

Cost of Raising a Rugrat?

As the Thanksgiving holiday sets in I thank my lucky stars for the blessings I've been given. My family is healthy, everything else is gravy. I feel for those who have lost their health or a loved one. There are two people in our family of clients that are undergoing surgery for Cancer - my wishes and prayers are with you both.

I often refer to my beautiful daughters - Hannah & Samantha (Sammy) as Rugrats, Curtain Climbers, Tricycle Motors. Whatever you call them, they're precious. The reality of what it costs to get children from Diapers to Dorms is unbelievable. The government has done a calculation for us to figure out that very issue, not including college. If you're not sitting down, please do, this is sticker shock. A number for the average American family is \$160,140.00 to get a child to age 18 not including higher education. Let's break that down into smaller, more frequent and manageable numbers: \$8,896.00 each year, \$741.38 each month, \$171.08 each week and \$24.24 each day. Just over a dollar an hour.

continued on page 2, Curtain Climbers

Responsible Holiday Shopping

As the holiday season approaches, we're going to be hitting the malls, internet and other shopping venues hard in preparation for year end holidays. As you go through this time, please keep a few things on your mind to help make your new years resolution easier - getting your financial house in order. Fiscal stewardship is always one of the top two resolutions along with losing weight. It is a very difficult time of year to commit to getting your financial house in order since most folks charge much more during December than any other month.

To make it easier on yourself and your loved ones consider setting a budget - either per person or an overall total that you can afford and work it into your annual budget. When doing your annual budget work this number into an average monthly number and save it so you're not scrambling in January wondering who to pay and who to make wait. If you're asking yourself what a budget is it's time to call in for an appointment. I see December decision making hurting people in all socio-economic situations. Spending \$5,000 for the holidays will hurt the average family and spending \$50,000 will hurt the successful executive or business owner - the issues are relative. When you go shopping to help stick to your guns (the little voice on your left shoulder reminding you

INSIDE THIS ISSUE

- 2 Tax Planning For 2005
- 3 Noteworthy News, CPI Mythbusted
- 4 Interesting Statistics, Bankruptcy in America
- 5 Inspirational quotes, Cell Phone Protection

You might think the best financial advice says don't have children if you want to be "rich." It is just the opposite. What do you get for your \$160,140? Naming rights - First, middle, and last - be smart here, children in school are ruthless if the name is tough. You get Giggles under the covers every night, more love than your heart can hold, butterfly kisses and velcro hugs, endless wonder over rocks, ants, clouds, and warm cookies. You also get a hand to hold, usually covered with jam, a partner for blowing bubbles, flying kites, building sand castles, and skipping down the sidewalk in the pouring rain. Someone to laugh yourself silly with, no matter what the boss said or how your stocks performed that day. For \$160,140, you never have to grow up. You get to finger-paint, carve pumpkins, play hide-and-seek, catch lightning bugs, and never stop believing and being Santa Claus. You have an excuse to keep reading the Adventures of Piglet and Pooh, watching Saturday morning cartoons, going to Disneyland, and wishing on stars. You get to frame rainbows, hearts, and flowers under refrigerator magnets and collect spray painted noodle wreaths for Christmas, hand prints set in clay for Mother's Day, and cards with backward letters for Father's Day. For \$160,140, there is no greater bang for your buck. You get to be a hero just for retrieving a Frisbee off the garage roof, taking the training wheels off the bike, removing a splinter, filling a wading pool, coaxing a wad of gum out of bangs, and coaching a baseball team that never wins but always gets treated to ice cream regardless. You get a front row seat to history to witness the first step, first word, first bra, first date, and first time behind the wheel. You get to be immortal. You get another branch added to your family tree, and if you're lucky, a long list of limbs in your obituary called grandchildren - rugrats, curtain climbers and tricycle motors will appear in mine. You get an education in psychology, nursing, criminal justice, communications, and human sexuality that no college can match. You have all the power to heal a booboo, scare away the monsters under

the bed, patch a broken heart, police a slumber party, scare boyfriends to death, ground them forever, and love them without limits, so one day they will, like you, love without counting the cost. ENJOY YOUR CHILDREN AND GRANDCHILDREN!!!!!! Be sure those precious little wonders are well protected should something horrible happen to you. Partially Via Email



Tax Planning For 2005

Important things that will change with the calendar:

- Income tax brackets remain the same, 10, 15, 25, 28, 33 & 35 %, when they are triggered changes based on your filing status.
- FICA Taxes - Social Security 6.2% up to \$90,000, Medicare 1.45% no income cap. This is ½ - if you're self employed double those numbers.
- Phaseout of exemptions:

	Phaseout begins	No Exemptions
Married Joint	\$218,950	\$341,450
Head of House	\$182,450	\$304,950
Single	\$145,950	\$268,450
Married Separate	\$109,475	\$170,725
- Retirement Plan Contributions: Catch Up
 - IRA - \$4,000 + \$ 500
 - 401(k) \$14,000 + \$4,000
 - 403(b) \$14,000 + \$4,000
 - SIMPLE \$10,000 + \$2,000

More in depth information will come in next months "Pension Issue."

- Section 179 deduction for business owners is indexed for inflation - \$105,000
- Automobile mileage rate for driving for business purposes - 40.5¢ per mile.



Noteworthy News !!!



Our deepest condolences to the Esherick Family on the passing of Rick's mother.

Our deepest condolences to Betty Reed & Family on the passing of Stuart.

Our deepest condolences to Steven Gwilt & family on the passing of wife and mother Candace.

Our prayers are with the two people in our family who have been through surgery for cancer this month - keep the faith.

Making More Horsepower

My admission of a serious vice - fast cars. Luckily I am too financially oriented and haven't given in to my urge and keep my dreams living in pictures for now. Perhaps one day when I'm gray (more likely bald based on current patterns) and the girls are out of college and married I can consider such a toy - or garage full of depreciating toys 😊. Today's cars are technological tour de forces - combining the ability to go fast with the comforts of a limousine. In the old days of "muscle" cars if a car had 400 horsepower it was considered a big motor capable of traveling very fast - basically only in a straight line. Today's cars can do that with four cylinders six, eight, ten, twelve, and even sixteen. Today's cars not only travel fast in straight lines but can corner well to - really well. Here is the list of production cars that come off the assembly line with at least 500 horsepower - and for those of you who are asking what on earth does anyone need that much power for - you can never have too much power - please show me the way to the autobahn.

◦ BMW M5 ◦ Bentley Continental GT ◦ Dodge Viper & Ram SRT 10 (a pickup truck!) ◦ Ferrari Maranello & Scaglietti & Enzo ◦ Ford GT ◦ Lamborghini Murcielago ◦ Maybach 57 & 62 ◦ Mercedes Benz CL65 AMG & SL65 AMG & SLR McLaren ◦ Porsche Carrera GT ◦ Saleen S7

of your budget - what you can and cannot afford) consider not using credit cards - bring cash. You can even use the envelope system that has worked for generations. It's easier to spend on plastic than to give up the hard earned greenbacks. Once you're in the store or the mall emotion takes over (the little voice on your right shoulder saying life is short, go for it, let's make him/her happy, worry about it later) and you're likely to lose the battle - one you were ill prepared for. You're in the store, the holiday music is being played, you can smell the holiday goodies, there are people bustling, happiness galore - shopping will of course make you happier - you've just been through a battle where you had a squirt gun and the enemy had a fleet of F-40^s - you lose, you never had a chance. This information will help arm you so that it'll at least be a fair fight when you get there. When we get our kids a big present, they spend more time playing with the box - go figure.



CPI Stands for?

The government wants you to believe the acronym stands for the "Consumer Price Index." I have a problem with that. Lately the CPI has been really low - hovering around 2% for the past few years. This tool supposedly measures the increases in prices for the consumer - but leaves out a few important things, namely food and energy. I don't know about you but my energy prices have almost doubled in the past few years. Food is up a lot more than 2%. It's time to be real and include what we pay for each and every day. The reason that energy and food aren't in the index is that they are too volatile. I think it's important to have a true measure of the annual increases in the cost of living - not a hypothetical one where we don't need food or energy.



Money Quiz

We had lots of hard work last month, but no correct answers. The actual percentage of wealth controlled by the top 1% of the U.S. Population is 37%.

This month's challenge is to tell me what the annual American's household income was in 2002 & 2003 and the increase/decrease, both in 2003 dollars. Email, fax, call or mail your answers to the office. The first correct answer will win a free dinner or a free massage, your choice.



