

## Perspectives - On Business

Volume 3, Issue 19

April 6, 2005

After weeks of intense media attention, Terri Schiavo slipped into eternity. The legacy she leaves will be more than her smile or her eyes' ability to track bright objects. Years after becoming disabled, friends, family and complete strangers the world over were affected by the turmoil and drama of the divided attempts by her loved ones to simply do the right thing.

The public debate touched on spiritual, religious, moral, and situational ethics, familial roles and legal responsibilities. Arguments for both sides were skillfully articulated. Still, for many, as the issues lingered, more questions arose, than answers.

Watching in horror and amazement at the decisions being rendered, the reasoning behind those decisions seemed more incomprehensible as additional information was revealed. Regardless of which side of the issue one stood, a common theme mustered; what would I want my family to know, or do, if I were in that situation?

Your personal challenge is to tackle the taboos in this case. Not just the obvious ethical decisions about end-of-life care that you must carefully spell out, but also the more practical economic imperatives to support them. While the subject may seem crass in light of the moral dilemmas surrounding such a case, it is essential for your loved ones' emotional, and possibly physical, well being. Consider the effects on both a micro and macro economic level: Who gets care and resources, and who will be paying the bills?

Considering an aging population, science that could prolong human life indefinitely, availability (or lack) of human and economic resources, the morality of economic issues extends beyond the fragile life of any one human being. How do you personally reconcile your faith or belief system with legal, moral and economic ramifications?

*Where there's a will, there's a way.*

Currently accepted legal documents for expressing your wishes are available today. The forms and wording of selections get updated as new cases help to further refine the questions that must be answered. Whatever your wishes, they should be respected if properly documented for the state of residence and communicated to those responsible.

Facing these issues calmly, before a crisis, is a whole lot easier than doing damage control after the fact. We are here to assist you in making it possible for your family to financially carry out your wishes. Getting the proper legal documents and representatives is the start. Assessing your needs and allocating

the resources is critical. Then, to spare your family from the potential media circus, make sure you also communicate effectively with those others who might also want a voice in your care.

Sandra Heusinkveld

- - -

## **Future Finances' Market Update**

By Max Larsen

-----  
Monday, April 4, 2005

It turned out to be yet another rough week for the market, as waning consumer confidence numbers and inflation worries, spurred by soaring oil prices, prevented the market from getting much traction. This caused two of the major averages to inch downwards while the S&P 500 managed a slight gain.

We are, in my humble opinion, in for some interesting times. There's an old Wall Street saying "Sell in May and go away". Well, it certainly appears as if May came early. This "saying" or proverb is actually based on statistical fact. I will spend a little more time on this theory in future *Updates* but I think a quick history lesson is warranted. Yale Hirsh, author of the *Stock Trader's Almanac*, discovered this in 1986. Yale demonstrated that investing in the Dow Jones industrial average between November 1st and April 30th each year and then switching into fixed income for the other six months has produced much better returns with reduced risk since 1950 than just "buying-and-holding". If you are a reader of the business sections this is the reason you may occasionally read about "seasonality" investing.

In fairness, some of the things pushing down the stocks could be temporary. The price of oil may begin to ease, as will the renewed accounting shenanigans news from companies like AIG. Right now most of the technical indicators point to a very oversold market and I fully expect to see a temporary lift.

This may all be true but we are in the first week of companies starting to report first-quarter earnings. After the fourth quarter's explosive growth of 20.4%, I don't believe investors will get overly excited by the expected estimates of 8.1% for the S&P 500 companies (*Wall Street Journal*). Historically speaking, such earnings growth isn't bad. Unfortunately, with the Federal Reserve expected to keep raising interest rates through much of the year, I envision some underlying queasiness.

Justin Lahart of the *Wall Street Journal* said it well: "Some investors worry it may be the start of a period similar to last summers 'soft patch.' Then, the economy faltered, the Fed kept lifting rates and stocks stumbled. Carmakers have cut

output, and this has signaled slower economic growth in years past. Rising interest rates and high gasoline prices could crimp spending."

Still, as I mentioned, I do anticipate a temporary lift in the stock market - hopefully in the next couple of weeks. Stay tuned - we'll see.

Enough from me today. I thought I would share a snippet of an interesting and funny (at least for the economists out there) newsletter I read over the weekend. Wolf Raymer, a London analyst, writes a weekly market review. He decided to offer some common sense interpretation of "Fed speak", i.e., what in the world are Alan Greenspan and company actually saying? The office text is in italics. I hope you find it amusing. Have a great week my friends.

*The Committee believes that, even after this action, the stance of monetary policy remains accommodative and, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity. (We hope that this will not derail the consumer debt dependent economic recovery.)*

*Output evidently continues to grow at a solid pace despite the rise in energy prices, (we don't see much slowing in the economy but worry about the rise in energy prices) and labor market conditions continue to improve gradually. (employment growth continues to be very sluggish). Though longer-term inflation expectations remain well contained, (we are worried about inflation expectations), pressures on inflation have picked up in recent months and pricing power is more evident. (we are seeing evidence of substantial price increases). The rise in energy prices, however, has not notably fed through to core consumer prices. (We are surprised that higher energy prices are being absorbed by producers).*

*The Committee perceives that, with appropriate monetary policy action, the upside and downside risks to the attainment of both sustainable growth and price stability should be kept roughly equal. (We know we have a tiger by the tail but think we can handle the situation). With underlying inflation expected to be contained, the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. (We hope that our policy of 25 basis point increases in rates will contain inflation without slowing the economy). Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability. (We reserve the right to increase rates by 50 basis points if needed.)*

*Thanks to friends like you who refer new business to us, our practice continues to grow.*

As always, your comments and reactions are welcome. Please feel free to share this newsletter with others you think may find it interesting or useful. We respect your privacy and

will not share your address with others. Click [here](#) to send a comment, to subscribe, or unsubscribe.

Sandra Heusinkveld, President  
Financial Planning Perspectives, LLC  
1333 Clubview Blvd. North  
Columbus, OH 43235  
614-785-0156 tele  
614-485-0176 fax  
[sandra@fpperspectives.com](mailto:sandra@fpperspectives.com)  
[www.fpperspectives.com](http://www.fpperspectives.com)

*Solutions for your approach to life.*

Securities offered through FSC SECURITIES CORPORATION, member NASD, SIPC and a broker/dealer member of American International Group, Inc. (AIG). Independent investment advisory services offered through Financial Planning Perspectives, a Registered Investment Advisor not affiliated with FSC or AIG.