

Lifestyle Link

Your link to a better quality of life

Volume VIII Issue II

Spring 2010

Letter from David

Dear Friends,

April 2010

I just had our FedEx man ask about the business. Two weeks ago my barber asked the same thing. Since I started back on the radio, I get the question quite a bit from people in the building and in the neighborhood. Usually, the answer is the same; "Things are going well; markets are up; clients' accounts have recovered to some extent; it is a great time to be in the business." I then hear about their 401(k) and how it, too, has recovered and how much happier they are. People, one by one, seem to be content and confident.

The media, though, paints a much different picture. 'Unemployment is severe; taxes are high; interest rates are going up; inflation is around the corner; government is taking over.' And on and on and on!!!! I believe we have to be above the fray. I think we have to see what we have and what we can do, and be happy about it. Think about where we are and how lucky we have become.

Most of us have our health; sure, as we get older, parts are wearing out, but I sure have a lot of clients in their 80's and 90's. Most of us have a comfortable life-style with sufficient income, an investment portfolio, and a job if we want one. Even one of my younger retirees was bragging last week that his job on the golf course allows him to play golf whenever he wants. He picks up range balls and is tickled to death that he has the opportunity. Most of us have family nearby or close enough to visit. I wish I would have started counting all the grandparent-clients who spend regular time with grandkids, without parents around. Most of us give to a charity or church that we have become involved with and support. We actually GIVE money away without any hope for repayment, and we are HAPPY to do it.

Yes, business is good and it is a great time to be in the business. I get to laugh everyday with clients who have become friends, and I get to hear their stories. Don't pay attention to the media; put away the mouse and the remote. Celebrate! Thanks for letting me share the good times with you.

David

Saturday Mornings 9am-10am 1160AM

PRIME NUMBERS

Please be sure to tune in every Saturday morning from 9 am - 10 am on Real Talk 1160AM for

Pr1me Numbers: Becoming Financially Fit for the Pr1me of your Life. David will take your calls and plans to have some exciting guests in the coming months. Any questions or comments, let us know, david@primenumbersonline.com - or better yet, call him on the show. 513.533.2261.

Professional Referrals

If you are a big fan of your Estate Attorney or CPA, would you let us know? We always have a need to refer our clients to quality CPA's and attorneys who will treat them like gold and give them the red carpet experience.



Office Hours

Our office will be closed on the following days:

Monday May 31st—Memorial Day

Monday July 5th—Independence Day (Observed)

The Transition to Sustainable Growth

March 2010

The recession of 2008 has not yet been relegated to a page in the history books. Throughout 2009 and into 2010, the economy and markets have been in their recovery phase, which has led to greatly improved conditions. However, there is still more progress to be made before we—as consumers—feel like the return to growth is assured. In order for us to reach that point, we need to go through the next phase of the market’s road to recovery: what we call the transition to sustainable growth.

The transition to sustainable growth is an important phase that follows a recession but occurs early on in the market’s recovery where businesses and consumers begin to heal from a severe economic contraction and switch slowly from a strategy of conservative protectionism to one of investing to fuel future growth. As optimistic sounding as it is to hear about “growth” in this phase, we must not forget that it is the word “sustainable” that is key. This is because in order for the economy and market to truly have sustainable growth, they must be weaned from the assistance of central banks’ accommodative monetary policies and governments’ stimulus-inspired growth in favor of a market capable of creating and maintaining organic expansion without help.

In order for the transition to unfold, businesses need to take over fueling growth as the government and central banks minimize their roles. We need to see companies commit to the recovery by loosening their grip on corporate expense controls and begin investing for the future. Companies that significantly reduced spending in order to survive the recession, including cut backs in capital expenditures, inventories, dividends and workforce, now need to transition from protecting profits through expense management to protecting market share by funding growth initiatives. As businesses spend more and hire back more workers to fuel future growth initiatives, we consumers will then be able to play our part and begin spending more as well. Once business and consumer spending stabilizes, government and central bank assistance can be completely withdrawn, restoring an environment of economic and market growth that is well supported and sustainable.

The steps that need to be taken to turn the page on this recovery in the economy and markets to be self-sustaining may sound simple and straight-forward. However, when the economy and markets are in a transitioning phase, volatility and a shifting landscape become the norm. As a result, different techniques and investment opportunities that may both benefit and help protect from volatility may be required to effectively manage portfolios. However, with volatility and change comes opportunity. We believe the successful transition of businesses from relying on governments and central banks to being independent drivers of sustainable growth will create value for corporate America and investors alike.

