



THE \$TRATEGIST

It's Here!!!

By Thomas M. Wargin, CFP®, CFA

I'm talking about the stock market correction we thought might be coming for the last 12 months. No, the Fed still hasn't increased short-term rates yet, but that hasn't stopped the media from mentioning it every day for the last year or more. We do believe the Fed will raise rates this year. However, we think they will be small increments and will probably take two years to get where they want to be. A good effect of that may be that savers actually start to earn some interest in a couple of years.

For investors, as far as the stock market is concerned, we are not expecting another 2008 to play out. The economy is growing, albeit slowly, and jobs are being created, although more slowly than desired also. My personal observations are that the consumer

is coming back based on restaurant reservations and the full tables I see when we are eating out. I'm not much of a shopper, so I'll leave the question of how busy stores are to someone else. However, on casual observations, the parking lots at retailers appear to be pretty full.

We have used the correction to put some of the cash we were holding in your accounts into investments that are finally in our buy range and will give us a combination of appreciation and yield. The increased volatility is something that is unsettling to many, but it is of value to us in allowing us to buy our targeted investments at lower prices (not necessarily at the bottom since that is only known in hindsight).



We don't believe in doomsday scenarios, but do believe that economies outside the U.S. are slowing and this will ripple through our economy as well. A positive effect is that gasoline prices may stay down for a while. Time for another road trip to catch the fall colors and eat at some local restaurants in towns we've never been to before. I'm always looking for good homemade pie. So, if you know of ones you like, let me know.

Planning Notes

By June A. Schroeder, RN, CFP®

Beware Reverse Mortgage Ads

Ads often refer to reverse mortgages (RM) as "government backed" or "government-insured." They might cite government agencies such as the Federal Housing Administration (FHA) or feature government symbols, creating the impression that reverse mortgages are a government program. In truth, reverse mortgages are offered

by private companies, and consumers should proceed with caution, getting input from their financial advisor about the advisability and appropriateness in their situation. RMs can work very well in the right circumstance with the right company – there are a few good options.

IRS Customer Service Not So Good

According to a recent newspaper article, the IRS hung up on taxpayers 8.8 million times during the latest filing

season! This in spite of the promise for increased service after they hung up (only) 544,000 times the previous year! They actually answered only 37% of all calls, about 50% of the previous year.

Health Insurance Update

Even if you are covered by an employer plan, be aware that you can expect your share of costs to rise for premiums and co-pays. If you have a choice of coverage, be watchful for a change

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Planning Notes, cont.

in the drug coverage, as some are no longer covered or have costs rising as much as 30%. Many employers now offer wellness programs, which can put money in your pocket if you participate as well as helping to keep premiums down. If you have personal coverage, open enrollment is November 1 to January 31. Be sure to compare your options, as some companies are increasing premiums more than others and new insurers are entering the field.

Credit Score Notes

Marital Bliss Predictor?

New data from www.credit.com reveals that couples with similar credit scores are more likely to stay married. In a new survey that looks at how married and divorced people deal with credit and debt, www.credit.com found that about half of currently married couples reported their credit scores to be about the same as their partners, while only 26% of divorced couples said the same

when referring to their scores during the time they were married. Hmmm. That's one more survey showing that financial matters are a chief cause of marital discord or bliss. Know a couple planning to tie the knot? Give them the gift of a financial assessment at our office to help them get off on the right foot.

Best Ways to Boost Credit Score

"The key to having the best FICO score possible is following three rules," says Jeffrey Scott, spokesman for FICO. "Pay all your bills on time, every time. Keep your credit card balances low. And only open new credit when you need it." FICO is a software company based in San Jose, CA and founded in 1956. Its FICO score, a measure of consumer credit risk, has become a fixture of consumer lending in the U.S. If your score is above a 760, you're golden and will qualify for the lowest rates when you apply for loans.



Featured Artist

By Jessica Schenzel

Mary Ellen Heus came to the world of art quilts with a background in chemistry and a lifetime of sewing. Her strong interest in experimentation with dyes, paints, and texture results in layers of surface design and the use of mixed media. These create more perspective on her quilts, which are frequently inspired by science or nature.

Her work has been juried in art and quilt shows locally and nationally and has received excellent reviews, including from the *Milwaukee Journal Sentinel* art critic. Her art quilt "Great Balls of Fire" was chosen for inclusion in 500 Art Quilts by Lark Books. Her stunning works enhance our conference room, so please stop in to have a look and be enthralled.



Client Alerts

By Shannon Nook, RP®

Fall and Holiday Hours

- Mon-Thurs: 8:30 a.m. to 5:30 p.m.
- Fridays 8:30 a.m. to 5:00 p.m.
- Closed: Thanksgiving & day after; Christmas Eve; Christmas Day; New Year's Eve; New Year's Day

Medicare Open Enrollment Through December 7

Be sure to check the changes in the coverage of your Advantage plan or Part D drug plan. You may find it to your benefit to make a switch, as there are reported changes in areas such as co-pays and drug tiers which could increase your costs. A good place to contact if you need some help figuring out the best options for you is www.65incorporated.com. They don't sell insurance, just advice.

Charitable Donations: Timing is Everything

It is time to get those contributions in so they are deductible for this year. Don't wait until the last minute. If you mail a check to your favorite charity on December 31, you can write it off on this year's tax return. But if you charge the donation on a credit card, the write-off can only be claimed in the year the charge is made; so mailing late is not a good idea! Pledges don't count until paid.

Financial Funny

Although happily married, a couple had divergent interests. He was crazy about golf, and she spent much free time at antique auctions. One night, he cried out in his sleep, "Fore!" She, also sleeping, responded, "Four-fifty!"



Liberty Financial Group, Inc.
700 Pilgrim Parkway, Suite 300, Elm Grove, WI 53122-2063
Toll-free 877-750-1377 • 262-785-1377 • Fax 262-785-6655
www.libertyfinancialgroup.com