

BEALL

Financial Planning • Wealth Management

Summer 2010

Important Dates!

Anniversaries:

August 10th: Holst & Vida.

August 18th: Jim & Ann.

September 9th: Betty & Don

Birthdays:

August 31st - Joshua will be 3.

September 13th - Liam will be 3.

Office News

It is official! Colleen M. Giffin, CFP® Vice President

Colleen is now officially a Certified Financial Planner (CFP)® professional. We are excited about her accomplishment. She is happy to have completed the testing and waiting. Colleen is currently working on transitioning from a student affiliate of the National Association of Personal Financial Advisors (NAPFA) to a full member.



On the left Jim and his family at the Outer Banks, NC & on the right Colleen and her boys at Mexico Beach, FL.

Vacations and Conferences

Colleen will be attending the NAPFA Core Competency Conference in Atlanta July 29-30. This conference focuses on current financial planning issues.

Holst will be out of the office for a much deserved vacation from August 23rd through September 10th. He will be travelling along the west coast of the USA.

Jim will be attending the NAPFA Practice Management & Investments in San Diego, CA on Sept. 22-24. This conference focuses on investing and managing a business.

More Regulatory Goodness.

As I write this, so called Financial Reform is set to pass the Senate and be signed into law by the President. I use the words "so called" because the legislation fails to

address most of the underlying issues that caused the most recent credit crisis. Needless to say our regulatory burden will be increasing. One new burden will be

that we have to hire a CPA to conduct a surprise audit. While there are no changes to our ADV or ADV part II at this time there may be in the future. We will keep you informed as events warrant.

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You can also find us on [Facebook](https://www.facebook.com). Just search for *Beall Financial Planning* and become a fan!



Joyce Evelyn & Mary Lin Beall spending time with their cousin Emily Ciavolino, on our beach vacation.

Inflation or Deflation?

The answer is Yes! We will continue to see both. There is inflation in health care costs and in higher education expenses. There is deflation in rental prices and in some groceries. Deflation is occurring in real estate and the 30 year mortgage rate which just hit a new record low of 4.57% . The last two are a great boon to those needing to buy a home and should reduce the amount of inventory in the real estate market allowing prices to stabilize. Cash is still king in this environment as is the absence of debt. If you have a mortgage

where the interest rate is higher than 5.5% and you have decent credit scores now many be an excellent time to consider refinancing to improve your cash flow. However, if we have an economic slowdown later this year interest rates could go even lower. Demand is weak across every sector of the economy. The capacity to supply everything we currently need exceeds consumer demand. This is a deflationary environment. Which means bond & CD yields can go lower. Just look at Japan and their lost decades.

Carpe Diem.

The family and I recently took a family vacation to the beach. I spent a full week not worrying about anything except how not to get sunburns. I had the ability to work from the beach as we had access to the internet and a phone so I was available if needed. I chose to relax and reflect. I focused

on my family and Ann's as they were all there too. We had a great time and I came back feeling renewed and optimistic. I am a bit of a realist also; so I know the economy is not in the best shape, I need to lose about 30 lbs and that potty training a 2 year old is never easy. Upon further reflection televi-

sion news is apparently designed to depress you and most financial news channels are run by brokers to separate you from your money. I also know that whatever the future holds; we as individuals can always have a better tomorrow. I look forward to enjoying the future with you.

Investment Outlook: Return of Capital & Return on Capital

Currently we are focused on the ability of your investment to have a Return of your Capital. A Return on your Capital will be a bonus. While this may sound especially pessimistic, the reality of the current markets is that there is no real driver of economic growth. The government stimulus is being wound down, the consumer is not increasing consumption. Business is still focused on cutting costs and maintaining sales.

Small businesses are scared of regulatory change, weak demand. Businesses along the gulf coast they are mostly focused on survival. Many economic indicators began showing strong positive signs during Feb.-May. Then they reversed and started showing strong negative signals in late May and June. While I am not a fan of forecasting, I do notice trends. The trends I see are that a lot of companies will

report good to great 2nd quarter earnings. Companies current outlook for the second half of the year is for the very real possibility of an economic slowdown or pause with weak growth or a relapse back into recession (the double dip) There is a lot of risk in stocks and real estate right now. Bonds are doing well this year and should continue to do well through the end of the year.