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 lifelong 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.

The House approves the Senate bill. Not a single Republican voted for it, but 219 Democrats did – and by a vote of 219-212, the House of Representatives sent the Senate’s version of landmark healthcare legislation to President Obama’s desk. The President signed the bill into law March 23, 2010.

The fight is not over. The House of Representatives also passed a collection of amendments to the Senate bill by a 220-211 margin, but the Senate must also approve this reconciliation bill – exactly as it is worded. If that doesn’t happen, then guess what ... there will be another vote on the Senate version of the bill in the House. “If those people think they’re only going to vote on this once, they’re nuts,” Sen. Orrin Hatch (R-UT) said on Bloomberg Television March 20. Hatch claims that Senate Republicans have the votes to force a modification of the bill passed on March 21 and boot it back to the House for a second vote.

Will the reforms be overturned? Fourteen state attorney generals have indicated that they will contest the bill on these grounds the moment President Obama signs it. What are the odds the Supreme Court will throw the reforms out? Probably pretty slim. Look at the precedents of Medicare and Medicaid. When both those federal programs were enacted, the Court twice upheld a broad federal role in health care.

The big reforms will take effect in 2014. If you are looking forward to health insurance reform, you will have to wait a while before many of the big changes occur.

- Starting in 2014, individuals will be required to have health insurance coverage or pay an annual penalty which could climb to \$750 or 2% of their income (alternately \$695 or 2.5% of income), whichever is larger. Inmates, Native Americans, and those with religious objections would be exempted.
- In 2014, if you aren’t enrolled in an employer-sponsored health care plan, you will have to buy coverage yourself. You could shop for it through a state insurance exchange. The federal government will offer \$500 billion worth of assistance to help insurance shoppers buy coverage through these state exchanges. Undocumented immigrants would not be able to buy coverage.
- After 2014, businesses with more than 50 employees could be fined as much as \$2,000 per worker for failing to provide the option of coverage.
- In 2014, insurers will be required to provide coverage to all Americans regardless of their health status.
- Medicare spending will be cut by about \$500 billion over the next decade, mostly in reduced government payments to Medicare Advantage plans. Democrats have claimed this will not shortchange Medicare recipients.
- Federal money coming from the bill could not be used for abortions, with exceptions made in cases of rape, incest, or danger to a woman’s life.

What changes are about to happen in 2010? These new rules would go into effect presently thanks to the new law.

- Insurers will be barred from revoking existing health insurance coverage on an individual, unless fraud misrepresentation can be shown.
- Insurers will not be able to limit the amount of money that can eventually be paid out on a health care policy, and it will be harder to limit the amount of money that can be paid out annually.
- Seniors will get \$250 payments to help them out if they face a coverage gap in the middle of the Medicare Part D prescription drug coverage plan.
- Children will be able to stay on their parents’ health care policies until age 26, and they won’t be denied coverage because of pre-existing health conditions.
- Adults with pre-existing health conditions will get a chance to enroll in a national high-risk insurance plan – albeit a temporary one.

Small businesses that sponsor health care plans for their workers could qualify for tax credits of up to 50% of the cost of the premiums they pay.

(continued on the back cover)

Health Care Changes in America, cont.

Client News

New taxes? Yes – starting in 2013. Approval of these reforms will also bring a new 3.8% tax on investment income for individuals earning more than \$200,000 and households earning more than \$250,000, so the effective capital gains rate will be 23.8% for these taxpayers in 2013. Also, these taxpayers will be able to keep 8.8% less of the income resulting from taxable stock investments. The Medicare tax rate on households with income over \$250,000 will also rise in 2013, from 1.45% to 2.35%.

A huge savings? Maybe. The non-partisan Congressional Budget Office estimates that the health care reforms will reduce the federal deficit by between \$65-118 billion over the next decade and by more than \$1 trillion in the decade after that.

Financial Literacy Month

Many young adults (and some not so young) are not only wayward financially, but also pessimistic about ever becoming wealthy. Could it be that our children and grandchildren just aren't getting the financial education that they need?

April is Financial Literacy Month. This is the perfect time to focus on financial education. Help the next generations understand what money is, and how to manage it. Setting a foundation today could make a big difference in your children's and grandchildren's financial future.



Not sure where to begin? Websites such as www.themint.org or www.feedthepig.org might be good places to start. Call our office for additional resources.

