for people to take their telephone numbers with them, even if they move, it's rarer for telephone numbers to be disconnected. Plus, the registry has been operating successfully for five years and now has a "scrubbing" program that removes outdated numbers each month.

Consumer Success

It's no wonder the FTC has decided to leave the list alone, at least for now: A Harris Interactive survey released in January 2006 showed that 94 percent of American adults have heard of the registry and 76 percent have placed their phone numbers on it. If you are interested in signing up, go to donotcall.gov and register your phone number.

Thrivent Retirement

Principle: Save and Invest

It's hard to overestimate the importance of saving and investing your money. It's necessary to have a vision and plan ahead, but it's also crucial that you put your plans into action by setting aside resources for your future. Your success in doing this will in large part determine how you spend your later years, since chances are you won't be able to count on Social Security to fully support you. And, as we've stated before, the earlier you get started saving, the better. As a hypothetical example, if you saved \$200 a month, at a 6 percent annual rate of return, you'd have \$32,653 saved up in 10 years. But if you waited three years to start saving, you'd only have \$20,794 in 10 years—or \$11,859 less.

In a Thrivent Financial survey of baby boomers, 86 percent said they would advise younger generations to start saving as soon as possible, and 57 percent warned against procrastination, since retirement comes sooner than you think. In fact, 71 percent of the baby boomers wished they had begun saving with their first full-time job. If your company has a 401(k),

make sure you're contributing enough to maximize your company's match—otherwise you're leaving money on the table. IRAs can also be a great tax-deferred investment option (see *"The Best-Kept Secret of IRAs"* on page 4), whether you opt for a traditional IRA or a Roth IRA.

No matter if you're 10 or 30 years away from retirement, you'll want to take advantage of investment opportunities that will help your money work harder to build a nest egg for the future. What might change depending on your age is the amount of risk you're prepared to shoulder as you save. Generally, higher-risk investments are better suited for long-term plans, because there's time to absorb losses and wait for the potentially larger rewards. You can also balance your risk by investing in a diversified portfolio, which lessens the impact if any single holding sees a dramatic loss.

And don't forget: saving more means spending less. Just bringing a bag lunch rather than buying lunch every day can add up. If you save \$5 a day on lunch, after five years you could save about \$7,000. Other strategies, such as auto-

matic savings opportunities, can make saving even easier.

There are many ways we can help you save and invest. So start making those sandwiches—and give us a call so we can discuss your financial options.

Mutual Fund Minute

Thrivent Investment Management offers an array of mutual funds to match your specific investment goals. For example, Thrivent has a unique set of funds that offer broad diversification in four categories:

- aggressive
- moderately aggressive
- moderate
- moderately conservative

These funds are for investors who want to maintain a diversified portfolio but may not have the time or expertise to do it themselves. Your Thrivent Financial representative can help you prioritize your investment needs and risk tolerance as you evaluate the different fund options.

Log on to www.thrivent.com to see how the different funds are performing.

While diversification can help reduce market risk, it does not eliminate it. Investing in a mutual fund involves risks, including the possible loss of principal. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the investment company, which investors should read and consider carefully before investing. To obtain a prospectus, contact a registered representative or visit www.thrivent.com.

ThriveQ™ Tip >>>

Investing your money was never easier. Thanks to automatic investing through Thrivent Financial for Lutherans, you can set up a process in which deposits to your traditional IRA or Roth IRA are automatically withdrawn from your bank checking account and deposited into your IRA account. So you'll have the peace of mind of knowing that you're regularly contributing to your retirement account without lifting a finger. Contact us to find out more and get started on the path to simplified investing.



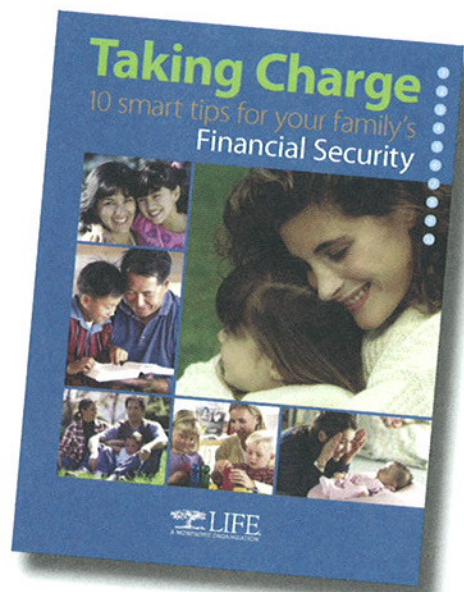
Taking Charge: 10 Tips for Financial Security

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Use the tips in this brochure to find out how to balance your family's financial needs and make sure you're protected for the future. Some of the strategies include:

- Saving money regularly and keeping debt in check.
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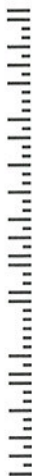


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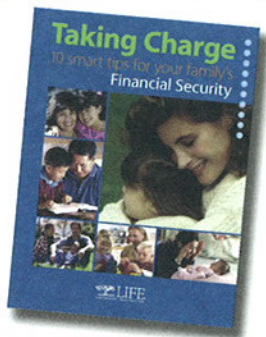
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The best time to call: _____ a.m. p.m.

Your Signature: _____

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