

Perspectives - On Business

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Leaving a Legacy on Less than Legendary Means.

Take a moment to dream a little. What could you do for the world if you only had the means?

Do you dream about doing something for your community, or for the world, that is currently beyond your means? Do you wonder what you would do with the money if you won the lottery?

If you were to suddenly die, what would make you feel really good, knowing you had done for the world, or left behind for future generations?

You don't need to be a multimillionaire, millionaire, or Lotto winner. You can make a difference as an ordinary citizen. For that matter, you don't even need to be a citizen.

All you need is a little time and an idea. Okay, being solvent and having a good financial advisor helps. The point is that average people can make a difference with the assets they already possess.

Local charities have recently been suggesting that you can give your used cars to charity for an income tax deduction. That is certainly one way of supporting an existing cause, going a step beyond the used clothes and household items donated to the Kidney Foundation, AmVets, Goodwill, and Homeless Families Foundation, or MAP.

Life insurance policies offer the ability to create substantial legacies from modest monthly gifts. The thing that makes life insurance so spectacular in the gift-giving arena is its ability to multiply your gift.

- A man, age 60, who could afford \$20 or \$30 per month thought the most he could do was give a few books at a time to homeless children. By using life insurance, he was able to give a book a month PLUS provide \$25,000 to help equip a children's center library.
- An empty nest couple, who no longer needed their life insurance for survivor income, were able to provide care of the pipe organ for their congregation in perpetuity.
- A business owner who needed a policy to guarantee a bank loan made the Girl Scouts the beneficiary of the policy. When she died unexpectedly, her loan was paid off and the surplus death benefit built a new lodge at the district camp.

- A single professional purchased life insurance to help his niece and nephew with their college expenses. When they didn't need the money, he was able to take a loan against the policy to help his fraternity make the down payment on a new house. The death benefit remains available for other purposes, and the professional is considering giving the policy to an environmental group.

One inspiring charitable gift has been used by many Americans this week; www.FactCheck.org. It is the bipartisan research effort housed at the University of Pennsylvania supported by the Annenberg Foundation that Vice President Dick Cheney mentioned in his debate against John Edwards last week. No doubt it was inspired by someone's frustration with the status quo.

Would you like to be very specific with your donations? A Donor-Directed fund at the local community foundation can specify your gift be used for a particular purpose. Would you like to encourage others to donate to your cause? A Charitable Lead trust might do the trick. Would you like your gift to live on in perpetuity? An endowment might be the answer.

What cause or purpose are you passionate about? What resources do you have that are under-utilized?

Sandra@fpperspectives.com

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Future Finances' Market Update

By Max Larsen

Monday, October 11, 2004

Three Times the Charm and My Election Observations

I recently had a client call who was getting very frustrated with the stock market and wondered if he shouldn't pull out until after the election. I told him he was suffering from the "three times the charm" syndrome. Let me explain. First the character of emotions never changes. The age-old adage of "three times the charm" has its basis in psychology, and is obvious in many aspects of life. It separates the truly successful from the also-rans as history proves people can't stand the heat.

If something positive happens three times most people think it will always be positive, but on the other side, if something negative, or if they don't get immediate success after trying two times and failing, ALMOST everybody will not try the third time. As Philip Demuth, the noted investment psychologist, said, "...very few people can resist failing three times. If something has beaten them up one time, most people can get up from the beating and get on with their lives

without permanent damage to their ego. But if that same bully beats them or ridicules them a second time, less than 50% can recover in the immediate future. But there is less than 1 of every 8 people that can survive three beatings without a long-term effect that makes them believe every shadow, every gust of wind, every creak, is that big bad Bully coming back again. So they remain hunkered down - afraid to get up and walk and run and play with the big boys again."

Why am I using this analogy? Whether you know it or not we've already gone through the magic "three". We have had three mini sell-offs in 2004 (March, June and September). Everyone is feeling beaten down for the third time. Fortunately, good old Max is here to lift you off the ground since I'm still a big believer that the stock market will have a strong 4th quarter.

My Election Observations

Many of you have asked me to share my feelings on the upcoming elections and the recent debates. Most of you already know that I'm very much a fiscal conservative but I do have some social liberal tendencies (much like the libertarians). Still, is it my imagination or does this election beg the question of which experienced candidate will snatch defeat from the jaws of victory. Anyway, for chuckles, here are my observations on the debates.

Round 1 (Bush v. Kerry): I thought Bush lost on style, looked agitated, missed open goals and was repetitious. I know this to be true since I was yelling at the television to "Say this, say this..." I think Tucker Carlson, co-host of CNN's Crossfire, best expressed it: "No matter how you feel about Bush, watching him speak is difficult. It's like watching a drunken man crossing an icy street."

Round 2 (Cheney v. Edwards): I must admit to enjoying this debate much more than Bush/Kerry. At least there were a few sparks. Both were obviously well spoken but I thought Cheney won convincingly. Edwards has a slick delivery but often out of his depth. Sure, Cheney looks like a grumpy old man, but as someone who's leaning that way himself, that's not necessarily unappealing in a national leader. I prefer gravitas to sentimentality any time.

Round 3 (Bush v. Kerry): Who cares! The first round was so boring I expect most people to be watching the baseball playoffs. Also, as Andy Rooney recently said, "If you haven't already made up your mind by doing your homework - you don't deserve to vote!"

It'll thankfully be over in a few short weeks - I for one can't wait. Have a wonderful 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.

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
www.fpperspectives.com

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