Recovering

Joe Morganroth is recovering nicely from a recent surgery. Continuing to send "Get Well" wishes your way. **Ed Feintheil** is doing much better after his recent stay at the hospital. We wish him a speedy recovery.

A+ Teacher

Our very own **Phil Miskell** will be teaching at Southern State College in Hillsboro. We wish him well in his newest endeavor!

Trip of a Lifetime

Dick & Mary Straman shared this about their recent trip to Alaska. *"We had a wonderful vacation in Alaska in September. Our 1st cruise, what a delight to be on board. The scenery was unbelievable, wildlife wonderful, it was a long awaited dream come true."* We are glad you had an amazing time!

Best New Talent

Norma Brown lets us know that her grandson Hunter Schwarz (age 14) is becoming quite the hit in sunny CA. He has starred in Rent, and is a member of ACT of San Diego. On a recent trip to Hollywood he won Best New Talent in Broadway & Contemporary Performance and landed the lead in his high school production of Bat Boy. You can even Google him and see him perform on YouTube. This budding star likes to perform as a hobby, and really wants to be an engineer and do this for fun! We are sure this is not the last we will see of this outstanding performer.

You Continue to Give!!

Our Holiday Open House was another success for the Greater Cincinnati FreeStore/FoodBank. We collected 140 gifts for area children, in addition to 12 bags of non-perishable food items.

In 2009, there was an 8% increase in David's matching contributions to your favorite charitable organizations. In 2010, David has already matched over \$5,000! Thank you for your continued generosity!!

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. "Health Care Changes" and "What makes a Good Bank?" have been prepared by Peter Montoya, Inc. "The Transition to Sustainable Growth" was prepared by LPL Financial.

**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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WHAT MAKES A GOOD BANK?

It is surprising how many people will put their money in just any bank. All banks are not created equal, and let's just say that some have proven more solvent than others. Besides FDIC insurance, what other characteristics should you seek – and what questions should you consider?



How close is this bank? Is there a branch near where you live and close to where you work or spend the majority of your time away from home? How is the online banking setup? (Yes, you should value convenience, but it should not be the only factor in mind as you choose a bank.)

How cheap is it to bank there? You've heard of overdraft fees and ATM fees.



But how about wire fees, notary fees, and fees on cashier's checks and money orders? Returned-deposit fees? Stop-payment fees? Fees to check your balance? Fees to talk to a teller? (No kidding, some banks do charge for that.) Is it in bad taste to ask a bank to detail its potential fees? No, it's smart. Some banks offer you a free checking or savings account and a whole lot of potential charges besides. Some have plans that cover a whole range of services, plans that could save you some money.

What else can this bank do for me? Can the bank provide your business with credit card processing? Will your checking account give you any interest? What kinds of CDs does the bank offer? How about mortgage and loan types? Could you send money overseas via this bank?

How friendly is this bank? When you walk into the bank, what's the reception? Do people greet you and ask how they may help you? Or, are you ignored for a prolonged period? What happens may hint at the level of service coming your way.



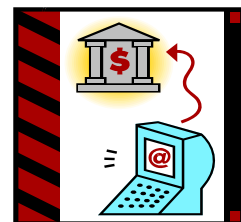
Ask to see a bank officer, if possible. Set down a list of what you want, and see how close your potential new bank comes to providing it. Don't be afraid to make the bank work for your business – they are working harder than ever for it.

What can you do to make a banking relationship better for you? If you bring major amounts of cash to a bank, of course you are going to be treated as a VIP. If you don't, it may help you to establish a relationship or two. So often, we go to a bank and we look at the tellers – and even the loan officers and mortgage consultants – as mere functionaries instead of human beings.



If you have a lousy experience at the bank or you get dinged with some weird fee all of a sudden, ask someone why – maybe the customer service staff can address the matter and work out a solution. Make yourself known – a good way to do that is to bank when it isn't "rush hour." A friendly, recognizable customer who wants the best from his banking relationship can turn into a valued banking client.

Would it be better to bank online? How often do you need to go inside your bank? If you really don't require much in the way of in-person services, maybe an online bank is a better option – after all, why should you pay to support your bank's branches if you never set foot in them?



Thinking small may help. People were leery of small banks in this last economic downturn, but the customer service can be considerably better at such institutions. When a community bank is bought by a bigger one, bigger doesn't not necessarily mean better in terms of attention.

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 changes of achieving the future that you envision.