

Perspectives - On Business

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Taking Care of Business

Today is the day that HIPPA becomes officially in force. Most of us appreciate the extra privacy that it provides, however, one of my clients has already had an occasion to find out how difficult it can make taking care of employees that need help. He also found out how difficult it can be to make business decisions in the absence of accurate information about worker welfare.

Hospitals had begun "practicing" The Health Care Information Privacy Protection Act in preparation for today's transition when a client's employee was recently in a devastating car accident while out of state on a trip.

She was unable to speak, and because he was not immediate family, the hospital would not release any information about her condition. Visitors were not allowed, because she was in the intensive care unit. Her family members were either also in ICU, or unable to communicate because of language, distance, or cultural barriers.

We each know that the role of business owners often extends beyond simply taking care of business, to helping employees with personal problems. It is frustrating to sit on the sidelines, uninformed, wanting to help, and wondering what needs to be done to take care of things back at the office.

It might be useful if a Limited Health Care Authorization were created for just such contingencies. I haven't yet heard of anyone in the HR or legal communities addressing this problem. Not being a lawyer, I wonder if there is a legitimate way to do it without violating HIPPA's principles. I speculate there is a way. What lies ahead may be not unlike what unfolded ten years ago with Living Wills and Health Care Powers of Attorney.

If you hear of anyone coming up with a creative and responsible solution, please send it to my attention, and I'll pass it along.

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Future Finances' Market Update

By Max Larsen

Monday, April 14, 2003

*As the income tax deadline approaches, did you ever notice: When you put the two words "The" and "IRS" together it spells **"THEIRS"**?*

Most of us have spent the past three weeks glued to our television sets watching the war unfurl in Iraq. Seeing the toppled statue of Saddam Hussein was very reminiscent of when the Berlin wall was torn down. Then it was a fight against a communistic tyranny - now a brutal dictatorial tyranny. What we are experiencing may well be part of the most important world changing junctures in history.

Let's put things in perspective. The destruction of the Berlin Wall was huge. John Templeton, the great market visionary, has often said that the fall of communism was "the third most important event in the history of civilization". I couldn't help but be reminded of that statement as I saw Hussein's head being dragged down the street with a little boy hitting the face with his shoes (a major insult in the Islamic world).

This regime change will reverberate around the world, especially in those countries surrounding Iraq in which Democracy has been held off in favor of fiefdoms. Countries where the citizens have been held hostage by leaders that keep giving them crumbs from the oil, while accumulating massive wealth for themselves.

Will Democracy be easy? No, you don't turn ice into boiling water in a flash, especially when you have such a huge cold spot. But 14 years later, look at Russia now and Russia then. Look at China now and China then. You can go back a little further, but even with South Korea then and now, India then and now. And even the U.S. and U.K. then and now.

How will the end of this war help our economy? First, the costly threat of terrorism has slightly diminished. The most effective aid to terrorism is their source of funds, and no one in the world has provided that threat like Saddam Hussein. Secondly, Iraq will once again be a major producer of oil and will give some relief to the struggling world economy. After all, a decrease in oil is just as good as a tax cut. Finally, it isn't the war any more. We can now concentrate on the economy again. *The Wall Street Journal* said it best: "Now they are being told to toss out their remote controls and start crunching numbers again."

Our economy is not out of the clouds yet. First quarter corporate earnings are going to be announced over the next two weeks. In order for the major indices to build on the war rally, the earnings will either have to be better than expected or companies will have to offer optimistic outlooks for the future. Neither of these is likely to happen on a large-scale basis. Short-term this may have a slightly negative impact on the stock markets.

So what is needed to jump start the economy? Bush's tax cut is essential. Additional money in our pockets will result in more purchases, more jobs and paying more taxes (which will ultimately decrease the deficit).

As I alluded to last week I am very encouraged in that companies need to make their capital expenditures prior to September 2004. Along the same lines the low inventory to sales ratio is potentially huge and may be yet another ray of

sunshine that may melt away the final remnants of snow and "duct tape" pessimism. Inventory is so lean that companies cannot take product off the shelf and deliver it in a timely manner. This is highly unusual, and reveals NO excess. In other words, inventory and production has not even been sufficient to keep up with today's very lackluster sales. Any pick up in consumer buying will be a strong catalyst to the economy.

I've rambled a lot, but hoping to throw a little long-term perspective to buoy your short-term doubts. Have a great week.

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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.

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