



3rd Quarter ~ 2011

The earth quaked, the winds howled and the stock market plummeted – not exactly the lazy hazy days of summer we savor in August. Instead of ushering in some refreshing fall weather, September closed with the market slipping into what many fear will be a full blown panic attack. Of course, panic is often based on irrational fears. Sadly, this is not a figment of your imagination: Europe is flirting with recession, China's enormous appetite is slowing, and the Fed pulled a twisted rabbit out of its of economic stimulus hat. In days not too long gone, fiscal and monetary policy would swoop in and avert a crisis in the nick of time. Instead, we're watching policy (or lack thereof) become the problem, not the solution. Political brinkmanship frittered away our triple-A credit rating and the rancorous discourse inside the Beltway can't get a budget passed without serial threats of a government shutdown. Any wonder the mood on the street is morphing from lack of confidence to real anxiety?

It's impossible to know when the environment will improve. Hopefully with thoughtful analysis and a little luck the super committee will put forth some deficit reduction strategies that can be adopted. Eventually industrialized countries will adapt to a future with spending restraints. And without much fanfare, companies that trimmed costs and built cash during the recession will inspire investors with their profits. We will continue to monitor and analyze the market trends and stay poised to take advantage of opportunities when they arise.

That last week in August with an east coast earthquake leading into a hurricane sure made us stop and wonder what got Mother Nature into such a snit. Of course, a few financial planning points bubbled to the surface.

- Some homeowners found their insurance policies had a little known hurricane clause that allowed companies to increase the deductible for claims related to hurricane damage. You might want to review your policy to avoid a surprise.

- Unscrupulous contractors often swoop in offering to repair damage at unreasonable prices. Be sure to check references before getting involved with repair.
- Power outages interrupt communication and can last for days.
- Do you have back up plan for communicating with family?
- If the phones are down at Schaeffer Financial, try Info@shcaeffersfinancial.com. If we're really "off the grid" and you have an emergency issue call Schwab at 800.515.2157

Thinking ahead, if you have family members coming home for the holidays, now would be a good time to start compiling that list of financial planning details you need to share with them. We're hearing more and more stories of families facing unnecessary expenses and paperwork headaches because no one could find a pin number when they most needed it. Have you given someone the authority to act on your behalf? Have you given us permission to release information to them? Always better to be prepared. Let us know if we can help you close any of those loops.

As always, please contact us if there are any changes to your personal circumstances that we should note or if a further discussion of your accounts would be of value. With all the market gyrations it's always better to schedule a conversation with Rick than to merely wonder how things are going. In the meantime, rest assured that we've taken "worrying about the markets" off your list of things to do.

Try to relax and enjoy the fall colors.