

BEALL

Financial Planning • Wealth Management

Spring 2009

Important Dates!

- Birthdays: May 14th-Betty, May 30-Jim, June 21-Holst, Jr.
- Office Closures: May 25th-Memorial Day & July 3rd.
- Colleen & Scott's Anniversary is May 18th!
- June 29th-July 3rd Jim will be on vacation at the beach.

Friday the 13th



Liam and Taylor Giffin
Relaxing at home.

We are happy to say that Friday the 13th of February 2009 was a lucky day for the Giffin household. Scott and I welcomed our second son, Taylor Anthony Giffin, also known as TAG. He weighed 7 lbs 10 oz. TAG is now over 11 lbs. at six weeks old. Liam is very happy to be a big brother. Liam enjoys helping change TAG's diapers and to carry his bottles when he can. Both boys are doing well and we are getting used to no sleep once again.



Colleen & TAG working hard at the office

Visit us on our website



Inside this Issue:

Friday the 13th	1
Price Deflation	1
Two Years Ago...	2
The Digital Lifestyle	2
Economic Outlook	2
Special Report	3-4

Price Deflation

Overcapacity: excess capacity for production or service in relation to the level of demand. The world economy has an excess of most goods and services due to our Global Recession. Until demand increases or capacity for production decreases prices for goods and services will continue to fall. You are not seeing signifi-

cant declines in the price of food because there has not been a significant decline in the demand for food. You are also not seeing it in gasoline costs because OPEC and the oil industry have been cutting production in order to keep the price up and provide the revenue necessary to keep the OPEC countries running.

You are seeing deflation in apparel where prices were cut for spring merchandise before it even hit the shelves. You are seeing it in automobiles where annualized demand is down to 1982 levels! If you have the cash flow, now is a great time to be buying, there are bargains to be had for the savvy shopper.



Josh finds his ball is covered in snow! He and his sisters had a great time on his first snow day.

You can now find Beall Financial Planning on Facebook! Just search for Beall Financial on Facebook and you should see our logo. Then become a fan!

Two Years Ago...

In our economic outlook we said that

“71% of Americans believed we would have a recession within 1 year”.

It started 8 months later. The DOW stood at 12,354 on its way to 14,000+.

We did not guess that the DOW would decline over 50% or that gas would cost

over \$4.00 a gallon. We are not in the guessing business.

We are in the planning business. We ask “what if?”.

“What if” lead us to get out of real estate investments and reduce our client’s stock market exposure before the markets imploded. We

learned many lessons last year that we incorporate into our “What if?” analysis. Now

our focus is on the recovery portion of the cycle. Stock markets are forward looking in that they will recover before the economy does. The assumptions for the future that the prices are based upon can change in an instant as the future can be a bit unpredictable. ***Call us, we can update your plans for the future.***

The Digital Lifestyle

Almost everyone who surfs the web has at least one. You have one for your email. I am talking about your passwords. Your usernames and your passwords are the key to your digital life. The question you should ask is what happens to your digital life, whether

it is the webpage you run to your online photo collections, when you die?

Do you keep your records encrypted? Who has the key? Some websites and their URLs have value. This is an asset and should be treated as such including the proper

protections of the rights of the owner and distribution upon death.

From a password book to online services there are many solutions to this issue. ***Email or call us and we can help you find the solution that fits your digital life.***

Economic Outlook

If what we are in is the Global Recession then what will follow will most likely be called the Slow Recovery.

The Global Recession could end this quarter or more likely in the second half of the year. We could have economic growth. It would

most likely be so small you wouldn’t notice it. A good economic report here and there will boost the stock market as the winners and losers of the economic cycle are determined, but there will be frequent sharp pullbacks. Keep in mind that

fiscally and psychologically the consumer is tapped out. Until the consumer is healed and ready to buy the big ticket items, the economy will chug along in fits and starts on the road to recovery. On average, Household net worth rap-

idly fell about 20% and household debt topped out at 130% of income. It will take years for most households to recover much less get ahead. Will they spend like they did before? We doubt it.