

Lifestyle Link

Your link to a better quality of life

Volume VI Issue II

Spring 2008

Letter from David

Dear Friends,

“The sky is falling; the sky is falling!” Sound familiar? The news always paints a very dreary and life-threatening picture. Is this the end? NO! We have had recessions in the past and the economy has bounced back. In 2001 we had one that lasted eight months, but it followed an almost ten year economic expansion, and in 2003 the market moved up more than 25%.

In 1990-91 we had one right in the middle of an 18 year bull market, and the DOW still rose over 300 points. From 1981-82 the recession lasted 16 months. Remember, interest rates were at 21.5%, inflation in double digits and unemployment was at its peak since the Great Depression. However, from 1983-87 the DOW climbed from 1100 to 2700 and inflation fell to 3.2%. In all cases, the US economy survived and became stronger because of it.

This is not a letter of doom, but a letter of euphoria. In spite of the negative press and the sliding markets, almost 40 of you have taken me up on my offer to match your charitable giving, up to \$100. I have had the opportunity, through this market downturn, to make gifts to the Salvation Army and the Dayton Ohio Habitat for Humanity. While the ‘talking heads’ have been scaring the masses, you have given your treasure to the St. Joseph Home, One Way Farm, and the Boy Scouts of America.

What I have found is that those who give seldom ever have a need; somehow, the more one gives to his/her church, school, or favorite charity, the more one has to give. I have learned of charities that I had never heard of doing works that are incredible. The Injured Marine Semper Fi Fund, City Cure, and the Women’s Crisis Center are just a few of the new ones I have met.

The sky will never fall, when you keep giving. I am proud to be able to play a small part in the charitable work you do. Thank you!

David

Important Tidbit

Seniors must file a tax return in order to get a rebate. Under the new legislation, in order to get the check of at least \$300, an estimated 12 million senior citizens who have been exempt from filing tax returns will have to do so. For example, a married couple aged 65 or older only has to file a tax return if they had more than \$19,600 of income in 2007. In order to get a rebate, a retired couple who earn less than that will have to file. “It is definitely an issue, and the biggest concern is simply raising awareness.” says Jim Dau a spokesman for AARP. If you have questions about your situation, please don’t hesitate to contact us.



Office Hours

The office will be closed on the following dates

Friday - March 21st (Good Friday)

Monday - May 26th (Memorial Day)

David will be out of the office at LPL’s Summit conference from March 11th - March 18th.

In This Issue

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- ◆ Patience is Your Ally
- ◆ A Year of Giving - 2008

Economic Commentary

by Lincoln Anderson, Chief Economist, LPL Financial

Financial markets continue to be roiled by sub-prime mortgage concerns. And a number of doom and gloom prognosticators are saying we are in a recession or predicting recession. I continue to disagree with these gloomy assessments of the U.S. economy. I am confident we are not in a recession, and I do not expect a recession this year.

Yes, housing construction and home prices are down, but other sectors of the economy are taking up the slack – notably U.S. exports which are rising at an 8% growth rate in real terms and are 3½ times the size of residential construction. The consumer is hanging in there, behaving rationally. Real consumer spending excluding energy (taking out gasoline, heating oil and the like) rose 2.6% last year, while spending on energy slowed to 0.3% (and fell outright in the fourth quarter). Makes sense to me given outrageously high energy prices. Business fixed investment is chugging along at a steady 7.5% growth rate in real terms. Inventory investment was soft all year and fell in Q4, but I consider that to be a positive this year – no inventory glut to clear out. And government spending is doing what it always does – rising – at a steady 2.5% rate in real terms.

Income and interest rates look okay. Real after-tax personal income is chugging along at a 2.1% growth rate. The personal saving rate, while low, is in positive territory. Outside of these sub-prime related write-offs at a bunch of big, dumb banks, company earnings look pretty good. With 439 of the S&P 500 companies having reported, non-financial company earnings are up about 14% over the last four quarters. There were big gains in Technology (good volume, better pricing), Energy (sky-high oil prices), Healthcare (demographic tailwind) and Industrials (exports). And the Federal Reserve is cutting, not hiking, interest rates.

