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Summer 2009

GLEBA & ASSOCIATES

"We make wealth simple!"

Hours:

M–F 9am-4pm

Also available Tuesday evenings and Saturday mornings.

From Jill:

Summer 2009

Lessons from these hard times

It is hard to imagine anything positive coming from the most recent economic downturn. However, there are distinct lessons here for us to share with our next generation.

Recently, a client told me a story about what happened when he was younger. He was a latch-key kid, and like many, grew up in the suburbs with his 2 brothers and a sister. They learned to entertain themselves while the parents were at work, and decided that they hated the "TV dinners" with mystery meat and discolored vegetables that they had every evening. After too much complaining, his parents decided to give the kids each one-sixth of the weekly grocery bill during the summer and put them in charge of their own food each week. After spending two weeks eating chips, pop and cookies, my client and his siblings decided it was time to plan better dinners. He said he learned a lot that summer. They created a shopping list of items needed, budgeted, reviewed the grocery bills, cooked, clipped coupons and negotiated with other family members about sharing basic supplies such a milk, juice and cheese. As a result, his mom became an instant celebrity among working moms in the neighborhood and the kids learned about responsibility and taking control of a major household chore.

We all have our own stories similar to this one. Many advertisements and newspaper articles have reported on "getting back to basics" and how to appreciate the free things in life. Hopefully, some of these new habits will stick, and at the same time, we might create a new generation of responsible investors. (My ideal clients!)

Quarterly Statements

You should have received your quarterly statements by the second week of July. Some third party managers send an additional statement in mid-July.

Conference Call

Our quarterly conference call will be Tuesday July 28th at 12:15 for approximately 20-30 minutes. We will cover:

- Market report for the 2nd quarter, 2009
- Economic update and how this affects your investments
- No question and answer period
- Call me to discuss your money privately

If you are unable to listen at this time, we are allowed to send you the link to this call for one week following this call since it is timely information.

Upcoming Events!

Thursday July 30 4-8pm
NAWBO North Satellite Picnic
A casual social event with business owners at Jill's home. All business owners are invited—free! Bring a dish to pass. RSVP to our office.

Monday August 3 all day
NAWBO Golf Outing
Still looking for one more golfer to complete our foursome!

Wednesday September 9
8:00-9:30am
NAWBO Satellite Meeting
Jill will be speaking on "The Economy and How It Affects Your Business." Located at the Java Hut in downtown Birmingham, next to the theater on Woodward. Free event, RSVP to our office.

We're so excited for our new landscaping soon to be installed in our office parking lot!

Market Update
S&P 500

Year to Date	3.4%
Last Quarter	15%

News Release

Cambridge Investment Research, Inc. announced that Amy Webber, President and Chief Operating Officer, has been selected as one of the "Top 50 Women in Wealth Management" in an annual list from Wealth Manager magazine.

Investing Through Recessions

A study by Ned Davis Research shows that Standard & Poor's 500 Composite Index has tended to bounce back quickly after bottoming out during the past 10 recessions. The index generated a 24% mean return six months after bottoming and 32% a year later. No one can predict a market bottom, but investors who maintained a long-term perspective and held on to their investments stood to benefit. While the past can provide historical perspective, it is not predictive of future results.

Investors who sold stock mutual funds to avoid the pain of a recession and reinvested later could have missed most of the subsequent recovery. The S & P rose more than 15% on average three months after recession low points.

Although they feel like turbulent times, recessions can represent a buying opportunity for investors who stick to a program of investing regularly. Of course, there's no guarantee the market will turn around soon after a recession, and past results should not be viewed as such. However, the S & P 500 generated positive results in nearly every three-, six-, nine- and 12-month period following its low point during the last 10 recessions.

Age Appropriate Tips

Not sure what to do next? Meeting regularly with me to keep your eye on your goals, and living within your means are the most important tasks at hand.

Age 20 – 30 (starting out)

- Build up six month (up to a year's) cushion in a money market fund in case you are laid off or without an income for the foreseeable future.
- Set up an automatic investment program that invests a specific amount every month from your paycheck or bank account. This plan allows you to purchase more shares when prices are low and fewer when prices rise. You will also be positioning yourself for a stock market recovery.
- Make the maximum contribution, if possible, to your 401(k) or 403(b) retirement plan. Take advantage of any employer match available.

Age 30 -40

- Confer with your adviser to monitor retirement investments and to take advantage of the numerous options offered by 529 college savings plans. (if you have children)
- Do not panic and liquidate investments in a market downturn.
- Continue investing for the long term in a diversified mix of equity and fixed-income funds.

Your 50's (providing support to both children and aging parents)

- Minimize expenses whenever possible.
- Keep investing regularly in your retirement plan,. Starting the year you turn 50, you are allowed to make catch-up investments.
- As college years approach, move a portion of your children's 529 savings plans into cash to preserve capital.

Your 60's (transitioning to retirement)

- If possible, work a few years past the standard retirement age of 65 (or the early retirement age of 62).
- Maintain a two-year cash reserve, but try to keep the remainder of your portfolio (or a significant amount of it) in stock mutual funds.
- Consider part-time employment. You may be able to postpone withdrawing from your retirement savings or at least minimize initial distributions.

Your 60's and 70's (drawing income in retirement)

- Tap your taxable savings first. Draw from your tax-deferred retirement accounts last.
- You cannot control the stock market, but you can manage your income withdrawal strategy. Retirees who move everything from stock mutual funds to bond and money market funds in a downturn risk missing out on the historically higher returns generated by stocks in a recovery.
- Reduce spending during market declines. It will help lessen the impact to your portfolio

Notable Quotes

Freedom is never free.

That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.
- Abraham Lincoln

If you would like to know the value of money, go and try to borrow some."
-Benjamin Franklin

DID YOU KNOW?
We originate mortgages.

We have a lawyer at our office to help you with your will and trust.
Call us!