

# BEALL

Financial Planning • Wealth Management

Winter 2010

## Important Dates!

- February 13th is Taylor Giffin's 1st Birthday
- February 14th is Saint Valentines Day.
- March 17th is Saint Patrick's Day.
- April 4th is Easter
- April 15th is Tax Day.
- April 15th is the Deadline to fund your IRAs for 2009 if you are eligible.



## Office News

She did it! Colleen Giffin passed her test for the Certified Financial Planner designation. We are all very proud of her and her achievement. Along with the CFP designation she has been promoted to Vice President. As soon as the paperwork is complete Colleen also plans to become a full member of NAPFA (National Association of Personal Financial Advisors). She is currently a student member of NAPFA.

If you know of anyone who may be in need of our services and you would like us to call them or if you would like to introduce us to them, please let us know.

Visit us on our website



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You can also find us on [Facebook](#). Just search for *Beall Financial Planning* and become a fan!

## Tax Issues for 2010

If you are 70 1/2 or older you have to take Required Minimum Distributions again this year.

There is currently no Fed-

eral Estate Tax this year.

There will be on in 2011.

Congress may try to implement a retroactive Estate

Tax but the legality of this is open to debate.

Expect taxes and fees to go up this year as Governments try to reduce their deficits and fund their pensions.

## Regulatory Issues

As per the rules and regulations of our industry we are including our privacy statement for you. It has not

changed from last year. We are also reminding you that we will provide upon request a copy of our Form

ADV part II. There is no fee for this and is about as exciting as reading IRS regulations.



Mary Lin turned 6 and had a cheerleading party with her friends. Two of the girls at the bottom of the Pyramid are actual GA Tech Cheerleaders.

***“The thing we fear is uncertainty.”***  
**Mong Koo Chung**  
**Chairman of Hyundai**

## Inflation Outlook

For those of you who receive Cost of Living Adjustments (COLA) do not expect to see much in the way of an adjustment for the year 2010. That is not to say that you and I will not see inflation this year.

It will most likely appear in the two economic sectors that are not included in the Core CPI: food and energy. They are considered volatile and not a good measure of inflation. There has been evidence of food price increases across a broad spectrum of food groups recently. The deflation in food prices at the grocery store in 2009 is coming to an end. Another place you may have seen rising prices lately is at the gas pump this is due to a number of factors including: inventory declines, global demand, an increase in the price of a barrel of oil due in part to a decline in the value of the dollar. While the dollar has gained strength recently and therefore you may have seen a slight decline at the pump the past week or two the trend is toward

higher prices. We expect the dollar to rally for a bit more this year but if Ben Bernanke is not reconfirmed as Chairman of the Federal Reserve then that uncertainty will roil the markets and the dollar which will result in many price swings at the pump. A continued lack of fiscal discipline by Congress can also contribute to a weaker dollar. So expect rising prices at the pump and at the grocery store. .

However, looking far into the future, we do not see how the Federal Reserve and the rest of the world’s central banks will be able to reverse all of the massive amount of stimulus pumped into the world economy without a period of potentially very high inflation occurring. There have been two multi-year periods in the past 100 years when the cost of living more than doubled. Consider though that it is in the Governments economic self interest to have rising inflation to help pay off its debt with dollars that have been cheapened by inflation.

## Economic Outlook

In the most recent issue of Fortune, the Chairman of Hyundai was quoted as saying *“The thing we fear is uncertainty. There are many announcements about demand shrinking, and all the numbers are different.”* It is this uncertainty that has us on edge; call it the new normal.

The USA has had what they are calling a Lost Decade regarding both jobs

and the stock market. The problem is Japan has had two lost decades in the stock market and our leaders seem to have adopted their model for leading us out of this recession. It does not inspire much confidence in our leadership team but it is an election year so expect everything out of Washington to be about jobs, jobs, jobs.

Two main hindrances to the economy

will be that a lot of the stimulus programs start to end and the markets will have to adjust to this fact and the 50 States will not be contributing much economically as many of them are insolvent and are cutting expenditures and raising taxes and fees. While there is a potential for a large decline our outlook is expect the markets to pullback some with periods of growth going forward.