What I worry about are rising oil prices and/or further dollar declines. Another big rise in oil prices might do enough damage to tip us into recession, and further dollar declines would erode international investment in U.S. financial markets. And oil prices have moved back up to \$90-100 per barrel range. Unfortunately, energy policy has not helped. Starting last September, with oil prices around \$75, the Energy Department began adding oil to the Strategic Petroleum Reserve! Over the same time the private sector reduced inventories and petroleum use fell. So, on the margin, it appears that the U.S. government was the big marginal buyer helping push prices from \$75 to \$100. Not smart... However, the Energy Information Administration is forecasting a deceleration in global demand for oil and a rise in supply. So there are some grounds to expect lower oil prices. For now, I remain optimistic that we will avoid recession and return to faster growth and rising financial markets. ***

Missing: Advisors for Life

*Have your friends and family heard from their investment advisors this year?
Has the bank or brokerage firm reassigned their accounts to yet another “young gun”?
Do you feel out of the loop as your lunch buddies complain about the lack of service they receive?*

As always, we love to work with your referrals, and they take top priority. David will be accepting new clients on a *limited basis* again this year. If there is someone who can benefit from our services, needs a change or a second opinion, or is going through a life event, please let us know. We appreciate your trust in us and hope we can do the same for those important people in your life.

Our Mission

Haire Bohmer Wealth Management Group is an independent, service-driven team of professional wealth planners providing clients with a solid and comprehensive plan that enhances their current and future quality of life by defining client objectives, proposing recommendations, and creating life-long partnerships

Our Beliefs

- ◆ We believe that our client partnerships are the heart of our business.
- ◆ We believe that we must serve the best interests of our clients with honesty, integrity, care and knowledge.
- ◆ We believe that we are more than wealth planners for our clients.
- ◆ We believe that giving is more important than getting.
- ◆ We believe that it is important to listen to our clients.
- ◆ We believe that it is important to develop a high level of trust with clients by anticipating their needs.
- ◆ We believe that caring about our clients is important.

A Year of Giving - 2008

Matching Contributions!

Focusing on the community has always been a priority at Haire Bohmer, from the Free Store/Food Bank, sponsoring Little League teams and numerous other charitable events. As a part of our year long effort to focus on giving, David has taken it one step further and has offered to match YOUR contributions to your favorite charities up to \$100. So far almost 40 of our clients have taken advantage of this generous offer.

With matching contributions of \$3632.77 already donated. Keep it up! We hope this will inspire you to give back as well. Please watch for other opportunities to help at all of our events this year!

Holiday Open House

*Thanks to all who attended the Holiday Open House!
With your generosity we were able to provide toys for over
130 kids who needed it!!*

*We had a great time too - thanks for spending your day
with us!*



Valentine Luncheon

On February 16th we hosted our 7th Annual Valentine Luncheon for over 30 special women. This year we combined our annual luncheon with a "Baby Shower" to support the Elizabeth's New Life Center in Lebanon. We had a van full of diapers, formula, bottles, baby clothes and even some hand crocheted items. A letter we received from Elizabeth's New Life Center said the following:

"We are blessed to have the support of generous donors like you!"

We had a great time at the luncheon and we also thank you for your generous support!



Save the Date!!!

Plans are in the works for our

***Client Appreciation
Event!!***

Please mark your calendar
now for

***Thursday,
September 18, 2008.***

More Details to come!



Odds & Ends

- ◆ Check out our newly designed website - www.hairebohmer.com. Let us know what you think.
- ◆ We are still trying to find David a new home on the radio. As of now Prime Numbers is on a break due to a format change. Please let us know if you know of somewhere looking for an outstanding face for radio!
- ◆ LPL has officially changed their name from Linsco/Private Ledger to LPL Financial. This name change took place at the beginning of 2008.



IKEA to open March 12, 2008

As excited as we all are that IKEA is going to be less than a mile from our office, we wanted to let you know that when visiting us, you can expect more traffic and longer delays getting on and off the highway.

Please plan accordingly.



Client News and Reviews

We always want to hear from our clients with news and reviews. Check out the home page of our newly designed website to submit your latest news or a review of something you want to share with others.

Welcome to our Newest Clients

Peter & Dotsy Klei
Jerry & Nikki Price
Rick Gallenstein
Tom Kelechi
Thelma Owens
Mike & Rosie Santel

Retirement

Congratulations to **Gail Fredensborg & Rose Einhaus** who both retired from UC after too many years to count! We hope you are enjoying all your free time!