Interesting Statistics

- Average life expectancy of the enemy in a Chuck Norris Film - 4 seconds
- Number of men who have written letters proposing marriage to Vanna White - 3,506 (nothing to do and all day to do it)
- Age most people stop believing in Santa - 8
- Age most people stop believing in politicians - 7
- Number of chemicals in the universe - 104
- Number in New Jersey Tap Water - 98
- Average pay of pro wrestler \$47,500
- If pro wrestling didn't exist - \$4.25/hour
- Number of things that annoy Andy Rooney - 2,000,000. -adapted From The Internet

Bankruptcy in America

It's an evil word, sending the hairs on the backs and necks of many people to attention. This thing does happen when bad circumstances set in or we act irresponsibly. Is it an evenly spread disease across our nation? Not at all, here are the 10 best and the 10 worst states to live in for all of the might be or just did filers our there:

Rank	State	#/100000 residents
• 50	Missouri	699
• 49	Indiana	691
• 48	Nevada	665
• 47	Utah	616
• 46	Oklahoma	606
• 45	Oregon	578
• 44	Idaho	558
• 43	Kentucky	554
• 42	Ohio	538
• 41	West Virginia	531
• 1	South Carolina	164
• 2	Texas	188
• 3	Alaska	194
• 4	North Carolina	205
• 5	Massachusetts	225
• 6	Delaware	242
• 7	Vermont	249
• 8	New Hampshire	271
• 9	Connecticut	280
• 10	New York	289

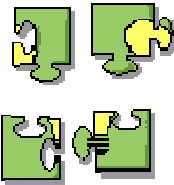
Look at that, here in CT we're # 9 on the list!

Keep up the good work - spread the word.

Protecting Your Cell Phone!

Inspirational Quotes

- Get all the advice and instruction you can, and be wise for the rest of your life, Solomon
- I like to listen, I have learned a great deal from listening carefully. Most people never listen, Ernest Hemingway
- The problem with communication is the illusion that it has occurred, George Bernard Shaw
- An optimist is a person who starts a new diet on Thanksgiving Day, Irv Kupcinet
- Thanksgiving dinners take eighteen hours to prepare. They are consumed in twelve minutes. Halftimes take twelve minutes. This is not coincidence, Erma Bombeck



There are a few things you need to be aware of when it comes to cell phones. The most important thing is that the darn things can explode, that's right, explode. If you are using aftermarket batteries or cheap chargers. Non name brand products have actually exploded in the hands of our children - over 80 reported to date. I suggest staying away from the "no-name" equipment, often sold for an ultra low price. I know it's painful to pay \$30.00 for a \$1.00 item but think of the safety of yourself and your loved ones when making this decision.

The next thing to protect here is your phone number. Soon a cell phone number service will be available and you can be sure your name won't be on that list by going to the following website:

<https://www.donotcall.gov/register/Reg.aspx>

Or calling the following phone number:

1-888-382-1222

If anyone you care about would benefit from receiving this newsletter, tell us who they are and they will be included on our mailing list. I'm sure they'll appreciate you thinking about them and having their best interests at heart.

Name _____

Address _____

City _____ State _____ Zip Code _____

Name _____

Address _____

City _____ State _____ Zip Code _____

Michael E. Chadwick, CLU, ChFC, CFP®

Co – Host of “You’re Money Advocates”

A Live Financial Radio Call In Talk Show

Tuesday Evenings 6:00 – 7:00 pm - AM 1320 WATR (203) 757 1320

Sarah Morton

Executive Assistant

sarah@fiscalwisdom.com

Please think of us whenever you or someone you care for needs the following:

- Stock option analysis, diversification
- Pensions - qualified and non qualified
- Family Protection Strategies
- Life Insurance
- Investments & Investment Advice
- Business Protection & Succession
- Retirement Plans
- College Funding
- Tax Savings Strategies
- College Financial Aid Strategies
- Required Minimum Distributions
- Debt & Cash Flow Management
- Employment contract negotiations
- Settlement option analysis
- Financial Advice - hourly or annual retainer
- Fee based investment management
- In depth portfolio analysis
- Estate & Income Tax Planning
- Distribution of Assets – IRA, 401(k), etc.
- Retirement Income–Guaranteed or variable
- Disability Income Insurance
- Widow/Widower Assistance
- Nursing Home Asset Protection Strategies
- Long Term Care Insurance & Issues
- Key employee retention strategies
- 401(k) & Retirement Plan Rollovers
- Philanthropic gifting & charitable planning
- Trust, inheritance and foundation planning

Mike Chadwick’s Money Matters

**199 Main Street
Torrington, CT
06790**

**15 New Britain Avenue
Unionville, CT
06085**