

# BEALL

Financial Planning • Wealth Management

## Winter 2008

### Important Dates!

- April 15th taxes are due!
- Roth IRA, Education Savings Account & IRA contributions for tax year 2007 must be made before April 15th.
- We should have your end of the year tax reports ready within a week of getting your 1099s.

### The Office Family is growing up!



Joyce Evelyn (almost 6) feeding Joshua (4 months) his first bites of rice cereal while Mary Lin (4 years!) films.



Liam is 4 months old!  
And we are putting him to work already!

### What to do now.

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With the economy in a recession or severe slow down, our biggest recommendation is to spend wisely. If you were planning to get a new car, hold off for a couple of months. All of the auto companies are expecting the worst year in sales in a decade. You will get better offers later in the year than earlier as they try

to sell inventory build up. The same is true for almost any manufactured good. Aside from the essentials like food think about the long term in regards to your purchases. A recession will generally only last 6 to 18 months but the affects can last a couple of years longer. Warren Buffett uses this philosophy to save his

money when things are going well to spend it buying good companies that are suffering during downturns in the market. By saving your cash now or increasing it by eliminating debt payments now you will have the opportunity to buy the things you really want later at a more advantageous price to you.



Joshua William Beall enjoying his morning ride in the bouncy seat.

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## What can I do?

My father would say stop spending money except on what is necessary. I agree in principal. I would also evolve it to say that if you are going to spend money (and we all are) then **spend it wisely**.

If you are going out to eat, eat at a local non-franchise restaurant. Their profits stay local to you and are

invested locally. This helps your local economy more than sending your money off to the big corporation. When the national and state level economies begin to pick up steam your local economy will be stronger because the small businesses survived the recession. In a typical recession one of the hardest hit

groups are the small businesses. McDonalds will survive a recession, Joshua's cup may not. (For those not in Macon - Joshua's Cup is a local Coffee House & Café.)

So if you can get the same item from a chain or from a local store spend a little time at the local store you will probably receive better customer service too.

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## Exercise your Brain

*“our biggest recommendation is to spend wisely”*

Just like your muscles your brain needs exercise too. The good news is that all of the latest brain studies show that you can not only grow new brain cells; you can strengthen the ones you already have.

There is a small but grow-

ing market for computer programs and video games that help strengthen the brain. Surgeons who play video games perform more successful surgeries than their peers who do not play video games. One of the easiest ways to exercise your brain is

to take on new challenges, from learning to use the computer and internet to playing Sudoku. Holst now has a computer on his desk so he can exercise his brain. One great resource for the latest news on your brain is: [www.sharpbrains.com](http://www.sharpbrains.com)

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## Economic Outlook

The economy continued its slowdown through the final months of 2007. The stock market has headed almost straight down in the first two weeks of 2008. Analysts have switched from talking about whether there will be a recession to how long the “economic slowdown” will

last to how hard it will be. You can expect the following things for 2008: The Real Estate market will continue to slow down with prices falling most where inventory of unsold homes is highest, the commercial real estate sector will be the next domino to fall and we are already seeing

this happen in Las Vegas, California, New York and elsewhere. Credit Card defaults are rising and the consumer is being pinched by high energy & fuel prices. Retail sales will continue to slow and small businesses will start to feel the pinch. China will try to hold off on

anything bad being reported until after the Olympics. They are already implementing price controls on food. Europe will have less inflation than the US but their growth will also slow.