Anniversary News

Clyde & Joy Croucher recently celebrated their 60th wedding anniversary. They have been blessed with 2 children, 6 grandchildren and 6 great grandchildren. Congratulations on such an amazing achievement.

Recovering

Mike Anderson is back home now, recovering, and making great progress. Mary Ellen wants to thank everyone for their support and prayers! All our best to you Mike!!

Joe O'Grady is "back to his old self" his wife Eileen complains, after heart surgery. So glad that you are doing well Joe, and hang in there Eileen!

More Grandkids!

David has yet another grandchild, Kendyl Michelle was born to his son Josh on February 4th. That makes 7 now for the proud Papa!

Wedding Bells

Mike Thornberry recently tied the knot. Congratulations to Mike and his new bride, Tara.

Proudly Serving

JoAnette Coe proudly shares that her grandson, US

Army Cpl. Tyler Coe returned from Ramadi safe and sound in December. His community gave him a fantastic homecoming and their Christmas holiday was very special. He heads back to Colorado Springs for the duration of his hitch. Thank you for serving - you make us all proud!

You Outta Be in Pictures!

Take a look at the picture of **John & Meredith Roos** taken at a recent square dancing class. Go to www.hairebohmer.com under Client News and Reviews to see the famous couple!

Oklahoma Wisdom - by Will Rogers

**The older we get,
the fewer things
seem worth
waiting in line
for.**

**When you are
dissatisfied and would
like to go back to
youth, think of
Algebra.**

**Long ago when men
cursed and beat the
ground with sticks It was
called witchcraft. Today
it's called golf.**

***The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

**We will be happy to include your friends & family on our mailing list.
Please let us know where to send their copy of *Lifestyle Link*.**

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PATIENCE IS YOUR ALLY

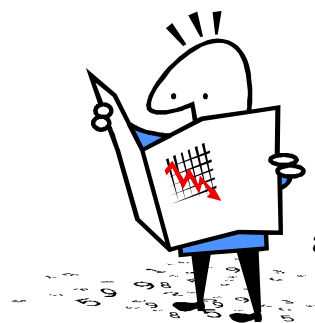
With the recent behavior of the stock market, you may be feeling impatient. You may be thinking, “What should I do? Should I do something different? Should I get out of the market now?”



Don't Panic. Don't make a rash decision.

Perspective: The market is going to rise and fall. Short-term stock market fluctuations happen, and they can occur quickly and often without warning.

Approach: The plan we created and continually monitor is for the long-term, even if you have been retired for several years already. We created this plan based on your needs and goals, and with your time horizon in mind. Adjusting a long-term financial plan in response to short-term market downturns can be a costly mistake.



**Watch the market, but remember your
*Time Horizon.***

There is nothing wrong with staying informed or keeping abreast of the latest headlines. But don't let today's headlines affect your long-term outlook.

In the last year, it is possible that the market value of your home may have dropped 10-20%. If so, did you go out and sell your home? Or, did you stay put because you were confident that the housing market would one day be better? Your time

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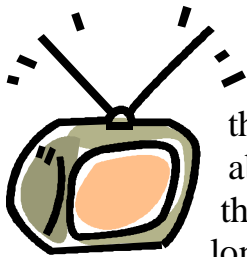
horizon with your home is probably at least 6-7 years, maybe as long as 15-20 years.

It's a similar situation with the stock market in relationship to your long-term financial goals. Your time horizon is measured in years, even decades – not months or days. A long-term investment is typically five years or longer.

The long-term potential of the market is significant. In 1982, the Dow was in the high 700's. By the start of 2000, the Dow was well above 11,000. That's more than a 1,500% gain. Note that it took 18 years. That's what you should keep in mind. The stock market has not built itself or sustained itself with overnight success, but with long-term investment. People have stayed invested in stocks for 20, 30, even 50 years.



Don't get caught up in the day-to-day.



Do you see the price of your home daily? No, but you can see what the stock market is doing daily. And that can make you hypersensitive about your investments. Step back from the volatility. Keep up with the news, but look beyond the moment and keep your eye on your long-range goals, not the latest headline.

There is no one, right answer for every investor. Our commitment, to provide you with expert and objective guidance, customized to your specific needs and goals, is even more important today than it was the day we began working together.

Advice for Life recognizes that we are all on a special journey. Each of us requires a personalized roadmap to help get us to where we want to be. We believe that focusing first on your life goals and dreams may improve the chances of achieving the future that you envision.

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