

Perspectives - On Business

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Ayurvedic Money Management

Several years ago, I was exposed to an ancient eastern system of health care based on Ayurvedic principles. The approach is different from what we know and are accustomed to in western culture. Our strategy is generally to identify the condition or illness, and then directly attack whatever disease affects the individual. The process starts with the question, "What disease affects this person?"

Ayurvedic principles reverse that process, first asking the question, "What individual has this disease?" According to their system, the key to health is to prevent and treat the imbalances in the person, not the disease. Their analysis of the individual revolves around three aspects of physicality, temperament, and balance. Each of the "body types" has multiple characteristics that can be observed to be "in balance" or not, providing a clue to where the problem lies and how health can be restored.

I think they might have something that could be applied to personal financial health -- just glance at the newspapers and you will see them brimming with articles on the best tactic to combat the latest financial woe. To make matters worse, two articles in the same section often contradict one another, as do two "experts" being interviewed on the popular electronic media.

Whose attack on the problem du jour do you assume? Take the issue of care of our elderly: One article says, "Buy Long Term Care Insurance... The sooner the better!" The next one says "Forget it, you are too young." Little attention is given in these articles as to whom they are being directed toward; the advice is blanket - spread out as if it covers everyone.

The public good would be served from a more Ayurvedic approach in our financial press, although it would not sell many papers. The press thrives on controversy and quickness. (As do a lot of salespeople.) A thorough analysis of another individual's risks, resources and temperament would bore the American public to tears. We want quick, impersonal answers. So, that is what we get: Take it or leave it.

You can go one better, by figuring out which set of advice is the right one for you, if you are willing to educate yourself. Take the time for a proper analysis. The process starts with self-awareness and self-disclosure. A good financial planner

can guide you, and will be far more efficient and less frustrating than spending hours watching the financial news network. Employ an Ayurvedic approach - one that considers who you are, first and foremost - coupled with objectivity, thoroughness and depth of practical knowledge.

Farewell for now, from Sandra Heusinkveld.

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Future Finances' Market Update

By Max Larsen

Monday, August 4, 2003

The three major stock indexes (Dow, NASDAQ and S&P 500) all closed the week slightly down. Fortunately, it was not enough to forestall the headline in The Wall Street Journal: "On a Roll: Stocks Post Fifth Straight Monthly Gain". That's right, celebrating the latest evidence of an economic recovery; the Dow had its best streak since 1999.

Even more exciting last week was the news that 2nd quarter GDP (Gross Domestic Product) increased a much higher than expected 2.4%. This indicated business spending is back and inventories are likely too low. This is good news since it implies manufacturing activity will have to increase to get inventory levels back in line. If businesses continue to spend, manufacturers will have to substantially increase production. This is precisely why several economists are likely on the verge of increasing their second-half GDP forecasts. Even better, if production ramps-up considerably, it is doubtful manufacturers will be able to avoid hiring more workers for much longer. Any up tick in manufacturing jobs would be a welcomed sight, since that is where most of the job losses have occurred.

So, with all this good news why did the stock markets go down last week? Near term, it appears the stock market is running out of steam. The reasons are:

- Earnings season is winding down;
- Most of the marquee economic reports have been released;
- The 10-year Treasury note's yield has moved roughly 1.3 percentage points higher off its low;
- We're in the middle of summer, when trading volume is usually low
- The 2nd quarter run-up in stocks

In my humble opinion, it may well take a few months for all of this news to be digested. However, Q2 earnings results have been outstanding, the economic

data are mostly moving in the right direction, the 10-year yield is still very low by historical standards, the Dow hit a fresh 52-week high (intra-day) on Thursday, business spending is back and inventories appear to be too low! So barring any unforeseeable events, I'm looking for late September to October for the market to start its upward progression. I'll be back next Monday to pour more insight at you.

Have a great week my friends.

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.

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